

SUBSTITUTE FOR
HOUSE BILL NO. 5789

(As amended May 24, 2006)

[A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 6, 11, 11a, 11f, 11g, 11j, 11k, 14, 15,
17a, 17b, 18, 20, 20j, 22a, 22b, 22d, 24, 25a, 26a, 26b, 31a, 31d,
31f, 32c, 32d, 32j, 32k, 32l, 34, 37, 39a, 41, 41a, 51a, 51c, 51d,
53a, 54, 54a, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 99b, 101,
107, 121, 147, 161a, and 167 (MCL 388.1603, 388.1606, 388.1611,
388.1611a, 388.1611f, 388.1611g, 388.1611j, 388.1611k, 388.1614,
388.1615, 388.1617a, 388.1617b, 388.1618, 388.1620, 388.1620j,
388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1625a, 388.1626a,
388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632c, 388.1632d,
388.1632j, 388.1632k, 388.1632l, 388.1634, 388.1637, 388.1639a,
388.1641, 388.1641a, 388.1651a, 388.1651c, 388.1651d, 388.1653a,

House Bill No. 5789 (H-2) as amended May 24, 2006
 388.1654, 388.1654a, 388.1656, 388.1657, 388.1661a, 388.1662,
 388.1674, 388.1681, 388.1694a, 388.1698, 388.1698b, 388.1699,
 388.1699b, 388.1701, 388.1707, 388.1721, 388.1747, 388.1761a, and
 388.1767), sections 3, 6, 11, 11a, 11g, 11j, 15, 18, 20j, 22a, 22b,
 22d, 24, 26a, 31d, 32c, 32d, 32j, 37, 39a, 41, 41a, 51c, 51d, 53a,
 54, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 107, 147, and
 167 as amended and sections 11k, 26b, 31f, 32l, 54a, and 99b as
 added by 2005 PA 155, section 11f as amended by 2006 PA 119,
 section 14 as amended by 1993 PA 336, section 17a as amended by
 2005 PA 95, section 17b as amended by 2005 PA 150, section 20 as
 amended and section 34 as added by 2006 PA 120, sections 25a and
 161a as added by 1998 PA 553, section 31a as amended by 2006 PA
 121, section 32k as added by 2004 PA 351, section 51a as amended by
 2006 PA 90, and section 121 as amended by 1995 PA 130, and by
 adding sections 11m, 22c, 32b, 54b, 57a, 66, 92, 99c, 99d, 99e, 99f,
 and 104; and to repeal acts and parts of acts.]

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Average daily attendance", for the purposes of
 2 complying with federal law and except as used in section ~~6(4)(ee)~~
 3 **6(4)(BB)**, means 92% of the membership as defined in section 6(4).
 4 (2) "Board" means the governing body of a district or public
 5 school academy.
 6 (3) "Center" means the center for educational performance and
 7 information created in section 94a.
 8 (4) "Cooperative education program" means a written voluntary
 9 agreement between and among districts to provide certain
 10 educational programs for pupils in certain groups of districts. The

1 written agreement shall be approved by all affected districts at
2 least annually and shall specify the educational programs to be
3 provided and the estimated number of pupils from each district who
4 will participate in the educational programs.

5 (5) "Department", except in ~~sections 107 and 107b~~ **SECTION**
6 **107**, means the department of education.

7 (6) "District" means a local school district established under
8 the revised school code, a local act school district, or, except in
9 sections 6(4), 6(6), 13, 20, 22a, 23, 31a, 105, and 105c, a public
10 school academy. Except in sections 6(4), 6(6), 13, 20, 22a, 105,
11 and 105c, district also includes a university school.

12 (7) "District of residence", except as otherwise provided in
13 this subsection, means the district in which a pupil's custodial
14 parent or parents or legal guardian resides. For a pupil described
15 in section 24b, the pupil's district of residence is the district
16 in which the pupil enrolls under that section. For a pupil
17 described in section 6(4)(d), the pupil's district of residence
18 shall be considered to be the district or intermediate district in
19 which the pupil is counted in membership under that section. For a
20 pupil under court jurisdiction who is placed outside the district
21 in which the pupil's custodial parent or parents or legal guardian
22 resides, the pupil's district of residence shall be considered to
23 be the educating district or educating intermediate district.

24 (8) "District superintendent" means the superintendent of a
25 district, the chief administrator of a public school academy, or
26 the chief administrator of a university school.

27 Sec. 6. (1) "Center program" means a program operated by a

1 district or intermediate district for special education pupils from
 2 several districts in programs for ~~the autistically impaired,~~
 3 ~~trainable mentally impaired, severely mentally impaired, severely~~
 4 ~~multiply impaired, hearing impaired, physically and otherwise~~
 5 ~~health impaired, and visually impaired~~ **PUPILS WITH AUTISM SPECTRUM**
 6 **DISORDER, PUPILS WITH SEVERE COGNITIVE IMPAIRMENT, PUPILS WITH**
 7 **MODERATE COGNITIVE IMPAIRMENT, PUPILS WITH SEVERE MULTIPLE**
 8 **IMPAIRMENTS, PUPILS WITH HEARING IMPAIRMENT, PUPILS WITH VISUAL**
 9 **IMPAIRMENT, AND PUPILS WITH PHYSICAL IMPAIRMENT OR OTHER HEALTH**
 10 **IMPAIRMENT.** Programs for ~~emotionally impaired~~ pupils **WITH**
 11 **EMOTIONAL IMPAIRMENT** housed in buildings that do not serve regular
 12 education pupils also qualify. Unless otherwise approved by the
 13 department, a center program either shall serve all constituent
 14 districts within an intermediate district or shall serve several
 15 districts with less than 50% of the pupils residing in the
 16 operating district. In addition, special education center program
 17 pupils placed part-time in noncenter programs to comply with the
 18 least restrictive environment provisions of section 612 of part B
 19 of the individuals with disabilities education act, 20 USC 1412,
 20 may be considered center program pupils for pupil accounting
 21 purposes for the time scheduled in either a center program or a
 22 noncenter program.

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

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

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

5 (4) "Membership", except as otherwise provided in this act,
6 means for a district, public school academy, university school, or
7 intermediate district the sum of the product of .75 times the
8 number of full-time equated pupils in grades K to 12 actually
9 enrolled and in regular daily attendance on the pupil membership
10 count day for the current school year, plus the product of .25
11 times the final audited count from the supplemental count day for
12 the immediately preceding school year. All pupil counts used in
13 this subsection are as determined by the department and calculated
14 by adding the number of pupils registered for attendance plus
15 pupils received by transfer and minus pupils lost as defined by
16 rules promulgated by the superintendent, and as corrected by a
17 subsequent department audit. The amount of the foundation allowance
18 for a pupil in membership is determined under section 20. In making
19 the calculation of membership, all of the following, as applicable,
20 apply to determining the membership of a district, public school
21 academy, university school, or intermediate district:

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

27 (b) If a pupil is educated in a district other than the

1 pupil's district of residence, if the pupil is not being educated
2 as part of a cooperative education program, if the pupil's district
3 of residence does not give the educating district its approval to
4 count the pupil in membership in the educating district, and if the
5 pupil is not covered by an exception specified in subsection (6) to
6 the requirement that the educating district must have the approval
7 of the pupil's district of residence to count the pupil in
8 membership, the pupil shall not be counted in membership in any
9 district.

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

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

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

22 (f) A pupil enrolled in a vocational education program
23 supported by a millage levied over an area larger than a single
24 district or in an area vocational-technical education program
25 established pursuant to section 690 of the revised school code, MCL
26 380.690, shall be counted only in the pupil's district of
27 residence.

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

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

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

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

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

27 (j) If a district is the authorizing body for a public school

1 academy, then, in the first school year in which pupils are counted
2 in membership on the pupil membership count day in the public
3 school academy, the determination of the district's membership
4 shall exclude from the district's pupil count for the immediately
5 preceding supplemental count day any pupils who are counted in the
6 public school academy on that first pupil membership count day who
7 were also counted in the district on the immediately preceding
8 supplemental count day.

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

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

21 (m) An individual who has obtained a high school diploma shall
22 not be counted in membership. An individual who has obtained a
23 general educational development (G.E.D.) certificate shall not be
24 counted in membership. An individual participating in a job
25 training program funded under former section 107a or a jobs program
26 funded under former section 107b, administered by the Michigan
27 strategic fund or the department of labor and economic growth, or

1 participating in any successor of either of those 2 programs, shall
2 not be counted in membership.

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

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

25 (ii) If the public school academy provides instruction for less
26 than 1/2 of the class hours specified in subdivision (q), the
27 district or intermediate district providing the remainder of the

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

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

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

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

23 (r) Full-time equated memberships for pupils in kindergarten
24 shall be determined by dividing the number of class hours scheduled
25 and provided per year per kindergarten pupil by a number equal to
26 1/2 the number used for determining full-time equated memberships
27 for pupils in grades 1 to 12. ~~However, beginning in 2006-2007, if~~

~~1 a pupil is eligible to enroll in kindergarten but is enrolled in a~~
~~2 prekindergarten, developmental kindergarten, or similar class, the~~
~~3 pupil shall not be counted as a pupil in membership, and the costs~~
~~4 associated with educating the pupil shall instead be reported and~~
~~5 reimbursed under section 31b.~~

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

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

24 (u) If, as a result of a disciplinary action, a district
25 determines through the district's alternative or disciplinary
26 education program that the best instructional placement for a pupil
27 is in the pupil's home **OR OTHERWISE APART FROM THE GENERAL SCHOOL**

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

13 (i) The district provides at least 2 nonconsecutive hours of
14 instruction per week to the pupil at the pupil's home **OR OTHERWISE**
15 **APART FROM THE GENERAL SCHOOL POPULATION** under the supervision of a
16 certificated teacher.

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

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

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

24 (v) A pupil enrolled in an alternative or disciplinary
25 education program described in section 25 shall be counted in
26 membership in the district or public school academy that expelled
27 the pupil.

1 (w) If a pupil was enrolled in a public school academy on the
2 pupil membership count day, if the public school academy's contract
3 with its authorizing body is revoked or the public school academy
4 otherwise ceases to operate, and if the pupil enrolls in a district
5 within 45 days after the pupil membership count day, the department
6 shall adjust the district's pupil count for the pupil membership
7 count day to include the pupil in the count.

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

18 (y) If a district's membership for a particular fiscal year,
19 as otherwise calculated under this subsection, would be less than
20 1,550 pupils and the district has 4.5 or fewer pupils per square
21 mile, as determined by the department, and if the district does not
22 receive funding under section 22d, the district's membership shall
23 be considered to be the membership figure calculated under this
24 subdivision. If a district educates and counts in its membership
25 pupils in grades 9 to 12 who reside in a contiguous district that
26 does not operate grades 9 to 12 and if 1 or both of the affected
27 districts request the department to use the determination allowed

1 under this sentence, the department shall include the square
2 mileage of both districts in determining the number of pupils per
3 square mile for each of the districts for the purposes of this
4 subdivision. The membership figure calculated under this
5 subdivision is the greater of the following:

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

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

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

22 ~~—— (aa) For 2005-2006 only, if a pupil who has been evacuated~~
23 ~~from another state and has relocated in this state due to a natural~~
24 ~~disaster enrolls in a district within 60 days after the pupil~~
25 ~~membership count day, the department shall adjust the district's~~
26 ~~pupil count for the pupil membership count day to include the pupil~~
27 ~~in the count.~~

1 **(AA)** ~~—(bb)—~~ Full-time equated memberships for preprimary-aged
2 special education pupils who are not enrolled in kindergarten but
3 are enrolled in a classroom program under R 340.1754 of the
4 Michigan administrative code shall be determined by dividing the
5 number of class hours scheduled and provided per year by 450. Full-
6 time equated memberships for preprimary-aged special education
7 pupils who are not enrolled in kindergarten but are receiving
8 nonclassroom services under R 340.1755 of the Michigan
9 administrative code shall be determined by dividing the number of
10 hours of service scheduled and provided per year per pupil by 180.

11 **(BB)** ~~—(cc)—~~ Full-time equated memberships for pupils enrolled
12 in a public school academy that is wholly contained within a county
13 juvenile detention facility shall be considered to be the average
14 daily attendance of pupils enrolled in the public school academy
15 for the immediately preceding fiscal year, as reported by the
16 public school academy and audited by the intermediate district in
17 which the public school academy is located. However, if a public
18 school academy described in this subdivision does not provide
19 definitive information to the auditing intermediate district to
20 support the pupil memberships generated by average daily
21 attendance, then full-time equated memberships for pupils enrolled
22 in that public school academy shall be calculated as otherwise
23 provided under this subsection.

24 (5) "Public school academy" means a public school academy,
25 urban high school academy, or strict discipline academy operating
26 under the revised school code.

27 (6) "Pupil" means a person in membership in a public school. A

1 district must have the approval of the pupil's district of
2 residence to count the pupil in membership, except approval by the
3 pupil's district of residence is not required for any of the
4 following:

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

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

9 (c) A pupil enrolled in a public school academy or university
10 school.

11 (d) A pupil enrolled in a district other than the pupil's
12 district of residence under an intermediate district schools of
13 choice pilot program as described in section 91a or former section
14 91 if the intermediate district and its constituent districts have
15 been exempted from section 105.

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

19 (f) A pupil who has made an official written complaint or
20 whose parent or legal guardian has made an official written
21 complaint to law enforcement officials and to school officials of
22 the pupil's district of residence that the pupil has been the
23 victim of a criminal sexual assault or other serious assault, if
24 the official complaint either indicates that the assault occurred
25 at school or that the assault was committed by 1 or more other
26 pupils enrolled in the school the pupil would otherwise attend in
27 the district of residence or by an employee of the district of

1 residence. A person who intentionally makes a false report of a
2 crime to law enforcement officials for the purposes of this
3 subdivision is subject to section 411a of the Michigan penal code,
4 1931 PA 328, MCL 750.411a, which provides criminal penalties for
5 that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

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

5 (j) A pupil who is the child of a person who is employed by
6 the district. As used in this subdivision, "child" includes an
7 adopted child, **STEPCHILD**, or legal ward.

8 However, if a district that is not a first class district
9 educates pupils who reside in a first class district and if the
10 primary instructional site for those pupils is located within the
11 boundaries of the first class district, the educating district must
12 have the approval of the first class district to count those pupils
13 in membership. As used in this subsection, "first class district"
14 means a district organized as a school district of the first class
15 under the revised school code.

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

18 (a) Except as provided in subdivision (b), the fourth
19 Wednesday ~~in September each school year~~ **AFTER LABOR DAY EACH**
20 **SCHOOL YEAR OR, FOR A DISTRICT OR BUILDING IN WHICH SCHOOL IS NOT**
21 **IN SESSION ON THAT WEDNESDAY, WITH THE APPROVAL OF THE**
22 **SUPERINTENDENT, THE IMMEDIATELY FOLLOWING DAY ON WHICH SCHOOL IS IN**
23 **SESSION IN THE DISTRICT OR BUILDING.**

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

26 (i) Fourth Wednesday in July.

27 (ii) Fourth Wednesday ~~in September~~ **AFTER LABOR DAY.**

1 (iii) Second Wednesday in February.

2 (iv) Fourth Wednesday in April.

3 (8) "Pupils in grades K to 12 actually enrolled and in regular
4 daily attendance" means pupils in grades K to 12 in attendance and
5 receiving instruction in all classes for which they are enrolled on
6 the pupil membership count day or the supplemental count day, as
7 applicable. Except as otherwise provided in this subsection, a
8 pupil who is absent from any of the classes in which the pupil is
9 enrolled on the pupil membership count day or supplemental count
10 day and who does not attend each of those classes during the 10
11 consecutive school days immediately following the pupil membership
12 count day or supplemental count day, except for a pupil who has
13 been excused by the district, shall not be counted as 1.0 full-time
14 equated membership. A pupil who is excused from attendance on the
15 pupil membership count day or supplemental count day and who fails
16 to attend each of the classes in which the pupil is enrolled within
17 30 calendar days after the pupil membership count day or
18 supplemental count day shall not be counted as 1.0 full-time
19 equated membership. In addition, a pupil who was enrolled and in
20 attendance in a district, intermediate district, or public school
21 academy before the pupil membership count day or supplemental count
22 day of a particular year but was expelled **OR SUSPENDED** on the pupil
23 membership count day or supplemental count day shall only be
24 counted as 1.0 full-time equated membership if the pupil resumed
25 attendance in the district, intermediate district, or public school
26 academy within 45 days after the pupil membership count day or
27 supplemental count day **OF THAT PARTICULAR YEAR**. Pupils not counted

1 as 1.0 full-time equated membership due to an absence from a class
2 shall be counted as a prorated membership for the classes the pupil
3 attended. For purposes of this subsection, "class" means a period
4 of time in 1 day when pupils and a certificated teacher or legally
5 qualified substitute teacher are together and instruction is taking
6 place.

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

10 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
11 380.1852.

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

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

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

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

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

1 to a school district.

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

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

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

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

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

20 Sec. 11. (1) ~~For the fiscal year ending September 30, 2005,~~
21 ~~there is appropriated for the public schools of this state and~~
22 ~~certain other state purposes relating to education the sum of~~
23 ~~\$10,907,222,200.00 from the state school aid fund established by~~
24 ~~section 11 of article IX of the state constitution of 1963, the sum~~
25 ~~of \$41,100,000.00 from the proceeds of capitalization of the school~~
26 ~~bond loan fund revolving fund, and the sum of \$165,200,000.00 from~~
27 ~~the general fund.~~ For the fiscal year ending September 30, 2006,

House Bill No. 5789 (H-2) as amended May 24, 2006

1 there is appropriated for the public schools of this state and
 2 certain other state purposes relating to education the sum of
 3 ~~\$11,257,600,000.00~~ **\$11,200,830,200.00** from the state school aid
 4 fund established by section 11 of article IX of the state
 5 constitution of 1963, the sum of \$44,500,000.00 from the proceeds
 6 of capitalization of the school bond loan fund revolving fund, and
 7 the sum of \$62,714,000.00 from the general fund. **FOR THE FISCAL**
 8 **YEAR ENDING SEPTEMBER 30, 2007, THERE IS APPROPRIATED FOR THE**
 9 **PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES**
 10 **RELATING TO EDUCATION THE SUM OF [\$11,646,116,500.00] FROM THE STATE**
 11 **SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE**
 12 **STATE CONSTITUTION OF 1963 AND THE SUM OF \$45,000,000.00 FROM THE**
 13 **GENERAL FUND.** In addition, available federal funds are appropriated
 14 for each fiscal year.

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

26 (3) If the maximum amount appropriated under this section from
 27 the state school aid fund and the school aid stabilization fund for

1 a fiscal year exceeds the amount available for expenditure from the
2 state school aid fund for that fiscal year, payments under sections
3 11f, 11g, 11j, 22a, 26a, 26b, 31d, **31F**, 51a(2), 51a(12), 51c, 53a,
4 and 56 shall be made in full. In addition, for districts beginning
5 operations after 1994-95 that qualify for payments under section
6 22b, payments under section 22b shall be made so that the
7 qualifying districts receive the lesser of an amount equal to the
8 1994-95 foundation allowance of the district in which the district
9 beginning operations after 1994-95 is located or \$5,500.00. The
10 amount of the payment to be made under section 22b for these
11 qualifying districts shall be as calculated under section 22a, with
12 the balance of the payment under section 22b being subject to the
13 proration otherwise provided under this subsection and subsection
14 (4). If proration is necessary, ~~after 2002-2003,~~ state payments
15 under each of the other sections of this act from all state funding
16 sources shall be prorated in the manner prescribed in subsection
17 (4) as necessary to reflect the amount available for expenditure
18 from the state school aid fund for the affected fiscal year.
19 However, if the department of treasury determines that proration
20 will be required under this subsection, or if the department of
21 treasury determines that further proration is required under this
22 subsection after an initial proration has already been made for a
23 fiscal year, the department of treasury shall notify the state
24 budget director, and the state budget director shall notify the
25 legislature at least 30 calendar days or 6 legislative session
26 days, whichever is more, before the department reduces any payments
27 under this act because of the proration. During the 30 calendar day

1 or 6 legislative session day period after that notification by the
2 state budget director, the department shall not reduce any payments
3 under this act because of proration under this subsection. The
4 legislature may prevent proration from occurring by, within the 30
5 calendar day or 6 legislative session day period after that
6 notification by the state budget director, enacting legislation
7 appropriating additional funds from the general fund,
8 countercyclical budget and economic stabilization fund, state
9 school aid fund balance, or another source to fund the amount of
10 the projected shortfall.

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

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

17 (i) Districts.

18 (ii) Intermediate districts.

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

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

1 51a(2), 51a(12), 51c, and 53a, by that amount.

2 (c) The department shall recover a percentage of the proration
3 amount required under subsection (3) that is equal to the
4 percentage calculated under subdivision (a)(ii) for intermediate
5 districts by reducing payments to intermediate districts. This
6 reduction shall be made by reducing the payments to each
7 intermediate district, other than payments under sections 11f, 11g,
8 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage
9 basis.

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

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

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

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

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

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

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

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

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

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

20 (6) If the maximum amount appropriated under section 11 from
21 the state school aid fund for a fiscal year exceeds the amount
22 available for expenditure from the state school aid fund for that
23 fiscal year, there is appropriated from the school aid
24 stabilization fund to the state school aid fund an amount equal to
25 the projected shortfall as determined by the department of
26 treasury, but not to exceed available money in the school aid
27 stabilization fund. If the money in the school aid stabilization

1 fund is insufficient to fully fund an amount equal to the projected
2 shortfall, the state budget director shall notify the legislature
3 as required under section 11(3) and state payments in an amount
4 equal to the remainder of the projected shortfall shall be prorated
5 in the manner provided under section 11(4).

6 (7) ~~Each school fiscal year for 2004-2005 and for 2005-2006~~
7 **FOR 2006-2007**, there is transferred from the school aid
8 stabilization fund to the state school aid fund the amount
9 necessary to fully fund the allocations under this act.

10 Sec. 11f. (1) From the appropriations under section 11, there
11 is allocated for the purposes of this section an amount not to
12 exceed \$32,000,000.00 for the fiscal year ending September 30,
13 ~~2006- 2007~~ and for each succeeding fiscal year through the fiscal
14 year ending September 30, 2008. Payments under this section will
15 cease after September 30, 2008. These allocations are for paying
16 the amounts described in subsection (4) to districts and
17 intermediate districts, other than those receiving a lump sum
18 payment under subsection (2), that were not plaintiffs in the
19 consolidated cases known as Durant v State of Michigan, Michigan
20 supreme court docket no. 104458-104492 and that, on or before March
21 2, 1998, submitted to the state treasurer a board resolution
22 waiving any right or interest the district or intermediate district
23 has or may have in any claim or litigation based on or arising out
24 of any claim or potential claim through September 30, 1997 that is
25 or was similar to the claims asserted by the plaintiffs in the
26 consolidated cases known as Durant v State of Michigan. The waiver
27 resolution shall be in form and substance as required under

1 subsection (7). The state treasurer is authorized to accept such a
2 waiver resolution on behalf of this state. The amounts described in
3 this subsection represent offers of settlement and compromise of
4 any claim or claims that were or could have been asserted by these
5 districts and intermediate districts, as described in this
6 subsection.

7 (2) In addition to any other money appropriated under this
8 act, there was appropriated from the state school aid fund an
9 amount not to exceed \$1,700,000.00 for the fiscal year ending
10 September 30, 1999. This appropriation was for paying the amounts
11 described in this subsection to districts and intermediate
12 districts that were not plaintiffs in the consolidated cases known
13 as Durant v State of Michigan; that, on or before March 2, 1998,
14 submitted to the state treasurer a board resolution waiving any
15 right or interest the district or intermediate district had or may
16 have had in any claim or litigation based on or arising out of any
17 claim or potential claim through September 30, 1997 that is or was
18 similar to the claims asserted by the plaintiffs in the
19 consolidated cases known as Durant v State of Michigan; and for
20 which the total amount listed in section 11h and paid under this
21 section was less than \$75,000.00. For a district or intermediate
22 district qualifying for a payment under this subsection, the entire
23 amount listed for the district or intermediate district in section
24 11h was paid in a lump sum on November 15, 1998 or on the next
25 business day following that date. The amounts paid under this
26 subsection represent offers of settlement and compromise of any
27 claim or claims that were or could have been asserted by these

1 districts and intermediate districts, as described in this
2 subsection.

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

12 (4) The amount paid each fiscal year to each district or
13 intermediate district under subsection (1) shall be 1/20 of the
14 total amount listed in section 11h for each listed district or
15 intermediate district that qualifies for a payment under subsection
16 (1). The amounts listed in section 11h and paid in part under this
17 subsection and in a lump sum under subsection (2) are offers of
18 settlement and compromise to each of these districts or
19 intermediate districts to resolve, in their entirety, any claim or
20 claims that these districts or intermediate districts may have
21 asserted for violations of section 29 of article IX of the state
22 constitution of 1963 through September 30, 1997, which claims are
23 or were similar to the claims asserted by the plaintiffs in the
24 consolidated cases known as Durant v State of Michigan. This
25 section, any other provision of this act, and section 353e of the
26 management and budget act, 1984 PA 431, MCL 18.1353e, shall not be
27 construed to constitute an admission of liability to the districts

1 or intermediate districts listed in section 11h or a waiver of any
2 defense that is or would have been available to the state or its
3 agencies, employees, or agents in any litigation or future
4 litigation with a district or intermediate district.

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

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

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

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

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

18 Whereas, the board of _____ (name of district or
19 intermediate district) is authorized to adopt this resolution.

20 Now, therefore, be it resolved as follows:

21 1. The board of _____ (name of district or
22 intermediate district) waives any right or interest it may have in
23 any claim or potential claim through September 30, 1997 relating to
24 the amount of funding the district or intermediate district is, or
25 may have been, entitled to receive under the state school aid act
26 of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, or any other source
27 of state funding, by reason of the application of section 29 of

1 article IX of the state constitution of 1963, which claims or
2 potential claims are or were similar to the claims asserted by the
3 plaintiffs in the consolidated cases known as Durant v State of
4 Michigan, Michigan supreme court docket no. 104458-104492.

5 2. The board of _____ (name of district or
6 intermediate district) directs its secretary to submit a certified
7 copy of this resolution to the state treasurer no later than 5 p.m.
8 eastern standard time on March 2, 1998, and agrees that it will not
9 take any action to amend or rescind this resolution.

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

17 4. This resolution is contingent on continued payments by the
18 state each fiscal year as determined under sections 11f and 11g of
19 the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and
20 388.1611g. However, this resolution shall be an irrevocable waiver
21 of any claim to amounts actually received by the school district or
22 intermediate school district under sections 11f and 11g of the
23 state school aid act of 1979."

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

26 (a) Shall monitor individual pupil learning for pupils in
27 grades K to 3 and provide specific support or learning strategies

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

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

24 Sec. 11g. (1) From the ~~general fund~~ appropriation in section
25 11, there is allocated for this section an amount not to exceed
26 \$34,961,000.00 for the fiscal year ending September 30, ~~2006~~
27 **2007**. There is allocated for this section an amount not to exceed

1 \$35,000,000.00 for each succeeding fiscal year through the fiscal
2 year ending September 30, 2013. Payments under this section will
3 cease after September 30, 2013. These allocations are for paying
4 the amounts described in subsection (3) to districts and
5 intermediate districts, other than those receiving a lump sum
6 payment under section 11f(2), that were not plaintiffs in the
7 consolidated cases known as Durant v State of Michigan, Michigan
8 supreme court docket no. 104458-104492 and that, on or before March
9 2, 1998, submitted to the state treasurer a waiver resolution
10 described in section 11f. The amounts paid under this section
11 represent offers of settlement and compromise of any claim or
12 claims that were or could have been asserted by these districts and
13 intermediate districts, as described in this section.

14 (2) This section does not create any obligation or liability
15 of this state to any district or intermediate district that does
16 not submit a waiver resolution described in section 11f. This
17 section, any other provision of this act, and section 353e of the
18 management and budget act, 1984 PA 431, MCL 18.1353e, are not
19 intended to admit liability or waive any defense that is or would
20 be available to this state or its agencies, employees, or agents in
21 any litigation or future litigation with a district or intermediate
22 district regarding these claims or potential claims.

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

26 (a) 1/30 of the total amount listed in section 11h for the
27 district or intermediate district.

1 (b) If the district or intermediate district borrows money and
2 issues bonds under section 11i, an additional amount in each fiscal
3 year calculated by the department of treasury that, when added to
4 the amount described in subdivision (a), will cause the net present
5 value as of November 15, 1998 of the total of the 15 annual
6 payments made to the district or intermediate district under this
7 section, discounted at a rate as determined by the state treasurer,
8 to equal the amount of the bonds issued by that district or
9 intermediate district under section 11i and that will result in the
10 total payments made to all districts and intermediate districts in
11 each fiscal year under this section being no more than the amount
12 appropriated under this section in each fiscal year.

13 (4) The entire amount of each payment under this section each
14 fiscal year shall be paid on May 15 of the applicable fiscal year
15 or on the next business day following that date. If a district or
16 intermediate district borrows money and issues bonds under section
17 11i, the district or intermediate district shall use funds received
18 under this section to pay debt service on bonds issued under
19 section 11i. If a district or intermediate district does not borrow
20 money and issue bonds under section 11i, the district or
21 intermediate district shall use funds received under this section
22 only for the following purposes, in the following order of
23 priority:

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

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

1 obligations.

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

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

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

13 Sec. 11j. From the appropriation in section 11, ~~from the~~
14 ~~proceeds of capitalization of the school bond loan fund revolving~~
15 ~~fund,~~ there is allocated an amount not to exceed ~~\$41,100,000.00~~
16 ~~for 2004-2005, and there is allocated an amount not to exceed~~
17 ~~\$44,500,000.00 for 2005-2006,~~ **\$48,000,000.00 FOR 2006-2007** for
18 payments to the school loan bond redemption fund in the department
19 of treasury on behalf of districts and intermediate districts.
20 Notwithstanding section 11 or any other provision of this act,
21 funds allocated under this section are not subject to proration and
22 shall be paid in full.

23 Sec. 11k. For ~~2004-2005 and 2005-2006~~ **2006-2007**, there is
24 appropriated from the general fund to the school loan revolving
25 fund an amount equal to the amount of school bond loans assigned to
26 the Michigan municipal bond authority, not to exceed the total
27 amount of school bond loans held in reserve as long-term assets. As

1 used in this section, "school loan revolving fund" means that fund
2 created in section 16c of the shared credit rating act, 1985 PA
3 227, MCL 141.1066c.

4 SEC. 11M. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE
5 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,500,000.00 FOR 2006-2007
6 FOR REIMBURSING DISTRICTS AND INTERMEDIATE DISTRICTS FOR COSTS
7 INCURRED IN OBTAINING THE CRIMINAL HISTORY CHECKS AND CRIMINAL
8 RECORDS CHECKS REQUIRED TO BE CONDUCTED ON SCHOOL EMPLOYEES AND
9 CONTRACTORS UNDER SECTION 1230G OF THE REVISED SCHOOL CODE, MCL
10 380.1230G. ALL OF THE FOLLOWING APPLY TO THE REIMBURSEMENT:

11 (A) A DISTRICT OR INTERMEDIATE DISTRICT MAY OBTAIN
12 REIMBURSEMENT FOR A CRIMINAL HISTORY CHECK AND CRIMINAL RECORDS
13 CHECK CONDUCTED ON A SCHOOL EMPLOYEE OR CONTRACTOR ONLY IF THE
14 DISTRICT OR INTERMEDIATE DISTRICT WAS REQUIRED TO OBTAIN A
15 FINGERPRINT-BASED CRIMINAL RECORDS CHECK ON THE SCHOOL EMPLOYEE OR
16 CONTRACTOR UNDER SECTION 1230A OF THE REVISED SCHOOL CODE, MCL
17 380.1230A, OR UNDER SECTION 53 OF THE PUPIL TRANSPORTATION ACT,
18 1990 PA 187, MCL 257.1853, BEFORE JANUARY 1, 2006 AND THE DISTRICT
19 OR INTERMEDIATE DISTRICT ACTUALLY OBTAINED A FINGERPRINT-BASED
20 CRIMINAL RECORDS CHECK ON THAT SCHOOL EMPLOYEE OR CONTRACTOR BEFORE
21 JANUARY 1, 2006.

22 (B) TO OBTAIN REIMBURSEMENT, THE DISTRICT OR INTERMEDIATE
23 DISTRICT SHALL APPLY TO THE DEPARTMENT IN THE FORM AND MANNER
24 PRESCRIBED BY THE DEPARTMENT. IN THE APPLICATION, THE DISTRICT OR
25 INTERMEDIATE DISTRICT SHALL CERTIFY THAT IT HAS COMPLIED WITH
26 SECTION 1230G OF THE REVISED SCHOOL CODE, MCL 380.1230G.

27 (2) FROM THE GENERAL FUNDS APPROPRIATED IN SECTION 11, THERE

1 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$200,000.00 FOR 2006-2007 FOR
2 REIMBURSING NONPUBLIC SCHOOL EMPLOYEES FOR COSTS INCURRED IN
3 OBTAINING THE CRIMINAL HISTORY CHECKS AND CRIMINAL RECORDS CHECKS
4 REQUIRED TO BE CONDUCTED ON NONPUBLIC SCHOOL EMPLOYEES UNDER
5 SECTION 1230G OF THE REVISED SCHOOL CODE, MCL 380.1230G. ALL OF THE
6 FOLLOWING APPLY TO THE REIMBURSEMENT:

7 (A) A NONPUBLIC SCHOOL EMPLOYEE IS ELIGIBLE FOR REIMBURSEMENT
8 ONLY IF THE NONPUBLIC SCHOOL EMPLOYEE WAS REQUIRED TO OBTAIN A
9 FINGERPRINT-BASED CRIMINAL RECORDS CHECK UNDER SECTION 1230A OF THE
10 REVISED SCHOOL CODE, MCL 380.1230A, OR UNDER SECTION 53 OF THE
11 PUPIL TRANSPORTATION ACT, 1990 PA 187, MCL 257.1853, BEFORE JANUARY
12 1, 2006 AND THE NONPUBLIC SCHOOL EMPLOYEE ACTUALLY OBTAINED A
13 FINGERPRINT-BASED CRIMINAL RECORDS CHECK BEFORE JANUARY 1, 2006.

14 (B) TO OBTAIN REIMBURSEMENT, A NONPUBLIC SCHOOL EMPLOYEE SHALL
15 APPLY TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE
16 DEPARTMENT.

17 (3) THE MONEY APPROPRIATED UNDER THIS SECTION IS CONSIDERED A
18 WORK PROJECT APPROPRIATION AND ANY UNENCUMBERED OR UNALLOTTED FUNDS
19 REMAINING AT THE END OF THE FISCAL YEAR ARE CARRIED FORWARD INTO
20 THE SUCCEEDING FISCAL YEAR. THE FOLLOWING IS IN COMPLIANCE WITH
21 SECTION 451A OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL
22 18.1451A:

23 (A) THE PURPOSE OF THE WORK PROJECT IS TO REIMBURSE DISTRICTS,
24 INTERMEDIATE DISTRICTS, AND NONPUBLIC SCHOOL EMPLOYEES FOR COSTS
25 INCURRED IN OBTAINING THE CRIMINAL HISTORY CHECKS AND CRIMINAL
26 RECORDS CHECKS REQUIRED TO BE CONDUCTED ON SCHOOL EMPLOYEES AND
27 CONTRACTORS UNDER SECTION 1230G OF THE REVISED SCHOOL CODE, MCL

1 380.1230G.

2 (B) THE PROJECT WILL BE ACCOMPLISHED AS PROVIDED UNDER THIS
3 SECTION AND SECTION 1230G OF THE REVISED SCHOOL CODE, MCL
4 380.1230G.

5 (C) THE TOTAL ESTIMATED COST OF THE PROJECT IS \$3,700,000.00.

6 (D) THE ESTIMATED COMPLETION DATE OF THE PROJECT IS JULY 2008.

7 Sec. 14. If the ~~returns~~ DATA from an intermediate district
8 or district upon which a statement of the amount to be disbursed or
9 paid are **DETERMINED TO BE** defective **OR INCOMPLETE**, making it
10 impracticable to ascertain the apportionment to be disbursed or
11 paid, the department shall withhold the amount of the apportionment
12 that cannot be ascertained until the department is able to
13 ascertain by the best evidence available the facts upon which the
14 ratio and amount of the apportionment depend, and then shall make
15 the apportionment accordingly.

16 Sec. 15. (1) If a district or intermediate district fails to
17 receive its proper apportionment, the department, upon satisfactory
18 proof that the district or intermediate district was entitled
19 justly, shall apportion the deficiency in the next apportionment.
20 Subject to subsections (2) and (3), if a district or intermediate
21 district has received more than its proper apportionment, the
22 department, upon satisfactory proof, shall deduct the excess in the
23 next apportionment. Notwithstanding any other provision in this
24 act, state aid overpayments to a district, other than overpayments
25 in payments for special education or special education
26 transportation, may be recovered from any payment made under this
27 act other than a special education or special education

1 transportation payment. State aid overpayments made in special
2 education or special education transportation payments may be
3 recovered from subsequent special education or special education
4 transportation payments.

5 (2) If the result of an audit conducted by or for the
6 department affects the current fiscal year membership, affected
7 payments shall be adjusted in the current fiscal year. A deduction
8 due to an adjustment made as a result of an audit conducted by or
9 for the department, or as a result of information obtained by the
10 department from the district, an intermediate district, the
11 department of treasury, or the office of auditor general, shall be
12 deducted from the district's apportionments within the next fiscal
13 year after the fiscal year in which the adjustment is finalized. At
14 the request of the district and upon the district presenting
15 evidence satisfactory to the department of the hardship, the
16 department may grant up to an additional 4 years for the adjustment
17 if the district would otherwise experience a significant hardship.

18 (3) If, because of the receipt of new or updated data, the
19 department determines during a fiscal year that the amount paid to
20 a district or intermediate district under this act for a prior
21 fiscal year was incorrect under the law in effect for that year,
22 the department may make the appropriate deduction or payment in the
23 district's or intermediate district's allocation for the fiscal
24 year in which the determination is made. The deduction or payment
25 shall be calculated according to the law in effect in the fiscal
26 year in which the improper amount was paid.

27 (4) Expenditures made by the department under this act that

1 are caused by the write-off of prior year accruals may be funded by
2 revenue from the write-off of prior year accruals.

3 (5) In addition to funds appropriated in section 11 for all
4 programs and services, there is appropriated each fiscal year for
5 ~~2004-2005 and~~ 2005-2006 **AND 2006-2007** for ~~prior year~~ obligations
6 in excess of applicable ~~prior year~~ appropriations, an amount
7 equal to the collection of ~~prior year~~ overpayments, but not to
8 exceed amounts available from ~~prior year~~ overpayments.

9 Sec. 17a. (1) The department may withhold all or part of any
10 payment that a district or intermediate district is entitled to
11 receive under this act to the extent the withholdings are a
12 component part of a plan, developed and implemented pursuant to the
13 revised municipal finance act, 2001 PA 34, MCL 141.2101 to
14 141.2821, or other statutory authority, for financing an
15 outstanding obligation upon which the district or intermediate
16 district defaulted. Amounts withheld shall be used to pay, on
17 behalf of the district or intermediate district, unpaid amounts or
18 subsequently due amounts, or both, of principal and interest on the
19 outstanding obligation upon which the district or intermediate
20 district defaulted.

21 (2) The state treasurer may withhold all or part of any
22 payment that a district or intermediate district is entitled to
23 receive under this act to the extent authorized or required under
24 section 15 of the school bond qualification, approval, and loan
25 act, **2005 PA 92, MCL 388.1935.**

26 (3) Under an agreement entered into by a district or
27 intermediate district assigning all or a portion of the payment

1 that it is eligible to receive under this act to the Michigan
2 municipal bond authority or to the trustee of a pooled arrangement
3 or pledging the amount for payment of an obligation it incurred
4 with the Michigan municipal bond authority or with the trustee of a
5 pooled arrangement, the state treasurer shall transmit to the
6 Michigan municipal bond authority or a trustee designated by the
7 authority or to the trustee of a pooled arrangement the amount of
8 the payment that is assigned or pledged under the agreement.
9 Notwithstanding the payment dates prescribed by this act for
10 distributions under this act, the state treasurer may advance all
11 or part of a payment that is dedicated for distribution or for
12 which the appropriation authorizing the payment has been made if
13 and to the extent, under the terms of an agreement entered into by
14 a district or intermediate district and the Michigan municipal bond
15 authority, the payment that the district or intermediate district
16 is eligible to receive has been assigned to or pledged for payment
17 of an obligation it incurred with the Michigan municipal bond
18 authority. This subsection does not require the state to make an
19 appropriation to any school district or intermediate school
20 district and shall not be construed as creating an indebtedness of
21 the state, and any agreement made pursuant to this subsection shall
22 contain a statement to that effect. As used in this subsection,
23 "trustee of a pooled arrangement" means the trustee of a trust
24 approved by the state treasurer and, subject to the conditions and
25 requirements of that approval, established for the purpose of
26 offering for sale, as part of a pooled arrangement, certificates
27 representing undivided interests in notes issued by districts or

1 intermediate districts under section 1225 of the revised school
2 code, 1976 PA 451, MCL 380.1225. If a trustee applies to the state
3 treasurer for approval of a trust for the purposes of this
4 subsection, the state treasurer shall approve or disapprove the
5 trust within 10 days after receipt of the application.

6 Sec. 17b. (1) Not later than October 20, November 20, December
7 20, January 20, February 20, March 20, April 20, May 20, June 20,
8 July 20, and August 20, the department shall prepare ~~a statement~~
9 **ELECTRONIC FILES** of the amount to be distributed under this act in
10 the installment to the districts and intermediate districts and
11 deliver the ~~statement~~ **ELECTRONIC FILES** to the state treasurer,
12 and the state treasurer shall pay the installments on each of those
13 dates or, if the date is not a business day, on the immediately
14 preceding business day before that date. Except as otherwise
15 provided in this act, the portion of the district's or intermediate
16 district's state fiscal year entitlement to be included in each
17 installment shall be 1/11. A district or intermediate district
18 shall accrue the payments received in July and August to the school
19 fiscal year ending the immediately preceding June 30.

20 (2) The state treasurer shall make payment under this section
21 by drawing a warrant in favor of the treasurer of each district or
22 intermediate district for the amount payable to the district or
23 intermediate district according to the ~~statement~~ **ELECTRONIC FILES**
24 and delivering the warrant to the treasurer of each district or
25 intermediate district, or if the state treasurer receives a written
26 request by the treasurer of the district or intermediate district
27 specifying an account, by electronic funds transfer to that account

1 of the amount payable to the district or intermediate district
2 according to the ~~statement~~ **ELECTRONIC FILES**. The department may
3 make adjustments in payments made under this section through
4 additional payments when changes in law or errors in computation
5 cause the regularly scheduled payment to be less than the amount to
6 which the district or intermediate district is entitled pursuant to
7 this act.

8 (3) Except as otherwise provided in this act, grant payments
9 under this act shall be paid according to subsection (1).

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

19 Sec. 18. (1) Except as provided in another section of this
20 act, each district or other entity shall apply the money received
21 by the district or entity under this act to salaries and other
22 compensation of teachers and other employees, tuition,
23 transportation, lighting, heating, ventilation, water service, the
24 purchase of textbooks which are designated by the board to be used
25 in the schools under the board's charge, other supplies, and any
26 other school operating expenditures defined in section 7. However,
27 not more than 20% of the total amount received by a district under

1 article 2 or intermediate district under article 8 may be
2 transferred by the board to either the capital projects fund or to
3 the debt retirement fund for debt service. The money shall not be
4 applied or taken for a purpose other than as provided in this
5 section. The department shall determine the reasonableness of
6 expenditures and may withhold from a recipient of funds under this
7 act the apportionment otherwise due for the fiscal year following
8 the discovery by the department of a violation by the recipient.

9 **(2) WITHIN 30 DAYS AFTER A BOARD OR INTERMEDIATE BOARD ADOPTS**
10 **ITS ANNUAL OPERATING BUDGET FOR THE FOLLOWING SCHOOL FISCAL YEAR,**
11 **OR AFTER A BOARD OR INTERMEDIATE BOARD ADOPTS A SUBSEQUENT REVISION**
12 **TO THAT BUDGET, THE DISTRICT OR INTERMEDIATE DISTRICT SHALL MAKE**
13 **THE BUDGET AND SUBSEQUENT BUDGET REVISIONS AVAILABLE ON ITS**
14 **WEBSITE, OR A DISTRICT MAY MAKE THE INFORMATION AVAILABLE ON ITS**
15 **INTERMEDIATE DISTRICT'S WEBSITE, IN A FORM AND MANNER PRESCRIBED BY**
16 **THE DEPARTMENT.**

17 **(3) ~~-(2)-~~** For the purpose of determining the reasonableness of
18 expenditures and whether a violation of this act has occurred, the
19 department shall require that each district and intermediate
20 district have an audit of the district's or intermediate district's
21 financial and pupil accounting records conducted at least annually
22 at the expense of the district or intermediate district, as
23 applicable, by a certified public accountant or by the intermediate
24 district superintendent, as may be required by the department, or
25 in the case of a district of the first class by a certified public
26 accountant, the intermediate superintendent, or the auditor general
27 of the city. An intermediate district's annual financial audit

1 shall be accompanied by the intermediate district's pupil
2 accounting procedures report. A district's or intermediate
3 district's annual financial audit shall include an analysis of the
4 financial and pupil accounting data used as the basis for
5 distribution of state school aid. The pupil accounting records and
6 reports, audits, and management letters are subject to requirements
7 established in the auditing and accounting manuals approved and
8 published by the department. Except as otherwise provided in this
9 subsection, a district shall file the annual financial audit
10 reports with the intermediate district not later than 120 days
11 after the end of each school fiscal year and the intermediate
12 district shall forward the annual financial audit reports for its
13 constituent districts and for the intermediate district, and the
14 pupil accounting procedures report for the pupil membership count
15 day and supplemental count day, to the department not later than
16 November 15 of each year. The annual financial audit reports and
17 pupil accounting procedures reports shall be available to the
18 public in compliance with the freedom of information act, 1976 PA
19 442, MCL 15.231 to 15.246. Not later than December 1 of each year,
20 the department shall notify the state budget director and the
21 legislative appropriations subcommittees responsible for review of
22 the school aid budget of districts and intermediate districts that
23 have not filed an annual financial audit and pupil accounting
24 procedures report required under this section for the school year
25 ending in the immediately preceding fiscal year.

26 (4) ~~-(3)-~~ By November 15 of each year, each district and
27 intermediate district shall submit to the center, in a manner

1 prescribed by the center, annual comprehensive financial data
2 consistent with accounting manuals and charts of accounts approved
3 and published by the department. Effective with the report due on
4 November 15, 2006, for an intermediate district, the report shall
5 also contain the website address where the department can access
6 the report required under section 620 of the revised school code,
7 MCL 380.620.

8 (5) ~~-(4)-~~ By September 30 of each year, each district and
9 intermediate district shall file with the department the special
10 education actual cost report, known as "SE-4096", on a form and in
11 the manner prescribed by the department.

12 (6) ~~-(5)-~~ By October 7 of each year, each district and
13 intermediate district shall file with the department the
14 transportation expenditure report, known as "SE-4094", on a form
15 and in the manner prescribed by the department.

16 (7) ~~-(6)- Not later than July 1, 1999, the department shall~~
17 ~~approve and publish pupil accounting and pupil auditing manuals.~~
18 The department shall review ~~those~~ **ITS PUPIL ACCOUNTING AND PUPIL**
19 **AUDITING** manuals at least annually and shall periodically update
20 those manuals to reflect changes in this act. ~~The pupil accounting~~
21 ~~manuals in effect for the 1996-97 school year, including subsequent~~
22 ~~revisions issued by the superintendent, shall be the interim~~
23 ~~manuals in effect until new manuals are approved and published.~~
24 ~~However, the clarification of class-by-class accounting provided in~~
25 ~~the department's April 15, 1998 memorandum on pupil accounting~~
26 ~~procedures shall be excluded from the interim manuals.~~

27 (8) ~~-(7)-~~ If a district that is a public school academy

1 purchases property using money received under this act, the public
 2 school academy shall retain ownership of the property unless the
 3 public school academy sells the property at fair market value.

4 (9) ~~-(8)-~~ If a district or intermediate district does not
 5 comply with subsection ~~-(2)-~~, (3), (4), ~~-or-~~ (5), **OR (6)**, the
 6 department shall withhold all state school aid due to the district
 7 or intermediate district under this act, beginning with the next
 8 payment due to the district or intermediate district, until the
 9 district or intermediate district complies with subsections ~~-(2)-~~,
 10 (3), (4), ~~-and-~~ (5), **AND (6)**. If the district or intermediate
 11 district does not comply with subsections ~~-(2)-~~, (3), (4), ~~-and-~~
 12 (5), **AND (6)** by the end of the fiscal year, the district or
 13 intermediate district forfeits the amount withheld.

14 Sec. 20. (1) For 2005-2006, the basic foundation allowance is
 15 \$6,875.00. **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR**
 16 **2006-2007, THE BASIC FOUNDATION ALLOWANCE IS \$7,105.00. HOWEVER, IF**
 17 **A BALLOT INITIATIVE TO AMEND THIS ACT TO PROVIDE FOR GUARANTEED**
 18 **LEVELS OF FUNDING IS ADOPTED BY THE VOTERS OF THIS STATE, THEN THE**
 19 **BASIC FOUNDATION ALLOWANCE FOR 2006-2007 IS \$6,875.00.**

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

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

27 (a) Except as otherwise provided in this subsection, for a

1 district that in the immediately preceding state fiscal year had a
2 foundation allowance in an amount at least equal to the amount of
3 the basic foundation allowance for the immediately preceding state
4 fiscal year, the district shall receive a foundation allowance in
5 an amount equal to the sum of the district's foundation allowance
6 for the immediately preceding state fiscal year plus the dollar
7 amount of the adjustment from the immediately preceding state
8 fiscal year to the current state fiscal year in the basic
9 foundation allowance. However, for 2002-2003, the foundation
10 allowance for a district under this subdivision is an amount equal
11 to the sum of the district's foundation allowance for the
12 immediately preceding state fiscal year plus \$200.00.

13 (b) For a district that in the 1994-95 state fiscal year had a
14 foundation allowance greater than \$6,500.00, the district's
15 foundation allowance is an amount equal to the sum of the
16 district's foundation allowance for the immediately preceding state
17 fiscal year plus the lesser of the increase in the basic foundation
18 allowance for the current state fiscal year, as compared to the
19 immediately preceding state fiscal year, or the product of the
20 district's foundation allowance for the immediately preceding state
21 fiscal year times the percentage increase in the United States
22 consumer price index in the calendar year ending in the immediately
23 preceding fiscal year as reported by the May revenue estimating
24 conference conducted under section 367b of the management and
25 budget act, 1984 PA 431, MCL 18.1367b. For 2002-2003, for a
26 district that in the 1994-95 state fiscal year had a foundation
27 allowance greater than \$6,500.00, the district's foundation

1 allowance is an amount equal to the sum of the district's
2 foundation allowance for the immediately preceding state fiscal
3 year plus the lesser of \$200.00 or the product of the district's
4 foundation allowance for the immediately preceding state fiscal
5 year times the percentage increase in the United States consumer
6 price index in the calendar year ending in the immediately
7 preceding fiscal year as reported by the May revenue estimating
8 conference conducted under section 367b of the management and
9 budget act, 1984 PA 431, MCL 18.1367b.

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

13 (d) For a district that received a payment under ~~former~~
14 section 22c **AS THAT SECTION WAS IN EFFECT** for 2001-2002, the
15 district's 2001-2002 foundation allowance shall be considered to
16 have been an amount equal to the sum of the district's actual 2001-
17 2002 foundation allowance as otherwise calculated under this
18 section plus the per pupil amount of the district's equity payment
19 for 2001-2002 under ~~former~~ section 22c **AS THAT SECTION WAS IN**
20 **EFFECT FOR 2001-2002.**

21 (E) IT IS THE INTENT OF THE LEGISLATURE THAT BEGINNING IN
22 2007-2008, FOR A DISTRICT THAT RECEIVES A PAYMENT UNDER SECTION 22C
23 FOR 2006-2007, THE DISTRICT'S 2006-2007 FOUNDATION ALLOWANCE SHALL
24 BE CONSIDERED TO HAVE BEEN AN AMOUNT EQUAL TO THE SUM OF THE
25 DISTRICT'S ACTUAL 2006-2007 FOUNDATION ALLOWANCE AS OTHERWISE
26 CALCULATED UNDER THIS SECTION PLUS THE PER PUPIL AMOUNT OF THE
27 DISTRICT'S EQUITY PAYMENT FOR 2006-2007 UNDER SECTION 22C.

1 (4) Except as otherwise provided in this subsection, the state
2 portion of a district's foundation allowance is an amount equal to
3 the district's foundation allowance or \$6,500.00, whichever is
4 less, minus the difference between the product of the taxable value
5 per membership pupil of all property in the district that is not a
6 principal residence or qualified agricultural property times the
7 lesser of 18 mills or the number of mills of school operating taxes
8 levied by the district in 1993-94 and the quotient of the ad
9 valorem property tax revenue of the district captured under 1975 PA
10 197, MCL 125.1651 to 125.1681, the tax increment finance authority
11 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development
12 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
13 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
14 to 125.2672, divided by the district's membership excluding special
15 education pupils. For a district described in subsection (3)(b),
16 the state portion of the district's foundation allowance is an
17 amount equal to \$6,962.00 plus the difference between the
18 district's foundation allowance for the current state fiscal year
19 and the district's foundation allowance for 1998-99, minus the
20 difference between the product of the taxable value per membership
21 pupil of all property in the district that is not a principal
22 residence or qualified agricultural property times the lesser of 18
23 mills or the number of mills of school operating taxes levied by
24 the district in 1993-94 and the quotient of the ad valorem property
25 tax revenue of the district captured under 1975 PA 197, MCL
26 125.1651 to 125.1681, the tax increment finance authority act, 1980
27 PA 450, MCL 125.1801 to 125.1830, the local development financing

1 act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield
2 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
3 divided by the district's membership excluding special education
4 pupils. For a district that has a millage reduction required under
5 section 31 of article IX of the state constitution of 1963, the
6 state portion of the district's foundation allowance shall be
7 calculated as if that reduction did not occur. The \$6,500.00 amount
8 prescribed in this subsection shall be adjusted each year by an
9 amount equal to the dollar amount of the difference between the
10 basic foundation allowance for the current state fiscal year and
11 \$5,000.00, minus \$200.00.

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

1 district's foundation allowance is greater than the foundation
2 allowance of the pupil's district of residence. The calculation
3 under this subsection shall take into account a district's per
4 pupil allocation under section 20j(2).

5 (6) Subject to subsection (7) and section 22b(3) and except as
6 otherwise provided in this subsection, for pupils in membership,
7 other than special education pupils, in a public school academy or
8 a university school, the allocation calculated under this section
9 is an amount per membership pupil other than special education
10 pupils in the public school academy or university school equal to
11 the sum of the local school operating revenue per membership pupil
12 other than special education pupils for the district in which the
13 public school academy or university school is located and the state
14 portion of that district's foundation allowance, or the sum of the
15 basic foundation allowance under subsection (1) plus \$300.00,
16 whichever is less. Notwithstanding section 101(2), for a public
17 school academy that begins operations after the pupil membership
18 count day, the amount per membership pupil calculated under this
19 subsection shall be adjusted by multiplying that amount per
20 membership pupil by the number of hours of pupil instruction
21 provided by the public school academy after it begins operations,
22 as determined by the department, divided by the minimum number of
23 hours of pupil instruction required under section 101(3). The
24 result of this calculation shall not exceed the amount per
25 membership pupil otherwise calculated under this subsection.

26 (7) If more than 25% of the pupils residing within a district
27 are in membership in 1 or more public school academies located in

1 the district, then the amount per membership pupil calculated under
2 this section for a public school academy located in the district
3 shall be reduced by an amount equal to the difference between the
4 product of the taxable value per membership pupil of all property
5 in the district that is not a principal residence or qualified
6 agricultural property times the lesser of 18 mills or the number of
7 mills of school operating taxes levied by the district in 1993-94
8 and the quotient of the ad valorem property tax revenue of the
9 district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the
10 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to
11 125.1830, the local development financing act, 1986 PA 281, MCL
12 125.2151 to 125.2174, or the brownfield redevelopment financing
13 act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the
14 district's membership excluding special education pupils, in the
15 school fiscal year ending in the current state fiscal year,
16 calculated as if the resident pupils in membership in 1 or more
17 public school academies located in the district were in membership
18 in the district. In order to receive state school aid under this
19 act, a district described in this subsection shall pay to the
20 authorizing body that is the fiscal agent for a public school
21 academy located in the district for forwarding to the public school
22 academy an amount equal to that local school operating revenue per
23 membership pupil for each resident pupil in membership other than
24 special education pupils in the public school academy, as
25 determined by the department.

26 (8) If a district does not receive an amount calculated under
27 subsection (9); if the number of mills the district may levy on a

1 principal residence and qualified agricultural property under
2 section 1211(1) of the revised school code, MCL 380.1211, is 0.5
3 mills or less; and if the district elects not to levy those mills,
4 the district instead shall receive a separate supplemental amount
5 calculated under this subsection in an amount equal to the amount
6 the district would have received had it levied those mills, as
7 determined by the department of treasury. A district shall not
8 receive a separate supplemental amount calculated under this
9 subsection for a fiscal year unless in the calendar year ending in
10 the fiscal year the district levies 18 mills or the number of mills
11 of school operating taxes levied by the district in 1993, whichever
12 is less, on property that is not a principal residence or qualified
13 agricultural property.

14 (9) For a district that had combined state and local revenue
15 per membership pupil in the 1993-94 state fiscal year of more than
16 \$6,500.00 and that had fewer than 350 pupils in membership, if the
17 district elects not to reduce the number of mills from which a
18 principal residence and qualified agricultural property are exempt
19 and not to levy school operating taxes on a principal residence and
20 qualified agricultural property as provided in section 1211(1) of
21 the revised school code, MCL 380.1211, and not to levy school
22 operating taxes on all property as provided in section 1211(2) of
23 the revised school code, MCL 380.1211, there is calculated under
24 this subsection for 1994-95 and each succeeding fiscal year a
25 separate supplemental amount in an amount equal to the amount the
26 district would have received per membership pupil had it levied
27 school operating taxes on a principal residence and qualified

1 agricultural property at the rate authorized for the district under
2 section 1211(1) of the revised school code, MCL 380.1211, and
3 levied school operating taxes on all property at the rate
4 authorized for the district under section 1211(2) of the revised
5 school code, MCL 380.1211, as determined by the department of
6 treasury. If in the calendar year ending in the fiscal year a
7 district does not levy 18 mills or the number of mills of school
8 operating taxes levied by the district in 1993, whichever is less,
9 on property that is not a principal residence or qualified
10 agricultural property, the amount calculated under this subsection
11 will be reduced by the same percentage as the millage actually
12 levied compares to the 18 mills or the number of mills levied in
13 1993, whichever is less.

14 (10) Subject to subsection (4), for a district that is formed
15 or reconfigured after June 1, 2002 by consolidation of 2 or more
16 districts or by annexation, the resulting district's foundation
17 allowance under this section beginning after the effective date of
18 the consolidation or annexation shall be the average of the
19 foundation allowances of each of the original or affected
20 districts, calculated as provided in this section, weighted as to
21 the percentage of pupils in total membership in the resulting
22 district who reside in the geographic area of each of the original
23 or affected districts. The calculation under this subsection shall
24 take into account a district's per pupil allocation under section
25 20j(2).

26 (11) Each fraction used in making calculations under this
27 section shall be rounded to the fourth decimal place and the dollar

1 amount of an increase in the basic foundation allowance shall be
2 rounded to the nearest whole dollar.

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

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

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

22 (b) The revenue adjustment factor shall be computed by
23 dividing the sum of the estimated total state school aid fund
24 revenue for the subsequent state fiscal year plus the estimated
25 total state school aid fund revenue for the current state fiscal
26 year, adjusted for any change in the rate or base of a tax the
27 proceeds of which are deposited in that fund and excluding money

1 transferred into that fund from the countercyclical budget and
2 economic stabilization fund under section 353e of the management
3 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
4 estimated total school aid fund revenue for the current state
5 fiscal year plus the estimated total state school aid fund revenue
6 for the immediately preceding state fiscal year, adjusted for any
7 change in the rate or base of a tax the proceeds of which are
8 deposited in that fund. If a consensus revenue factor is not
9 determined at the revenue estimating conference, the principals of
10 the revenue estimating conference shall report their estimates to
11 the house and senate subcommittees responsible for school aid
12 appropriations not later than 7 days after the conclusion of the
13 revenue conference.

14 (c) The index shall be calculated by multiplying the pupil
15 membership factor by the revenue adjustment factor. However, for
16 2005-2006 **AND 2006-2007**, the index shall be 1.00. If a consensus
17 index is not determined at the revenue estimating conference, the
18 principals of the revenue estimating conference shall report their
19 estimates to the house and senate subcommittees responsible for
20 school aid appropriations not later than 7 days after the
21 conclusion of the revenue conference.

22 (14) If the principals at the revenue estimating conference
23 reach a consensus on the index described in subsection (13)(c), the
24 basic foundation allowance for the subsequent state fiscal year
25 shall be at least the amount of that consensus index multiplied by
26 the basic foundation allowance specified in subsection (1).

27 (15) If at the January revenue estimating conference it is

1 estimated that pupil membership, excluding intermediate district
2 membership, for the subsequent state fiscal year will be greater
3 than 101% of the pupil membership, excluding intermediate district
4 membership, for the current state fiscal year, then it is the
5 intent of the legislature that the executive budget proposal for
6 the school aid budget for the subsequent state fiscal year include
7 a general fund/general purpose allocation sufficient to support the
8 membership in excess of 101% of the current year pupil membership.

9 (16) For a district that had combined state and local revenue
10 per membership pupil in the 1993-94 state fiscal year of more than
11 \$6,500.00, that had fewer than 7 pupils in membership in the 1993-
12 94 state fiscal year, that has at least 1 child educated in the
13 district in the current state fiscal year, and that levies the
14 number of mills of school operating taxes authorized for the
15 district under section 1211 of the revised school code, MCL
16 380.1211, a minimum amount of combined state and local revenue
17 shall be calculated for the district as provided under this
18 subsection. The minimum amount of combined state and local revenue
19 for 1999-2000 shall be \$67,000.00 plus the district's additional
20 expenses to educate pupils in grades 9 to 12 educated in other
21 districts as determined and allowed by the department. The minimum
22 amount of combined state and local revenue under this subsection,
23 before adding the additional expenses, shall increase each fiscal
24 year by the same percentage increase as the percentage increase in
25 the basic foundation allowance from the immediately preceding
26 fiscal year to the current fiscal year. The state portion of the
27 minimum amount of combined state and local revenue under this

1 subsection shall be calculated by subtracting from the minimum
2 amount of combined state and local revenue under this subsection
3 the sum of the district's local school operating revenue and an
4 amount equal to the product of the sum of the state portion of the
5 district's foundation allowance plus the amount calculated under
6 section 20j times the district's membership. As used in this
7 subsection, "additional expenses" means the district's expenses for
8 tuition or fees, not to exceed \$6,500.00 as adjusted each year by
9 an amount equal to the dollar amount of the difference between the
10 basic foundation allowance for the current state fiscal year and
11 \$5,000.00, minus \$200.00, plus a room and board stipend not to
12 exceed \$10.00 per school day for each pupil in grades 9 to 12
13 educated in another district, as approved by the department.

14 (17) For a district in which 7.75 mills levied in 1992 for
15 school operating purposes in the 1992-93 school year were not
16 renewed in 1993 for school operating purposes in the 1993-94 school
17 year, the district's combined state and local revenue per
18 membership pupil shall be recalculated as if that millage reduction
19 did not occur and the district's foundation allowance shall be
20 calculated as if its 1994-95 foundation allowance had been
21 calculated using that recalculated 1993-94 combined state and local
22 revenue per membership pupil as a base. A district is not entitled
23 to any retroactive payments for fiscal years before 2000-2001 due
24 to this subsection.

25 (18) For a district in which an industrial facilities
26 exemption certificate that abated taxes on property with a state
27 equalized valuation greater than the total state equalized

1 valuation of the district at the time the certificate was issued or
2 \$700,000,000.00, whichever is greater, was issued under 1974 PA
3 198, MCL 207.551 to 207.572, before the calculation of the
4 district's 1994-95 foundation allowance, the district's foundation
5 allowance for 2002-2003 is an amount equal to the sum of the
6 district's foundation allowance for 2002-2003, as otherwise
7 calculated under this section, plus \$250.00.

8 (19) For a district that received a grant under former section
9 32e for 2001-2002, the district's foundation allowance for 2002-
10 2003 and each succeeding fiscal year shall be adjusted to be an
11 amount equal to the sum of the district's foundation allowance, as
12 otherwise calculated under this section, plus the quotient of 100%
13 of the amount of the grant award to the district for 2001-2002
14 under former section 32e divided by the number of pupils in the
15 district's membership for 2001-2002 who were residents of and
16 enrolled in the district. Except as otherwise provided in this
17 subsection, a district qualifying for a foundation allowance
18 adjustment under this subsection shall use the funds resulting from
19 this adjustment for at least 1 of grades K to 3 for purposes
20 allowable under former section 32e as in effect for 2001-2002, and
21 may also use these funds for an early intervening program described
22 in subsection (21). For an individual school or schools operated by
23 a district qualifying for a foundation allowance under this
24 subsection that have been determined by the department to meet the
25 adequate yearly progress standards of the federal no child left
26 behind act of 2001, Public Law 107-110, in both mathematics and
27 English language arts at all applicable grade levels for all

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

17 ~~—— (20) For a district that is a qualifying school district with~~
18 ~~a school reform board in place under part 5a of the revised school~~
19 ~~code, MCL 380.371 to 380.376, the district's foundation allowance~~
20 ~~for 2002-2003 shall be adjusted to be an amount equal to the sum of~~
21 ~~the district's foundation allowance, as otherwise calculated under~~
22 ~~this section, plus the quotient of \$15,000,000.00 divided by the~~
23 ~~district's membership for 2002-2003. If a district ceases to meet~~
24 ~~the requirements of this subsection, the department shall adjust~~
25 ~~the district's foundation allowance in effect at that time based on~~
26 ~~a 2002-2003 foundation allowance for the district that does not~~
27 ~~include the 2002-2003 adjustment under this subsection. This~~

~~subsection only applies for 2002-2003, 2003-2004, and 2004-2005.
Beginning in 2005-2006, the foundation allowance of a district that
received an adjustment under this subsection for those fiscal years
shall be calculated as if those adjustments did not occur.~~

(20) ~~-(21)-~~ An early intervening program that uses funds
resulting from the adjustment under subsection (19) 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 schoolwide 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 schoolwide system of
academic and behavioral support should be based on a support team
available to the classroom teachers. The members of this team could

1 include the principal, special education staff, reading teachers,
2 and other appropriate personnel who would be available to
3 systematically study the needs of the individual child and work
4 with the teacher to match instruction to the needs of the
5 individual child.

6 (21) ~~—(22)—~~ Payments to districts, university schools, or
7 public school academies shall not be made under this section.
8 Rather, the calculations under this section shall be used to
9 determine the amount of state payments under section 22b.

10 (22) ~~—(23)—~~ If an amendment to section 2 of article VIII of
11 the state constitution of 1963 allowing state aid to some or all
12 nonpublic schools is approved by the voters of this state, each
13 foundation allowance or per pupil payment calculation under this
14 section may be reduced.

15 (23) ~~—(24)—~~ As used in this section:

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

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

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

25 (d) "Immediately preceding state fiscal year" means the state
26 fiscal year immediately preceding the current state fiscal year.

27 (e) "Local school operating revenue" means school operating

1 taxes levied under section 1211 of the revised school code, MCL
2 380.1211.

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

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

9 (h) "Principal residence" and "qualified agricultural
10 property" mean those terms as defined in section 7dd of the general
11 property tax act, 1893 PA 206, MCL 211.7dd.

12 (i) "School operating purposes" means the purposes included in
13 the operation costs of the district as prescribed in sections 7 and
14 18.

15 (j) "School operating taxes" means local ad valorem property
16 taxes levied under section 1211 of the revised school code, MCL
17 380.1211, and retained for school operating purposes.

18 (k) "Taxable value per membership pupil" means taxable value,
19 as certified by the department of treasury, for the calendar year
20 ending in the current state fiscal year divided by the district's
21 membership excluding special education pupils for the school year
22 ending in the current state fiscal year.

23 Sec. 20j. (1) Foundation allowance supplemental payments for
24 ~~2005-2006~~ **2006-2007** to districts that in the 1994-95 state fiscal
25 year had a foundation allowance greater than \$6,500.00 shall be
26 calculated under this section.

27 (2) The per pupil allocation to each district under this

1 section shall be the difference between the dollar amount of the
2 adjustment from the 1998-99 state fiscal year to the current state
3 fiscal year in the basic foundation allowance minus the dollar
4 amount of the adjustment from the 1998-99 state fiscal year to the
5 current state fiscal year in the district's foundation allowance.

6 (3) If a district's local revenue per pupil does not exceed
7 the sum of its foundation allowance under section 20 plus the per
8 pupil allocation under subsection (2), the total payment to the
9 district calculated under this section shall be the product of the
10 per pupil allocation under subsection (2) multiplied by the
11 district's membership excluding special education pupils. If a
12 district's local revenue per pupil exceeds the foundation allowance
13 under section 20 but does not exceed the sum of the foundation
14 allowance under section 20 plus the per pupil allocation under
15 subsection (2), the total payment to the district calculated under
16 this section shall be the product of the difference between the sum
17 of the foundation allowance under section 20 plus the per pupil
18 allocation under subsection (2) minus the local revenue per pupil
19 multiplied by the district's membership excluding special education
20 pupils. If a district's local revenue per pupil exceeds the sum of
21 the foundation allowance under section 20 plus the per pupil
22 allocation under subsection (2), there is no payment calculated
23 under this section for the district.

24 (4) Payments to districts shall not be made under this
25 section. Rather, the calculations under this section shall be made
26 and used to determine the amount of state payments under section
27 22b.

1 Sec. 22a. (1) From the appropriation in section 11, there is
 2 allocated an amount not to exceed ~~\$6,615,000,000.00 for 2004-2005~~
 3 ~~and an amount not to exceed \$6,459,000,000.00~~ **\$6,407,000,000.00**
 4 for 2005-2006 **AND AN AMOUNT NOT TO EXCEED \$6,209,200,000.00 FOR**
 5 **2006-2007** for payments to districts, qualifying university schools,
 6 and qualifying public school academies to guarantee each district,
 7 qualifying university school, and qualifying public school academy
 8 an amount equal to its 1994-95 total state and local per pupil
 9 revenue for school operating purposes under section 11 of article
 10 IX of the state constitution of 1963. Pursuant to section 11 of
 11 article IX of the state constitution of 1963, this guarantee does
 12 not apply to a district in a year in which the district levies a
 13 millage rate for school district operating purposes less than it
 14 levied in 1994. However, subsection (2) applies to calculating the
 15 payments under this section. Funds allocated under this section
 16 that are not expended in the state fiscal year for which they were
 17 allocated, as determined by the department, may be used to
 18 supplement the allocations under sections 22b and 51c in order to
 19 fully fund those calculated allocations for the same fiscal year.

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

25 (a) Except as otherwise provided in this subsection, the state
 26 portion of a district's 1994-95 foundation allowance is an amount
 27 equal to the district's 1994-95 foundation allowance or \$6,500.00,

1 whichever is less, minus the difference between the product of the
2 taxable value per membership pupil of all property in the district
3 that is not a homestead or qualified agricultural property times
4 the lesser of 18 mills or the number of mills of school operating
5 taxes levied by the district in 1993-94 and the quotient of the ad
6 valorem property tax revenue of the district captured under 1975 PA
7 197, MCL 125.1651 to 125.1681, the tax increment finance authority
8 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development
9 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
10 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
11 to 125.2672, divided by the district's membership. For a district
12 that has a millage reduction required under section 31 of article
13 IX of the state constitution of 1963, the state portion of the
14 district's foundation allowance shall be calculated as if that
15 reduction did not occur.

16 (b) For a district that had a 1994-95 foundation allowance
17 greater than \$6,500.00, the state payment under this subsection
18 shall be the sum of the amount calculated under subdivision (a)
19 plus the amount calculated under this subdivision. The amount
20 calculated under this subdivision shall be equal to the difference
21 between the district's 1994-95 foundation allowance minus \$6,500.00
22 and the current year hold harmless school operating taxes per
23 pupil. If the result of the calculation under subdivision (a) is
24 negative, the negative amount shall be an offset against any state
25 payment calculated under this subdivision. If the result of a
26 calculation under this subdivision is negative, there shall not be
27 a state payment or a deduction under this subdivision. The taxable

1 values per membership pupil used in the calculations under this
2 subdivision are as adjusted by ad valorem property tax revenue
3 captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax
4 increment finance authority act, 1980 PA 450, MCL 125.1801 to
5 125.1830, the local development financing act, 1986 PA 281, MCL
6 125.2151 to 125.2174, or the brownfield redevelopment financing
7 act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the
8 district's membership.

9 (3) Beginning in 2003-2004, for pupils in membership in a
10 qualifying public school academy or qualifying university school,
11 there is allocated under this section to the authorizing body that
12 is the fiscal agent for the qualifying public school academy for
13 forwarding to the qualifying public school academy, or to the board
14 of the public university operating the qualifying university
15 school, an amount equal to the 1994-95 per pupil payment to the
16 qualifying public school academy or qualifying university school
17 under section 20.

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

23 (5) For a district that is formed or reconfigured after June
24 1, 2000 by consolidation of 2 or more districts or by annexation,
25 the resulting district's 1994-95 foundation allowance under this
26 section beginning after the effective date of the consolidation or
27 annexation shall be the average of the 1994-95 foundation

1 allowances of each of the original or affected districts,
2 calculated as provided in this section, weighted as to the
3 percentage of pupils in total membership in the resulting district
4 in the state fiscal year in which the consolidation takes place who
5 reside in the geographic area of each of the original districts. If
6 an affected district's 1994-95 foundation allowance is less than
7 the 1994-95 basic foundation allowance, the amount of that
8 district's 1994-95 foundation allowance shall be considered for the
9 purpose of calculations under this subsection to be equal to the
10 amount of the 1994-95 basic foundation allowance.

11 (6) As used in this section:

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

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

18 (c) "Current year hold harmless school operating taxes per
19 pupil" means the per pupil revenue generated by multiplying a
20 district's 1994-95 hold harmless millage by the district's current
21 year taxable value per membership pupil.

22 (d) "Hold harmless millage" means, for a district with a 1994-
23 95 foundation allowance greater than \$6,500.00, the number of mills
24 by which the exemption from the levy of school operating taxes on a
25 homestead and qualified agricultural property could be reduced as
26 provided in section 1211(1) of the revised school code, MCL
27 380.1211, and the number of mills of school operating taxes that

1 could be levied on all property as provided in section 1211(2) of
2 the revised school code, MCL 380.1211, as certified by the
3 department of treasury for the 1994 tax year.

4 (e) "Homestead" means that term as defined in section 1211 of
5 the revised school code, MCL 380.1211.

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

9 (g) "Qualified agricultural property" means that term as
10 defined in section 1211 of the revised school code, MCL 380.1211.

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

14 (i) "Qualifying university school" means a university school
15 that was in operation in the 1994-95 school year and is in
16 operation in the current fiscal year.

17 (j) "School operating taxes" means local ad valorem property
18 taxes levied under section 1211 of the revised school code, MCL
19 380.1211, and retained for school operating purposes.

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

22 (i) For the number of mills by which the exemption from the
23 levy of school operating taxes on a homestead and qualified
24 agricultural property may be reduced as provided in section 1211(1)
25 of the revised school code, MCL 380.1211, the taxable value of
26 homestead and qualified agricultural property for the calendar year
27 ending in the current state fiscal year.

(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.

Sec. 22b. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$2,923,200,000.00 for 2004-2005~~ ~~and an amount not to exceed \$3,197,736,800.00~~ **\$3,217,000,000.00** for 2005-2006 **AND AN AMOUNT NOT TO EXCEED \$3,616,000,000.00 FOR 2006-2007** 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 11, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20j, 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to the district under sections 22a and 51c.

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

1 receive an allocation under this section each district shall comply
2 with that requirement.

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

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

26 (6) If the local claims review board or a court of competent
27 jurisdiction makes a final determination that this state is in

1 violation of section 29 of article IX of the state constitution of
2 1963 regarding state payments to districts, the state budget
3 director shall use work project funds under subsection (5) or
4 allocate from the discretionary funds for nonmandated payments
5 under this section the amount as may be necessary to satisfy the
6 amount owed to districts before making any payments to districts
7 under subsection (2).

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

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

23 (9) If a lawsuit challenging payments made to districts
24 related to costs reimbursed by federal title XIX medicaid funds is
25 filed against this state during 2001-2002, 2002-2003, or 2003-2004,
26 50% of the amount allocated in subsection (1) not previously paid
27 out for 2002-2003, 2003-2004, and each succeeding fiscal year is a

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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.

SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED \$35,200,000.00 TO MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT CALCULATED UNDER SECTION 20 FOR 2006-2007 OF LESS THAN \$7,480.00. THE EQUITY PAYMENT FOR A DISTRICT SHALL BE AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO THE LESSER OF \$35.00 OR THE DIFFERENCE BETWEEN \$7,480.00 AND THE DISTRICT'S 2006-2007 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20. [SUBJECT TO THE AVAILABILITY OF FUNDS, IT IS THE INTENT OF THE LEGISLATURE TO CONTINUE TO FUND AN EQUITY PAYMENT UNDER THIS SECTION AFTER 2006-2007.]

Sec. 22d. (1) From the amount allocated under section 22b, an amount not to exceed \$750,000.00 is allocated for ~~2005-2006~~ 2006-2007 for additional payments to small, geographically isolated districts under this section.

(2) To be eligible for a payment under this section, a district shall 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 this section 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 this section 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 this section and shall be paid to the eligible districts in the same manner as payments under section 22b.

Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2005-2006~~ **2006-2007** an amount not to exceed ~~\$8,000,000.00~~ **\$10,000,000.00** 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

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

6 (2) ~~For 2005-2006, 70% of the total amount allocated under~~
7 ~~this section shall be allocated by paying to the educating district~~
8 ~~or intermediate district an amount equal to the lesser of the~~
9 ~~district's or intermediate district's added cost or the~~
10 ~~department's approved per pupil allocation for the district or~~
11 ~~intermediate district, and 30% of the total amount allocated under~~
12 ~~this section shall be allocated by paying to the educating district~~
13 ~~or intermediate district an amount equal to the district's or~~
14 ~~intermediate district's added cost.~~ For 2006-2007, 80% of the
15 total amount allocated under this section shall be allocated by
16 paying to the educating district or intermediate district an amount
17 equal to the lesser of the district's or intermediate district's
18 added cost or the department's approved per pupil allocation for
19 the district or intermediate district, and 20% of the total amount
20 allocated under this section shall be allocated by paying to the
21 educating district or intermediate district an amount equal to the
22 district's or intermediate district's added cost. For 2007-2008,
23 90% of the total amount allocated under this section shall be
24 allocated by paying to the educating district or intermediate
25 district an amount equal to the lesser of the district's or
26 intermediate district's added cost or the department's approved per
27 pupil allocation for the district or intermediate district, and 10%

1 of the total amount allocated under this section shall be allocated
2 by paying to the educating district or intermediate district an
3 amount equal to the district's or intermediate district's added
4 cost. Beginning with allocations for 2008-2009, 100% of the total
5 amount allocated under this section shall be allocated by paying to
6 the educating district or intermediate district an amount equal to
7 the lesser of the district's or intermediate district's added cost
8 or the department's approved per pupil allocation for the district
9 or intermediate district. For the purposes of this subsection:

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

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

1 the department to be funded under this section for that fiscal year
2 for the district or intermediate district.

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

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

14 Sec. 25a. If a pupil described in section ~~6(6)(g)~~ **6(6)(F)**
15 enrolls pursuant to section ~~6(6)(g)~~ **6(6)(F)** during a school year
16 in a district other than the district in which the pupil is counted
17 in membership, the educating district shall report the enrollment
18 information to the department and to the district in which the
19 pupil is counted in membership, and the district in which the pupil
20 is counted in membership shall pay to the educating district an
21 amount equal to the amount of the foundation allowance received by
22 the district in which the pupil is counted in membership, prorated
23 according to the number of days of the school year ending in the
24 fiscal year the pupil is educated in the educating district
25 compared to the number of days of the school year ending in the
26 fiscal year the pupil was actually enrolled in the district in
27 which the pupil is counted in membership. If a district does not

1 make the payment required under this section within 30 days after
 2 receipt of the report, the department shall calculate the amount
 3 owed, shall deduct that amount from the remaining state school aid
 4 payments to the district for that fiscal year under this act, and
 5 shall pay that amount to the educating district. The district in
 6 which the pupil is counted in membership and the educating district
 7 shall provide to the department all information the department
 8 requires to enforce this section.

9 Sec. 26a. From the **STATE SCHOOL AID FUND** appropriation in
 10 section 11, there is allocated an amount not to exceed
 11 ~~\$45,000,000.00~~ **\$37,650,000.00** for ~~2005-2006~~ **2006-2007, AND FROM**
 12 **THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN**
 13 **AMOUNT NOT TO EXCEED \$12,550,000.00 FOR 2006-2007** to reimburse
 14 districts, intermediate districts, and the state school aid fund
 15 pursuant to section 12 of the Michigan renaissance zone act, 1996
 16 PA 376, MCL 125.2692, for taxes levied in ~~2005~~ **2006** or for
 17 payments to districts as reimbursement for interest paid as a
 18 result of property tax refunds. The allocations shall be made not
 19 later than 60 days after the department of treasury certifies to
 20 the department and to the state budget director that the department
 21 of treasury has received all necessary information to properly
 22 determine the amounts due to each eligible recipient.

23 Sec. 26b. (1) ~~Beginning in 2005-2006, there is allocated from~~
 24 **FROM** the general fund appropriation in section 11, **THERE IS**
 25 **ALLOCATED FOR 2006-2007** an amount not to exceed \$2,400,000.00 for
 26 payments to districts, intermediate districts, and community
 27 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.

Sec. 31a. (1) From the **STATE SCHOOL AID FUND** money appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** an amount not to exceed ~~\$314,200,000.00~~ **\$315,200,000.00** for payments to eligible districts and eligible public school academies under this section. Subject to subsection ~~(13)~~ **(14)**, the amount of the additional allowance under this section, **OTHER THAN FUNDING UNDER SUBSECTION (6) OR (7)**, shall be based on the number of actual pupils in membership in the district or public school academy who 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 ~~1769h~~ **1769I**, and reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy

1 who met the income eligibility criteria for free breakfast, lunch,
2 or milk in the current state fiscal year, as determined under the
3 Richard B. Russell national school lunch act.

4 (2) To be eligible to receive funding under this section,
5 other than funding under subsection (6) **OR (7)**, a district or
6 public school academy that has not been previously determined to be
7 eligible shall apply to the department, in a form and manner
8 prescribed by the department, and a district or public school
9 academy must meet all of the following:

10 (a) The sum of the district's or public school academy's
11 combined state and local revenue per membership pupil in the
12 current state fiscal year, as calculated under section 20, plus the
13 amount of the district's per pupil allocation under section 20j(2),
14 is less than or equal to \$6,500.00 adjusted by the dollar amount of
15 the difference between the basic foundation allowance under section
16 20 for the current state fiscal year and \$5,000.00, minus \$200.00.

17 (b) The district or public school academy agrees to use the
18 funding only for purposes allowed under this section and to comply
19 with the program and accountability requirements under this
20 section.

21 (3) Except as otherwise provided in this subsection, an
22 eligible district or eligible public school academy shall receive
23 under this section for each membership pupil in the district or
24 public school academy who met the income eligibility criteria for
25 free breakfast, lunch, or milk, as determined under the Richard B.
26 Russell national school lunch act and as reported to the department
27 by October 31 of the immediately preceding fiscal year and adjusted

1 not later than December 31 of the immediately preceding fiscal
2 year, an amount per pupil equal to 11.5% of the sum of the
3 district's foundation allowance or public school academy's per
4 pupil amount calculated under section 20, plus the amount of the
5 district's per pupil allocation under section 20j(2), not to exceed
6 \$6,500.00 adjusted by the dollar amount of the difference between
7 the basic foundation allowance under section 20 for the current
8 state fiscal year and \$5,000.00, minus \$200.00, or of the public
9 school academy's per membership pupil amount calculated under
10 section 20 for the current state fiscal year. A public school
11 academy that began operations as a public school academy after the
12 pupil membership count day of the immediately preceding school year
13 shall receive under this section for each membership pupil in the
14 public school academy who met the income eligibility criteria for
15 free breakfast, lunch, or milk, as determined under the Richard B.
16 Russell national school lunch act and as reported to the department
17 by October 31 of the current fiscal year and adjusted not later
18 than December 31 of the current fiscal year, an amount per pupil
19 equal to 11.5% of the public school academy's per membership pupil
20 amount calculated under section 20 for the current state fiscal
21 year.

22 (4) Except as otherwise provided in this section, a district
23 or public school academy receiving funding under this section shall
24 use that money only to provide instructional programs and direct
25 noninstructional services, including, but not limited to, medical
26 or counseling services, for at-risk pupils; for school health
27 clinics; and for the purposes of subsection (5), ~~or~~ (6), **OR (7)**.

1 In addition, a district that is organized as a school district of
2 the first class under the revised school code or a district or
3 public school academy in which at least 50% of the pupils in
4 membership met the income eligibility criteria for free breakfast,
5 lunch, or milk in the immediately preceding state fiscal year, as
6 determined and reported as described in subsection (1), may use not
7 more than 15% of the funds it receives under this section for
8 school security. A district or public school academy shall not use
9 any of that money for administrative costs or to supplant another
10 program or other funds, except for funds allocated to the district
11 or public school academy under this section in the immediately
12 preceding year and already being used by the district or public
13 school academy for at-risk pupils. The instruction or direct
14 noninstructional services provided under this section may be
15 conducted before or after regular school hours or by adding extra
16 school days to the school year and may include, but are not limited
17 to, tutorial services, early childhood programs to serve children
18 age 0 to 5, and reading programs as described in former section 32f
19 as in effect for 2001-2002. A tutorial method may be conducted with
20 paraprofessionals working under the supervision of a certificated
21 teacher. The ratio of pupils to paraprofessionals shall be between
22 10:1 and 15:1. Only 1 certificated teacher is required to supervise
23 instruction using a tutorial method. As used in this subsection,
24 "to supplant another program" means to take the place of a
25 previously existing instructional program or direct
26 noninstructional services funded from a funding source other than
27 funding under this section.

(5) Except as otherwise provided in subsection ~~-(11)-~~ **(12)**, 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, 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 receives funds under this section, necessary to operate the school breakfast program.

(6) From the funds allocated under subsection (1), there is allocated for ~~2005-2006~~ **2006-2007** an amount not to exceed ~~\$3,743,000.00~~ **\$4,743,000.00** to support ~~teen~~ **CHILD AND ADOLESCENT** health centers. **FROM THE FUNDS ALLOCATED IN THIS SUBSECTION, \$1,000,000.00 SHALL BE AWARDED TO THE 11 CHILD AND ADOLESCENT HEALTH CENTERS THAT RECEIVED PLANNING GRANTS FROM THE DEPARTMENT OF COMMUNITY HEALTH IN 2005 AND WERE APPROVED FOR OPERATING A CENTER, BUT FOR WHICH OPERATING FUNDS WERE NOT AWARDED.** These grants shall be awarded for ~~3~~ **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 ~~3-year~~ **5-YEAR** period after the noncompliance. Beginning in 2004-2005, to continue to receive funding for a ~~teen~~ **CHILD AND ADOLESCENT** health center under this section a grant recipient shall ensure that the ~~teen~~ **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 ~~teen~~

1 CHILD AND ADOLESCENT health center program shall recognize the role
2 of a child's parents or legal guardian in the physical and
3 emotional well-being of the child. A CHILD AND ADOLESCENT HEALTH
4 CENTER SHALL COLLABORATE WITH THE DEPARTMENT OF COMMUNITY HEALTH
5 AND ITS LOCAL PUBLIC HEALTH DEPARTMENT TO CREATE A PLAN TO MANAGE A
6 POTENTIAL OUTBREAK OF AVIAN INFLUENZA. FUNDING UNDER THIS
7 SUBSECTION SHALL BE USED TO SUPPORT CHILD AND ADOLESCENT HEALTH
8 CENTER SERVICES PROVIDED TO CHILDREN UP TO AGE 21. If any funds
9 allocated under this subsection are not used for the purposes of
10 this subsection for the fiscal year in which they are allocated,
11 those unused funds shall be used that fiscal year to avoid or
12 minimize any proration that would otherwise be required under
13 subsection ~~—(13)—~~ (14) for that fiscal year.

14 (7) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11,
15 THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED
16 \$5,150,000.00 FOR THE STATE PORTION OF THE HEARING AND VISION
17 SCREENINGS AS DESCRIBED IN SECTION 9301 OF THE PUBLIC HEALTH CODE,
18 1978 PA 368, MCL 333.9301. A LOCAL PUBLIC HEALTH DEPARTMENT SHALL
19 PAY AT LEAST 50% OF THE TOTAL COST OF THE SCREENINGS. THE FREQUENCY
20 OF THE SCREENINGS SHALL BE AS REQUIRED UNDER R 325.13091 TO R
21 325.13096 AND R 325.3271 TO R 325.3276 OF THE MICHIGAN
22 ADMINISTRATIVE CODE. FUNDS SHALL BE AWARDED IN A FORM AND MANNER
23 APPROVED JOINTLY BY THE DEPARTMENT AND THE DEPARTMENT OF COMMUNITY
24 HEALTH.

25 (8) ~~—(7)—~~ Each district or public school academy receiving
26 funds under this section shall submit to the department by July 15
27 of each fiscal year a report, not to exceed 10 pages, on the usage

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

15 **(9)** ~~—(8)—~~ In order to receive funds under this section, a
16 district or public school academy shall allow access for the
17 department or the department's designee to audit all records
18 related to the program for which it receives those funds. The
19 district or public school academy shall reimburse the state for all
20 disallowances found in the audit.

21 **(10)** ~~—(9)—~~ Subject to subsections (5), (6), **(7)**, (11), and
22 (12), any district may use up to 100% of the funds it receives
23 under this section to reduce the ratio of pupils to teachers in
24 grades K-6, or any combination of those grades, in school buildings
25 in which the percentage of pupils described in subsection (1)
26 exceeds the district's aggregate percentage of those pupils.
27 Subject to subsections (5), (6), **(7)**, (11), and (12), if a district

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

11 (11) ~~—(10)—~~ A district or public school academy may use funds
12 received under this section for adult high school completion,
13 general educational development (G.E.D.) test preparation, adult
14 English as a second language, or adult basic education programs
15 described in section 107.

16 (12) ~~—(11)—~~ For an individual school or schools operated by a
17 district or public school academy receiving funds under this
18 section that have been determined by the department to meet the
19 adequate yearly progress standards of the federal no child left
20 behind act of 2001, Public Law 107-110, in both mathematics and
21 English language arts at all applicable grade levels for all
22 applicable subgroups, the district or public school academy may
23 submit to the department an application for flexibility in using
24 the funds received under this section that are attributable to the
25 pupils in the school or schools. The application shall identify the
26 affected school or schools and the affected funds and shall contain
27 a plan for using the funds for specific purposes identified by the

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

12 (13) ~~—(12)—~~ A district or public school academy that receives
13 funds under this section may use funds it receives under this
14 section to implement and operate an early intervening program for
15 pupils in grades K to 3 that meets either or both of the following:

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

27 (b) Provides early intervening strategies using school-wide

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

12 **(14)** ~~—(13)—~~ If necessary, and before any proration required
13 under section 11, the department shall prorate payments under this
14 section by reducing the amount of the per pupil payment under this
15 section by a dollar amount calculated by determining the amount by
16 which the amount necessary to fully fund the requirements of this
17 section exceeds the maximum amount allocated under this section and
18 then dividing that amount by the total statewide number of pupils
19 who met the income eligibility criteria for free breakfast, lunch,
20 or milk in the immediately preceding fiscal year, as described in
21 subsection (1).

22 **(15)** ~~—(14)—~~ If a district is formed by consolidation after
23 June 1, 1995, and if 1 or more of the original districts was not
24 eligible before the consolidation for an additional allowance under
25 this section, the amount of the additional allowance under this
26 section for the consolidated district shall be based on the number
27 of pupils described in subsection (1) enrolled in the consolidated

1 district who reside in the territory of an original district that
2 was eligible before the consolidation for an additional allowance
3 under this section.

4 **(16)** ~~—(15)—~~ A district or public school academy that does not
5 meet the eligibility requirement under subsection (2)(a) is
6 eligible for funding under this section if at least 1/4 of the
7 pupils in membership in the district or public school academy met
8 the income eligibility criteria for free breakfast, lunch, or milk
9 in the immediately preceding state fiscal year, as determined and
10 reported as described in subsection (1), and at least 4,500 of the
11 pupils in membership in the district or public school academy met
12 the income eligibility criteria for free breakfast, lunch, or milk
13 in the immediately preceding state fiscal year, as determined and
14 reported as described in subsection (1). A district or public
15 school academy that is eligible for funding under this section
16 because the district meets the requirements of this subsection
17 shall receive under this section for each membership pupil in the
18 district or public school academy who met the income eligibility
19 criteria for free breakfast, lunch, or milk in the immediately
20 preceding fiscal year, as determined and reported as described in
21 subsection (1), an amount per pupil equal to 11.5% of the sum of
22 the district's foundation allowance or public school academy's per
23 pupil allocation under section 20, plus the amount of the
24 district's per pupil allocation under section 20j(2), not to exceed
25 \$6,500.00 adjusted by the dollar amount of the difference between
26 the basic foundation allowance under section 20 for the current
27 state fiscal year and \$5,000.00, minus \$200.00.

1 (17) ~~—(16)—~~ As used in this section, "at-risk pupil" means a
2 pupil for whom the district has documentation that the pupil meets
3 at least 2 of the following criteria: is a victim of child abuse or
4 neglect; is below grade level in English language and communication
5 skills or mathematics; is a pregnant teenager or teenage parent; is
6 eligible for a federal free or reduced-price lunch subsidy; has
7 atypical behavior or attendance patterns; or has a family history
8 of school failure, incarceration, or substance abuse. For pupils
9 for whom the results of at least the applicable Michigan education
10 assessment program (MEAP) test have been received, at-risk pupil
11 also includes a pupil who does not meet the other criteria under
12 this subsection but who did not achieve at least a score of level 2
13 on the most recent MEAP English language arts, mathematics, or
14 science test for which results for the pupil have been received.
15 For pupils for whom the results of the Michigan merit examination
16 have been received, at-risk pupil also includes a pupil who does
17 not meet the other criteria under this subsection but who did not
18 achieve proficiency on the reading component of the most recent
19 Michigan merit examination for which results for the pupil have
20 been received, did not achieve proficiency on the mathematics
21 component of the most recent Michigan merit examination for which
22 results for the pupil have been received, or did not achieve basic
23 competency on the science component of the most recent Michigan
24 merit examination for which results for the pupil have been
25 received. For pupils in grades K-3, at-risk pupil also includes a
26 pupil who is at risk of not meeting the district's core academic
27 curricular objectives in English language arts or mathematics.

1 Sec. 31d. (1) From the appropriations in section 11, there is
2 allocated an amount not to exceed \$22,495,100.00 for ~~2005-2006~~
3 **2006-2007** for the purpose of making payments to districts and other
4 eligible entities under this section.

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

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

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

24 (5) From the federal funds appropriated in section 11, there
25 is allocated for ~~2005-2006~~ **2006-2007** all available federal
26 funding, estimated at ~~\$303,684,000.00~~ **\$320,000,000.00**, for the
27 national school lunch program and all available federal funding,

1 estimated at \$2,506,000.00, for the emergency food assistance
2 program.

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

6 Sec. 31f. (1) From the appropriations in section 11, there is
7 allocated an amount not to exceed ~~-\$0.00 for 2004-2005~~
8 **\$9,625,000.00 FOR 2006-2007** for the purpose of making payments to
9 districts to reimburse for the cost of providing breakfast. ~~The~~
10 ~~funds appropriated under this section shall be made available to~~
11 ~~all eligible applicant districts as determined under section 702 of~~
12 ~~2004 PA 346.~~

13 (2) THE FUNDS ALLOCATED UNDER THIS SECTION FOR SCHOOL
14 BREAKFAST PROGRAMS SHALL BE MADE AVAILABLE TO ALL ELIGIBLE
15 APPLICANT DISTRICTS THAT MEET ALL OF THE FOLLOWING CRITERIA:

16 (A) THE DISTRICT PARTICIPATES IN THE FEDERAL SCHOOL BREAKFAST
17 PROGRAM AND MEETS ALL STANDARDS AS PRESCRIBED BY 7 CFR PARTS 220
18 AND 245.

19 (B) EACH BREAKFAST ELIGIBLE FOR PAYMENT MEETS THE FEDERAL
20 STANDARDS DESCRIBED IN SUBDIVISION (A).

21 (3) THE PAYMENT FOR A DISTRICT UNDER THIS SECTION IS AT A PER
22 MEAL RATE EQUAL TO THE LESSER OF THE DISTRICT'S ACTUAL COST OR 100%
23 OF THE COST OF A BREAKFAST SERVED BY AN EFFICIENTLY OPERATED
24 BREAKFAST PROGRAM AS DETERMINED BY THE DEPARTMENT, LESS FEDERAL
25 REIMBURSEMENT, PARTICIPANT PAYMENTS, AND OTHER STATE REIMBURSEMENT.
26 DETERMINATION OF EFFICIENT COST BY THE DEPARTMENT SHALL BE
27 DETERMINED BY USING A STATISTICAL SAMPLING OF STATEWIDE AND

1 REGIONAL COST AS REPORTED IN A MANNER APPROVED BY THE DEPARTMENT
2 FOR THE PRECEDING SCHOOL YEAR.

3 SEC. 32B. (1) FROM THE FUNDS APPROPRIATED UNDER SECTION 11,
4 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$0.00 FOR 2006-2007 FOR
5 COMPETITIVE GRANTS TO INTERMEDIATE DISTRICTS FOR THE CREATION OF
6 GREAT START COMMUNITIES OR OTHER COMMUNITY PURPOSES AS IDENTIFIED
7 BY THE EARLY CHILDHOOD INVESTMENT CORPORATION. THESE DOLLARS MAY
8 NOT BE EXPENDED UNTIL BOTH OF THE FOLLOWING CONDITIONS HAVE BEEN
9 MET:

10 (A) THE EARLY CHILDHOOD INVESTMENT CORPORATION HAS IDENTIFIED
11 MATCHING DOLLARS OF AT LEAST AN EQUAL AMOUNT.

12 (B) THE ARTICLES OF INCORPORATION AND BYLAWS OF THE EARLY
13 CHILDHOOD INVESTMENT CORPORATION ARE AMENDED TO INCREASE THE
14 MEMBERSHIP OF THE EXECUTIVE COMMITTEE FROM THE CURRENT 15 MEMBERS
15 TO 19 MEMBERS AND TO SPECIFY THAT 1 MEMBER SHALL BE APPOINTED BY
16 THE SENATE MAJORITY LEADER, 1 MEMBER APPOINTED BY THE SENATE
17 MINORITY LEADER, 1 MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF
18 REPRESENTATIVES, AND 1 MEMBER APPOINTED BY THE MINORITY LEADER OF
19 THE HOUSE OF REPRESENTATIVES. THE EARLY CHILDHOOD INVESTMENT
20 CORPORATION SHALL NOTIFY EACH OF THESE LEGISLATIVE LEADERS OF THE
21 EFFECTIVE DATE OF THIS CHANGE IN THE ARTICLES OF INCORPORATION AND
22 BYLAWS, AND EACH OF THESE LEGISLATIVE LEADERS SHALL APPOINT A
23 MEMBER NOT LATER THAN 60 DAYS AFTER THAT EFFECTIVE DATE.
24 THEREAFTER, NOT LATER THAN 60 DAYS AFTER THE CONVENING OF EACH
25 LEGISLATIVE SESSION IN EACH ODD NUMBERED YEAR, EACH LEGISLATIVE
26 LEADER SHALL APPOINT A MEMBER OF THE EXECUTIVE COMMITTEE. A MEMBER
27 APPOINTED IN THIS MANNER SHALL CONTINUE TO SERVE ON THE EXECUTIVE

1 COMMITTEE THROUGH THE NEXT REGULAR LEGISLATIVE SESSION UNLESS HE OR
2 SHE VOLUNTARILY RESIGNS OR IS OTHERWISE UNABLE TO SERVE. WHEN A
3 VACANCY OCCURS AS A RESULT OF A VOLUNTARY RESIGNATION OR INABILITY
4 TO SERVE, THE LEGISLATIVE LEADER WHO HAD APPOINTED THE MEMBER SHALL
5 MAKE AN APPOINTMENT TO FILL THAT VACANCY NOT LATER THAN 60 DAYS
6 AFTER THE DATE THE VACANCY OCCURS.

7 (2) THE EARLY CHILDHOOD INVESTMENT CORPORATION SHALL AWARD
8 GRANTS TO ELIGIBLE INTERMEDIATE DISTRICTS IN AN AMOUNT TO BE
9 DETERMINED BY THE CORPORATION.

10 (3) IN ORDER TO RECEIVE FUNDING, EACH INTERMEDIATE DISTRICT
11 APPLICANT SHALL AGREE TO CONVENE LOCAL GREAT START COLLABORATIVES
12 TO ADDRESS THE AVAILABILITY OF THE 6 COMPONENTS OF A GREAT START
13 SYSTEM IN ITS COMMUNITIES: PHYSICAL HEALTH, SOCIAL-EMOTIONAL
14 HEALTH, FAMILY SUPPORTS, BASIC NEEDS, ECONOMIC STABILITY AND
15 SAFETY, AND PARENTING EDUCATION AND EARLY EDUCATION AND CARE, TO
16 ENSURE THAT EVERY CHILD IN THE COMMUNITY IS READY FOR KINDERGARTEN.
17 SPECIFICALLY, EACH GRANT WILL FUND THE FOLLOWING:

18 (A) A COMMUNITY NEEDS ASSESSMENT AND STRATEGIC PLAN FOR THE
19 DEVELOPMENT OF A COMPREHENSIVE SYSTEM OF EARLY CHILDHOOD SERVICES
20 AND SUPPORTS, ACCESSIBLE TO ALL CHILDREN FROM BIRTH TO KINDERGARTEN
21 AND THEIR FAMILIES.

22 (B) IDENTIFICATION OF LOCAL RESOURCES AND SERVICES FOR
23 CHILDREN WITH DISABILITIES, DEVELOPMENTAL DELAYS, OR SPECIAL NEEDS
24 AND THEIR FAMILIES.

25 (C) COORDINATION AND EXPANSION OF HIGH-QUALITY EARLY CHILDHOOD
26 AND CHILDCARE PROGRAMS.

27 (D) EVALUATION OF LOCAL PROGRAMS.

1 Sec. 32c. (1) From the general fund appropriation in section
 2 11, there is allocated an amount not to exceed ~~-\$250,000.00~~
 3 **\$2,000,000.00** for ~~-2005-2006-~~ **2006-2007** to the department for
 4 grants for community-based collaborative prevention services
 5 designed to promote marriage and foster positive parenting skills;
 6 improve parent/child interaction, especially for children 0-3 years
 7 of age; promote access to needed community services; increase local
 8 capacity to serve families at risk; improve school readiness; and
 9 support healthy family environments that discourage alcohol,
 10 tobacco, and other drug use. The allocation under this section is
 11 to fund secondary prevention programs as defined by the children's
 12 trust fund for the prevention of child abuse and neglect.

13 (2) The funds allocated under subsection (1) shall be
 14 distributed through a joint request for proposals process
 15 established by the department in conjunction with the children's
 16 trust fund and the ~~-state's interagency systems reform-~~ **INTERAGENCY**
 17 **DIRECTOR'S** workgroup. Projects funded with grants awarded under
 18 this section shall meet all of the following:

19 (a) Be secondary prevention initiatives and voluntary to
 20 consumers. This appropriation is not intended to serve the needs of
 21 children for whom and families in which neglect or abuse has been
 22 substantiated.

23 (b) Demonstrate that the planned services are part of a
 24 community's integrated comprehensive family support strategy
 25 endorsed by the ~~-local multi-purpose collaborative body-~~ **COMMUNITY**
 26 **COLLABORATIVE**.

27 (c) Provide a 25% local match, of which not more than 10% may

1 be in-kind services, unless this requirement is waived by the
 2 interagency ~~systems reform~~ **DIRECTOR'S** workgroup.

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

5 (4) Not later than January 30 of the next fiscal year, the
 6 department shall prepare and submit to the governor and the
 7 legislature an annual report of outcomes achieved by the providers
 8 of the community-based collaborative prevention services funded
 9 under this section for a fiscal year.

10 Sec. 32d. (1) From the state school aid fund money
 11 appropriated under section 11, there is allocated an amount not to
 12 exceed \$72,600,000.00 for ~~2005-2006~~ **2006-2007** for school
 13 readiness or preschool and parenting program grants to enable
 14 eligible districts, as determined under section 37, to develop or
 15 expand, in conjunction with whatever federal funds may be
 16 available, including, but not limited to, federal funds under title
 17 I of the elementary and secondary education act of 1965, 20 USC
 18 6301 to 6578, chapter 1 of title I of the Hawkins-Stafford
 19 elementary and secondary school improvement amendments of 1988,
 20 Public Law 100-297, and the head start act, 42 USC 9831 to ~~9852a~~
 21 **9852**, comprehensive compensatory programs designed to do 1 or both
 22 of the following:

23 (a) Improve the readiness and subsequent achievement of
 24 educationally disadvantaged children as defined by the department
 25 who will be at least 4, but less than 5 years of age, as of
 26 December 1 of the school year in which the programs are offered,
 27 and who show evidence of 2 or more risk factors as defined in the

1 state board report entitled "children at risk" that was adopted by
2 the state board on April 5, 1988.

3 (b) Provide preschool and parenting education programs similar
4 to those under former section 32b as in effect for 2001-2002.

5 (2) A comprehensive compensatory program funded under this
6 section may include an age-appropriate educational curriculum, **AS**
7 **DESCRIBED IN THE EARLY CHILDHOOD STANDARDS OF QUALITY FOR**
8 **PREKINDERGARTEN CHILDREN ADOPTED BY THE STATE BOARD, THAT PREPARES**
9 **CHILDREN FOR SUCCESS IN SCHOOL, INCLUDING LANGUAGE, EARLY LITERACY,**
10 **AND EARLY MATHEMATICS. IN ADDITION, THE COMPREHENSIVE PROGRAM SHALL**
11 **INCLUDE** nutritional services, health screening for participating
12 children, a plan for parent and legal guardian involvement, and
13 provision of referral services for families eligible for community
14 social services.

15 (3) In addition to the allocation under subsection (1), from
16 the general fund money allocated under section 11, there is
17 allocated an amount not to exceed \$200,000.00 for ~~2005-2006~~ **2006-**
18 **2007** for a competitive grant to continue a longitudinal evaluation
19 of children who have participated in the Michigan school readiness
20 program.

21 (4) A district receiving a grant under this section may
22 contract for the provision of the comprehensive compensatory
23 program and retain for administrative services an amount equal to
24 not more than 5% of the grant amount. A district may expend not
25 more than 10% of the total grant amount for administration of the
26 program.

27 (5) A grant recipient receiving funds under this section shall

1 report to the department on the midyear report the number of
2 children participating in the program who meet the income or other
3 eligibility criteria specified under section 37(3)(g) and the total
4 number of children participating in the program. For children
5 participating in the program who meet the income or other
6 eligibility criteria specified under section 37(3)(g), grant
7 recipients shall also report whether or not a parent is available
8 to provide care based on employment status. For the purposes of
9 this subsection, "employment status" shall be defined by the
10 department of human services in a manner consistent with maximizing
11 the amount of spending that may be claimed for temporary assistance
12 for needy families maintenance of effort purposes.

13 Sec. 32j. (1) From the appropriations in section 11, there is
14 allocated an amount not to exceed \$3,326,000.00 for ~~2005-2006~~
15 **2006-2007** for great parents, great start grants to intermediate
16 districts to provide programs for parents with preschool children.
17 The purpose of these programs is to encourage early **MATHEMATICS AND**
18 **READING** literacy, improve school readiness, reduce the need for
19 special education services, and foster the maintenance of stable
20 families by encouraging positive parenting skills.

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

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

27 (b) Providing parents with methods to enhance parent-child

1 interaction **THAT PROMOTE SOCIAL AND EMOTIONAL DEVELOPMENT FOR**
2 **INFANTS AND TODDLERS AND AGE-APPROPRIATE LANGUAGE, MATHEMATICS, AND**
3 **EARLY READING SKILLS**; including, but not limited to, encouraging
4 parents to read to their preschool children at least 1/2 hour per
5 day.

6 (c) Providing parents with examples of learning opportunities
7 to promote intellectual, physical, and social growth of
8 preschoolers, **INCLUDING THE ACQUISITION OF AGE-APPROPRIATE**
9 **LANGUAGE, MATHEMATICS, AND EARLY READING SKILLS.**

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

12 (e) Promoting marriage.

13 (3) To receive a grant under this section, an intermediate
14 district shall submit a plan to the department not later than
15 October 1, ~~2005~~ **2006** in the form and manner prescribed by the
16 department. The plan shall do all of the following in a manner
17 prescribed by the department:

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

23 (b) Demonstrate an adequate collaboration of local entities
24 involved in providing programs and services for preschool children
25 and their parents.

26 (c) Provide a projected budget for the program to be funded.
27 The intermediate district shall provide at least a 20% local match

1 from local public or private resources for the funds received under
2 this section. Not more than 1/2 of this matching requirement, up to
3 a total of 10% of the total project budget, may be satisfied
4 through in-kind services provided by participating providers of
5 programs or services. In addition, not more than 10% of the grant
6 may be used for program administration.

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

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

16 (a) The superintendent shall approve or disapprove the plans
17 and notify the intermediate district of that decision not later
18 than November 15, ~~2005~~ **2006**. The amount allocated by each
19 intermediate district shall be at least an amount equal to 3.5% of
20 the intermediate district's 2002-2003 payment under section 81.

21 (b) The department shall ensure that all programs funded under
22 this section utilize the most current validated research-based
23 methods and curriculum for providing the program components
24 described in subsection (2).

25 (c) The department shall submit a report to the state budget
26 director and the senate and house fiscal agencies summarizing the
27 data collection reports described in subsection (4) by December 1

1 of each year.

2 (6) An intermediate district receiving funds under this
3 section shall use the funds only for the program funded under this
4 section. An intermediate district receiving funds under this
5 section may carry over any unexpended funds received under this
6 section to subsequent fiscal years and may expend those unused
7 funds in subsequent fiscal years.

8 Sec. 32k. (1) From the ~~funds~~ **GENERAL FUND MONEY** appropriated
9 in section 11, there is allocated **FOR 2006-2007** an amount not to
10 exceed ~~-\$0.00~~ **\$1,000,000.00** for a statewide before- or after-
11 school program to provide youth with a safe, engaging environment
12 to motivate and inspire learning outside the traditional classroom
13 setting. Before-school programs are limited to elementary school-
14 aged children. Effective before- or after-school programs combine
15 academic, enrichment, and recreation activities to guide learning
16 and inspire children and youth in various activities. The before-
17 or after-school programs can meet the needs of the communities
18 served by the programs.

19 (2) The department shall work in collaboration with the family
20 independence agency under this section.

21 (3) The department shall, through a competitive bid process,
22 provide grants or contracts up to ~~-\$0.00 in state school aid funds~~
23 **\$100,000.00** for the program based on community needs. A county
24 shall receive no more than 20% of the funds allocated under this
25 section for this program. The use of funds under this section
26 should not be considered an ongoing commitment of funding.

27 (4) The before- or after-school programs funded under this

1 section shall include, at a minimum, at least 3 of the following
2 topics:

3 (a) ~~Abstinence-based pregnancy~~ **PREGNANCY** prevention **PROGRAMS**
4 **FOCUSED EXCLUSIVELY ON ABSTINENCE.**

5 (b) Chemical abuse and dependency including nonmedical
6 services.

7 (c) Gang violence prevention.

8 (d) Academic assistance, including assistance with reading and
9 writing.

10 (e) Preparation toward future self-sufficiency.

11 (f) Leadership development.

12 (g) Case management or mentoring.

13 (h) Parental involvement.

14 (i) Anger management.

15 (5) The department may enter into grants or contracts with
16 independent contractors including, but not limited to, faith-based
17 organizations, boys or girls clubs, schools, or nonprofit
18 organizations. The department shall grant priority in funding
19 independent contractors who secure at least 25% in matching funds.
20 The matching funds may either be fulfilled through local, state, or
21 federal funds, or through in-kind or other donations.

22 (6) A referral to a program may be made by, but is not limited
23 to, any of the following: a teacher, counselor, parent, police
24 officer, judge, or social worker.

25 (7) By August 30, ~~2005~~ **2007**, the department before- or
26 after-school program expenditures shall be audited and the
27 department shall work in collaboration with independent contractors

1 to provide a report on the before- or after-school program to the
2 senate and house standing committees dealing with human services
3 and education, the senate and house appropriations subcommittees
4 for this act, the senate and house fiscal agencies, and the senate
5 and house policy offices. The report shall include the number of
6 participants and the average cost per participant, as well as
7 changes noted in program participants in any of the following
8 categories:

9 (a) Juvenile crime.

10 (b) Aggressive behavior.

11 (c) Academic achievement.

12 (d) Development of new skills and interests.

13 (e) School attendance and dropout rates.

14 (f) Behavioral changes in school.

15 (8) Private foundations may contribute funding to this
16 program, as determined by the department.

17 Sec. 32~~l~~. (1) From the general fund money appropriated in
18 section 11, there is allocated for ~~2005-2006~~ **2006-2007** an amount
19 not to exceed \$12,250,000.00 for competitive school readiness
20 program grants **FOR THE PURPOSES OF PREPARING CHILDREN FOR SUCCESS**
21 **IN SCHOOL, INCLUDING LANGUAGE, EARLY LITERACY, AND EARLY**
22 **MATHEMATICS**. These grants shall be made available through a
23 competitive application process as follows:

24 (a) Any public or private nonprofit legal entity or agency may
25 apply for a grant under this section. However, a district or
26 intermediate district may not apply for a grant under this section
27 unless the district or intermediate district is acting as a fiscal

1 agent for a child caring organization regulated under 1973 PA 116,
2 MCL 722.111 to 722.128.

3 (b) An applicant shall submit an application in the form and
4 manner prescribed by the department.

5 (c) The department shall establish a diverse interagency
6 committee to review the applications. The committee shall be
7 composed of representatives of the department, appropriate
8 community, volunteer, and social service agencies and
9 organizations, and parents.

10 (d) The superintendent shall award the grants and shall give
11 priority for awarding the grants based upon the following criteria:

12 (i) Compliance with the state board-approved early childhood
13 standards of quality for prekindergarten.

14 (ii) Active and continuous involvement of the parents or
15 guardians of the children participating in the program.

16 (iii) Employment of teachers possessing proper training,
17 including a valid Michigan teaching certificate with an early
18 childhood (ZA) endorsement, a valid Michigan teaching certificate
19 with a child development associate credential (CDA), or a
20 bachelor's degree in child development with a specialization in
21 preschool teaching. ~~—, and employment~~ **IF AN APPLICANT DEMONSTRATES**
22 **THAT IT IS UNABLE TO FULLY COMPLY WITH THIS SUBPARAGRAPH AFTER**
23 **MAKING REASONABLE EFFORTS TO COMPLY, THE SUPERINTENDENT MAY STILL**
24 **GIVE PRIORITY TO THE APPLICANT IF THE APPLICANT WILL EMPLOY**
25 **TEACHERS WHO HAVE PROPER TRAINING IN EARLY CHILDHOOD DEVELOPMENT**
26 **EQUIVALENT TO 4 YEARS OF FORMAL TRAINING IN EARLY**
27 **CHILDHOOD/PRESCHOOL EDUCATION OR CHILD DEVELOPMENT. THIS MAY**

1 INCLUDE 1 OR MORE OF THE FOLLOWING:

2 (A) A VALID MICHIGAN TEACHING CERTIFICATE WITH AN EARLY
3 CHILDHOOD (ZA) ENDORSEMENT OR A CHILD DEVELOPMENT ASSOCIATE
4 CREDENTIAL (CDA).

5 (B) A BACHELOR'S DEGREE IN CHILD CARE OR CHILD DEVELOPMENT.

6 (C) A CHILD DEVELOPMENT ASSOCIATE CREDENTIAL (CDA) COMBINED
7 WITH AN ASSOCIATE OF ARTS (AA) DEGREE IN EARLY CHILDHOOD/PRESCHOOL
8 EDUCATION OR CHILD DEVELOPMENT.

9 (iv) EMPLOYMENT of paraprofessionals possessing proper training
10 in early childhood development ~~—, including an associate's degree~~
11 ~~in early childhood education or child development or the~~
12 ~~equivalent, or a child development associate (CDA) credential, or~~
13 ~~the equivalent, as approved by the state board. A paraprofessional~~
14 ~~who does not meet these requirements may be employed for not more~~
15 ~~than 2 years while obtaining proper credentials if he or she has~~
16 ~~completed at least 1 course in an appropriate training program OR~~
17 WHO HAVE COMPLETED AT LEAST 1 COURSE IN AN APPROPRIATE TRAINING
18 PROGRAM, INCLUDING, BUT NOT LIMITED TO, A CHILD DEVELOPMENT
19 ASSOCIATE CREDENTIAL (CDA) PROGRAM, AN ASSOCIATE DEGREE IN CHILD
20 DEVELOPMENT PROGRAM, OR A SIMILAR PROGRAM, AS APPROVED BY THE
21 DEPARTMENT.

22 (v) ~~—(iv)—~~ Evidence of collaboration with the community of
23 providers in early childhood development programs including
24 documentation of the total number of children in the community who
25 would meet the criteria established in subparagraph ~~—(vi)—~~ (vii), and
26 who are being served by other providers, and the number of children
27 who will remain unserved by other community early childhood

1 programs if this program is funded.

2 (**vi**) ~~—(v)—~~ The extent to which these funds will supplement
3 other federal, state, local, or private funds.

4 (**vii**) ~~—(vi)—~~ The extent to which these funds will be targeted to
5 children who will be at least 4, but less than 5, years of age as
6 of December 1 of the year in which the programs are offered and who
7 show evidence of 2 or more "at-risk" factors as defined in the
8 state board report entitled "children at risk" that was adopted by
9 the state board on April 5, 1988.

10 (**viii**) ~~—(vii)—~~ The program offers supplementary day care and
11 thereby offers full-day programs as part of its early childhood
12 development program.

13 (**ix**) ~~—(viii)—~~ The application contains a plan approved by the
14 department to conduct and report annual school readiness program
15 evaluations and continuous improvement plans using criteria
16 approved by the department. At a minimum, the evaluations shall
17 include a self-assessment of program quality and assessment of the
18 gains in educational readiness and progress of the children
19 participating in the program.

20 (e) An application shall demonstrate that the program has
21 established or has joined a multidistrict, multiagency school
22 readiness advisory committee that is involved in the planning and
23 evaluation of the program and that provides for the involvement of
24 parents and appropriate community, volunteer, and social service
25 agencies and organizations. The advisory committee shall include at
26 least 1 parent or guardian of a program participant for every 18
27 children enrolled in the program, with a minimum of 2 parent or

guardian representatives. The advisory committee shall do all of the following:

(i) Review the mechanisms and criteria used to determine referrals for participation in the school readiness program.

(ii) Review the health screening program for all participants.

(iii) Review the nutritional services provided to all participants.

(iv) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

(v) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of education disadvantage.

(vi) Review, evaluate, and make recommendations for changes in the school readiness program.

(2) To be eligible for a grant under this section, a program shall demonstrate that more than 50% of the children participating in the program live with families with a household income that is less than or equal to 250% of the federal poverty level.

(3) The superintendent may award grants under this section at whatever level the superintendent determines appropriate. However, the amount of a grant under this section, when combined with other sources of state revenue for this program, shall not exceed \$3,300.00 per participating child or the cost of the program, whichever is less.

(4) FOR A GRANT RECIPIENT THAT ENROLLS PUPILS IN A FULL-DAY PROGRAM FUNDED UNDER THIS SECTION, EACH CHILD ENROLLED IN THE FULL-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 FULL-DAY PROGRAM. AS USED IN THIS SUBSECTION, "FULL-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 FULL-DAY PROGRAM MUST ENROLL ALL CHILDREN FOR THE FULL DAY TO BE CONSIDERED A FULL-DAY PROGRAM.

(5) ~~—(4)—~~ Except as otherwise provided in this subsection, an applicant that receives a **NEW** grant under this section for ~~—2005—2006—~~ **2006-2007** shall also receive priority for funding under this section for ~~—2006-2007—and—~~ **2007-2008 AND 2008-2009**. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new programs and other programs completing their third year. All grant awards under this section are contingent on the availability of funds and documented evidence of grantee compliance with early childhood standards of quality for prekindergarten, as approved by the state board, and with all operational, fiscal, administrative, and other program requirements.

(6) **NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE ENTITIES UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE AND IN A MANNER DETERMINED BY THE DEPARTMENT.**

Sec. 34. (1) ~~—It is the intent of the legislature to appropriate funds—~~ **FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00** for 2006-2007 to the

1 department for grants to districts under this section.

2 (2) Not more than 76% of the money allocated under this
3 section shall be used for grants to districts for the first year of
4 a 5-year grant program to develop an early intervening model
5 program for grades K to 3. The early intervening program will
6 instruct classroom teachers and support staff on how to monitor
7 individual pupil learning and how to provide specific support or
8 learning strategies to pupils as early as possible in order to
9 reduce the need for special education placement. The program will
10 include literacy and numeracy supports, sensory motor skill
11 development, behavior supports, instructional consultation for
12 teachers, and the development of a parent/school learning plan.
13 Specific support or learning strategies may include support in or
14 out of the general classroom in areas including reading, writing,
15 math, visual memory, motor skill development, behavior, or language
16 development. These would be provided based on an understanding of
17 the individual child's learning needs. All of the following apply
18 to the grants:

19 (a) Each site funded by a grant shall serve as either a model
20 site of practice or a site of improvement. A model site will serve
21 as an ongoing model that provides the early intervening program for
22 pupils and conducts professional development on site for personnel
23 visiting from a site of improvement. A site of improvement is a
24 site that seeks to implement the early intervening program.

25 (b) The grants shall be distributed through a process
26 established by the department. The selection of grant recipients
27 shall be based on the ability to serve as a model site of practice

1 or, for a site of improvement, based on the highest demonstrated
2 need to improve opportunities for learning success as reflected by
3 either a combined percentage of pupils who are learning disabled,
4 emotionally impaired, or speech and language impaired that is
5 higher than the statewide percentage of those pupils or a
6 percentage of pupils reading below grade level as measured by the
7 statewide third grade English language arts assessment that is
8 higher than the statewide percentage of those pupils, as determined
9 by the department. The department shall ensure geographic diversity
10 in awarding grants.

11 (c) The department shall award up to 19 grants, with not more
12 than 4 of the grants for development of model sites of practice and
13 not more than 15 of the grants for sites of improvement. A model
14 site of practice shall use the grant funds to make professional
15 development on how to provide the program available on site to
16 personnel from sites of improvement. A site of improvement shall
17 use the grant funds to pay for the expenses of obtaining this
18 professional development and other expenses related to implementing
19 an early intervening program.

20 (d) The amount of a grant to a district shall be \$40,000.00.

21 (e) A grant shall be used for early intervening programs for
22 pupils at the elementary level only.

23 (3) Not more than 24% of the money allocated under this
24 section shall be used for grants to districts for programs that
25 provide early intervening strategies for pupils in grades K to 3
26 using schoolwide systems of academic and behavioral supports and
27 shall be scientifically research-based. The strategies to be

1 provided shall include at least pupil performance indicators based
2 upon response to intervention, instructional consultation for
3 teachers, and ongoing progress monitoring. A schoolwide system of
4 academic and behavioral support should be based on a support team
5 available to the classroom teachers. The members of this team could
6 include the principal, special education staff, reading teachers,
7 and other appropriate personnel who would be available to
8 systematically study the needs of the individual child and work
9 with the teacher to match instruction to the needs of the
10 individual child. These grants shall be distributed through a
11 competitive process established by the department. A grant shall be
12 used for providing these programs for pupils at the elementary
13 level only.

14 (4) The department shall develop guidelines on the use of the
15 grant funds allocated under this section. These guidelines shall
16 ensure that the use of these grant funds is consistent with
17 research and instructional programs that include data-driven
18 processes and proven methods of success.

19 (5) Programs funded under this section shall invite visitation
20 and feedback from the regional literacy training center in which
21 service area the recipient district is located, as identified by
22 the department.

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

25 (7) Not later than January 30 of the next fiscal year, the
26 department shall prepare and submit to the governor, the senate and
27 house standing committees on education, and the senate and house

1 appropriations subcommittees having jurisdiction over state school
2 aid an annual report of outcomes achieved by the grant recipients
3 funded under this section for a fiscal year. For this report, the
4 funded sites shall collect data prescribed by the department and
5 report to the department on the percentage of pupils reading at
6 grade level before implementation of the program and the percentage
7 of pupils reading at grade level after implementation of the
8 program, as measured by the statewide third grade English language
9 arts assessment.

10 Sec. 37. (1) A district is eligible for an allocation under
11 section 32d if the district meets all of the requirements in
12 subsections (2), (3), and (4).

13 (2) The district shall submit a preapplication, in a manner
14 and on forms prescribed by the department, by a date specified by
15 the department in the immediately preceding state fiscal year. The
16 preapplication shall include a comprehensive needs assessment and
17 community collaboration plan, and shall identify all of the
18 following:

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

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

26 (c) The number of children the district will be able to serve
27 who meet the criteria of section 32d including a verification of

1 physical facility and staff resources capacity.

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

8 (3) The district shall submit a final application for
9 approval, in a manner and on forms prescribed by the department, by
10 a date specified by the department. The final application shall
11 indicate all of the following that apply:

12 (a) The district complies with the state board approved early
13 childhood standards of quality for prekindergarten.

14 (b) The district provides for the active and continuous
15 participation of parents or guardians of the children in the
16 program, and describes the district's participation plan as part of
17 the application.

18 (c) The district only employs for this program the following:

19 (i) Teachers possessing proper training. For programs the
20 district manages itself, a valid teaching certificate and an early
21 childhood (ZA) endorsement are required. This provision does not
22 apply to a district that subcontracts with an eligible child
23 development program. In that situation a teacher must have a valid
24 Michigan teaching certificate with an early childhood (ZA)
25 endorsement, a valid Michigan teaching certificate with a child
26 development associate credential (**CDA**), or a bachelor's degree in
27 child development with specialization in preschool teaching.

1 (ii) IF A DISTRICT DETERMINES THAT IT IS UNABLE TO FULLY COMPLY
2 WITH SUBPARAGRAPH (i) AFTER MAKING REASONABLE EFFORTS TO COMPLY,
3 TEACHERS WHO HAVE PROPER TRAINING IN EARLY CHILDHOOD DEVELOPMENT
4 EQUIVALENT TO 4 YEARS OF FORMAL TRAINING IN EARLY
5 CHILDHOOD/PRESCHOOL EDUCATION OR CHILD DEVELOPMENT. THIS MAY
6 INCLUDE 1 OR MORE OF THE FOLLOWING:

7 (A) A VALID MICHIGAN TEACHING CERTIFICATE WITH AN EARLY
8 CHILDHOOD (ZA) ENDORSEMENT OR A CHILD DEVELOPMENT ASSOCIATE
9 CREDENTIAL (CDA).

10 (B) A BACHELOR'S DEGREE IN CHILD CARE OR CHILD DEVELOPMENT.

11 (C) A CHILD DEVELOPMENT ASSOCIATE CREDENTIAL (CDA) COMBINED
12 WITH AN ASSOCIATE OF ARTS (AA) DEGREE IN EARLY CHILDHOOD/PRESCHOOL
13 EDUCATION OR CHILD DEVELOPMENT.

14 (iii) ~~-(ii)-~~ Paraprofessionals possessing proper training in
15 early childhood development ~~—, including an associate's degree in~~
16 ~~early childhood education or child development or the equivalent,~~
17 ~~or a child development associate (CDA) credential, or the~~
18 ~~equivalent as approved by the state board. A paraprofessional who~~
19 ~~does not meet these requirements may be employed for not more than~~
20 ~~2 years while obtaining proper credentials if he or she has~~
21 ~~completed at least 1 course in an appropriate training program OR~~
22 WHO HAVE COMPLETED AT LEAST 1 COURSE IN AN APPROPRIATE TRAINING
23 PROGRAM, INCLUDING, BUT NOT LIMITED TO, A CHILD DEVELOPMENT
24 ASSOCIATE CREDENTIAL (CDA) PROGRAM, AN ASSOCIATE DEGREE IN CHILD
25 DEVELOPMENT PROGRAM, OR A SIMILAR PROGRAM, AS APPROVED BY THE
26 DEPARTMENT.

27 (d) The district has submitted for approval a program budget

1 that includes only those costs not reimbursed or reimbursable by
2 federal funding, that are clearly and directly attributable to the
3 early childhood readiness program, and that would not be incurred
4 if the program were not being offered. If children other than those
5 determined to be educationally disadvantaged participate in the
6 program, state reimbursement under section 32d shall be limited to
7 the portion of approved costs attributable to educationally
8 disadvantaged children.

9 (e) The district has established a, or has joined a
10 multidistrict, multiagency, school readiness advisory committee
11 consisting of, at a minimum, classroom teachers for
12 prekindergarten, kindergarten, and first grade; parents or
13 guardians of program participants; representatives from appropriate
14 community agencies and organizations; the district curriculum
15 director or equivalent administrator; and, if feasible, a school
16 psychologist, school social worker, or school counselor. In
17 addition, there shall be on the committee at least 1 parent or
18 guardian of a program participant for every 18 children enrolled in
19 the program, with a minimum of 2 parent or guardian
20 representatives. The committee shall do all of the following:

21 (i) Ensure the ongoing articulation of the early childhood,
22 kindergarten, and first grade programs offered by the district or
23 districts.

24 (ii) Review the mechanisms and criteria used to determine
25 participation in the early childhood program.

26 (iii) Review the health screening program for all participants.

27 (iv) Review the nutritional services provided to program

1 participants.

2 (v) Review the mechanisms in place for the referral of
3 families to community social service agencies, as appropriate.

4 (vi) Review the collaboration with and the involvement of
5 appropriate community, volunteer, and social service agencies and
6 organizations in addressing all aspects of educational
7 disadvantage.

8 (vii) Review, evaluate, and make recommendations to a local
9 school readiness program or programs for changes to the school
10 readiness program.

11 (f) The district has submitted for departmental approval a
12 plan to conduct and report annual school readiness program
13 evaluations and continuous improvement plans using criteria
14 approved by the department. At a minimum, the evaluations shall
15 include a self-assessment of program quality and assessment of the
16 gains in educational readiness and progress of the children
17 participating in the program.

18 (g) More than 50% of the children participating in the program
19 live with families with a household income that is equal to or less
20 than 250% of the federal poverty level.

21 (4) A consortium of 2 or more districts shall be eligible for
22 an allocation under section 32d if the districts designate a single
23 fiscal agent for the allocation. A district or intermediate
24 district may administer a consortium described in this subsection.
25 A consortium shall submit a single preapplication and application
26 for the children to be served, regardless of the number of
27 districts participating in the consortium.

1 (5) With the final application, an applicant district shall
2 submit to the department a resolution adopted by its board
3 certifying the number of 4-year-old children who show evidence of
4 risk factors as described in section 32d who live with families
5 with a household income that is less than or equal to 250% of the
6 federal poverty level.

7 Sec. 39a. (1) From the federal funds appropriated in section
8 11, there is allocated for ~~2005-2006~~ **2006-2007** to districts,
9 intermediate districts, and other eligible entities all available
10 federal funding, estimated at ~~\$652,919,600.00~~ **\$636,978,000.00**,
11 for the federal programs under the no child left behind act of
12 2001, Public Law 107-110. These funds are allocated as follows:

13 (a) An amount estimated at ~~\$12,050,500.00~~ **\$9,625,800.00** to
14 provide students with drug- and violence-prevention programs and to
15 implement strategies to improve school safety, funded from DED-
16 OESE, drug-free schools and communities funds.

17 (b) An amount estimated at ~~\$9,401,400.00~~ **\$6,140,900.00** for
18 the purpose of improving teaching and learning through a more
19 effective use of technology, funded from DED-OESE, educational
20 technology state grant funds.

21 (c) An amount estimated at \$106,249,200.00 for the purpose of
22 preparing, training, and recruiting high-quality teachers and class
23 size reduction, funded from DED-OESE, improving teacher quality
24 funds.

25 (d) An amount estimated at \$7,627,400.00 for programs to teach
26 English to limited English proficient (LEP) children, funded from
27 DED-OESE, language acquisition state grant funds.

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

4 (f) An amount estimated at \$58,000.00 for Michigan model
5 partnership for character education programs, funded from DED-OESE,
6 title X, fund for improvement of education funds.

7 (g) An amount estimated at \$468,700.00 for rural and low
8 income schools, funded from DED-OESE, rural and low income school
9 funds.

10 (h) An amount estimated at ~~-\$6,231,800.00~~ **\$3,115,900.00** to
11 help schools develop and implement comprehensive school reform
12 programs, funded from DED-OESE, title I and title X, comprehensive
13 school reform funds.

14 (i) An amount estimated at \$428,860,300.00 to provide
15 supplemental programs to enable educationally disadvantaged
16 children to meet challenging academic standards, funded from DED-
17 OESE, title I, disadvantaged children funds.

18 (j) An amount estimated at ~~-\$6,314,100.00~~ **\$3,022,700.00** for
19 the purpose of providing unified family literacy programs, funded
20 from DED-OESE, title I, even start funds.

21 (k) An amount estimated at \$8,186,200.00 for the purpose of
22 identifying and serving migrant children, funded from DED-OESE,
23 title I, migrant education funds.

24 (l) An amount estimated at \$22,928,000.00 to promote high-
25 quality school reading instruction for grades K-3, funded from DED-
26 OESE, title I, reading first state grant funds.

27 (m) An amount estimated at ~~-\$5,698,000.00~~ **\$2,848,900.00** for

1 the purpose of implementing innovative strategies for improving
2 student achievement, funded from DED-OESE, title VI, innovative
3 strategies funds.

4 (n) An amount estimated at \$29,296,000.00 for the purpose of
5 providing high-quality extended learning opportunities, after
6 school and during the summer, for children in low-performing
7 schools, funded from DED-OESE, twenty-first century community
8 learning center funds. Of these funds, \$25,000.00 may be used to
9 support the Michigan after-school partnership. All of the following
10 apply to the Michigan after-school partnership:

11 (i) The department shall collaborate with the department of
12 human services to extend the duration of the Michigan after-school
13 initiative, to be renamed the Michigan after-school partnership and
14 oversee its efforts to implement the policy recommendations and
15 strategic next steps identified in the Michigan after-school
16 initiative's report of December 15, 2003.

17 (ii) Funds shall be used to leverage other private and public
18 funding to engage the public and private sectors in building and
19 sustaining high-quality out-of-school-time programs and resources.
20 The co-chairs, representing the department and the department of
21 human services, shall name a fiduciary agent and may authorize the
22 fiduciary to expend funds and hire people to accomplish the work of
23 the Michigan after-school partnership.

24 (iii) Participation in the Michigan after-school partnership
25 shall be expanded beyond the membership of the initial Michigan
26 after-school initiative to increase the representation of parents,
27 youth, foundations, employers, and others with experience in

1 education, child care, after-school and youth development services,
2 and crime and violence prevention, and to include representation
3 from the Michigan department of community health. Each year, on or
4 before December 31, the Michigan after-school partnership shall
5 report its progress in reaching the recommendations set forth in
6 the Michigan after-school initiative's report to the legislature
7 and the governor.

8 ~~—— (e) An amount estimated at \$1,000,000.00 for community service~~
9 ~~state grants, funded from DED-OESE, community service state grant~~
10 ~~funds.~~

11 (2) From the federal funds appropriated in section 11, there
12 is allocated for ~~2005-2006~~ **2006-2007** to districts, intermediate
13 districts, and other eligible entities all available federal
14 funding, estimated at \$4,646,400.00, for the following programs
15 that are funded by federal grants:

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

19 (b) An amount estimated at \$1,500,100.00 to provide services
20 to homeless children and youth, funded from DED-OVAE, homeless
21 children and youth funds.

22 (c) An amount estimated at \$1,000,000.00 for refugee children
23 school impact grants, funded from HHS-ACF, refugee children school
24 impact funds.

25 (d) An amount estimated at \$1,445,600.00 for serve America
26 grants, funded from the corporation for national and community
27 service funds.

1 (e) An amount estimated at \$100,700.00 to encourage interstate
2 and intrastate coordination of migrant education, funded from DED-
3 OESE, title I, migrant education program funds.

4 (3) To the extent allowed under federal law, the funds
5 allocated under subsection (1)(i), (j), and (l) may be used for 1 or
6 more reading improvement programs that meet at least 1 of the
7 following:

8 (a) A research-based, validated, structured reading program
9 that aligns learning resources to state standards and includes
10 continuous assessment of pupils and individualized education plans
11 for pupils.

12 (b) A mentoring program that is a research-based, validated
13 program or a statewide 1-to-1 mentoring program and is designed to
14 enhance the independence and life quality of pupils who are
15 mentally impaired by providing opportunities for mentoring and
16 integrated employment.

17 (c) A cognitive development program that is a research-based,
18 validated educational service program focused on assessing and
19 building essential cognitive and perceptual learning abilities to
20 strengthen pupil concentration and learning.

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

26 (4) All federal funds allocated under this section shall be
27 distributed in accordance with federal law and with flexibility

1 provisions outlined in Public Law 107-116, and in the education
2 flexibility partnership act of 1999, Public Law 106-25.
3 Notwithstanding section 17b, payments of federal funds to
4 districts, intermediate districts, and other eligible entities
5 under this section shall be paid on a schedule determined by the
6 department.

7 (5) As used in this section:

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

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

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

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

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

17 Sec. 41. From the appropriation in section 11, there is
18 allocated an amount not to exceed \$2,800,000.00 for ~~2005-2006~~
19 **2006-2007** to applicant districts and intermediate districts
20 offering programs of instruction for pupils of limited English-
21 speaking ability under section 1153 of the revised school code, MCL
22 380.1153. Reimbursement shall be on a per pupil basis and shall be
23 based on the number of pupils of limited English-speaking ability
24 in membership on the pupil membership count day. Funds allocated
25 under this section shall be used solely for instruction in
26 speaking, reading, writing, or comprehension of English. A pupil
27 shall not be counted under this section or instructed in a program

1 under this section for more than 3 years.

2 Sec. 41a. From the federal funds appropriated in section 11,
3 there is allocated an amount estimated at \$1,232,100.00 for ~~2005-~~
4 ~~2006-~~ **2006-2007** from the United States department of education -
5 office of elementary and secondary education, language acquisition
6 state grant funds, to districts and intermediate districts offering
7 programs of instruction for pupils of limited English-speaking
8 ability.

9 Sec. 51a. (1) ~~From the appropriation in section 11, there is~~
10 ~~allocated for 2004-2005 an amount not to exceed \$896,383,000.00~~
11 ~~from state sources and all available federal funding under sections~~
12 ~~611 to 619 of part B of the individuals with disabilities education~~
13 ~~act, 20 USC 1411 to 1419, estimated at \$329,850,000.00 plus any~~
14 ~~carryover federal funds from previous year appropriations.~~ From
15 the appropriation in section 11, there is allocated for 2005-2006
16 an amount not to exceed ~~\$955,883,000.00~~ **\$932,100,000.00** from
17 state sources and all available federal funding under sections 611
18 to 619 of part B of the individuals with disabilities education
19 act, 20 USC 1411 to 1419, estimated at \$345,850,000.00, plus any
20 carryover federal funds from previous year appropriations. **FROM THE**
21 **APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN**
22 **AMOUNT NOT TO EXCEED \$991,582,100.00 FROM STATE SOURCES AND ALL**
23 **AVAILABLE FEDERAL FUNDING UNDER SECTIONS 611 TO 619 OF PART B OF**
24 **THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, 20 USC 1411 TO**
25 **1419, ESTIMATED AT \$350,700,000.00, PLUS ANY CARRYOVER FEDERAL**
26 **FUNDS FROM PREVIOUS YEAR APPROPRIATIONS.** The allocations under this
27 subsection are for the purpose of reimbursing districts and

1 intermediate districts for special education programs, services,
2 and special education personnel as prescribed in article 3 of the
3 revised school code, MCL 380.1701 to 380.1766; net tuition payments
4 made by intermediate districts to the Michigan schools for the deaf
5 and blind; and special education programs and services for pupils
6 who are eligible for special education programs and services
7 according to statute or rule. For meeting the costs of special
8 education programs and services not reimbursed under this article,
9 a district or intermediate district may use money in general funds
10 or special education funds, not otherwise restricted, or
11 contributions from districts to intermediate districts, tuition
12 payments, gifts and contributions from individuals, or federal
13 funds that may be available for this purpose, as determined by the
14 intermediate district plan prepared pursuant to article 3 of the
15 revised school code, MCL 380.1701 to 380.1766. All federal funds
16 allocated under this section in excess of those allocated under
17 this section for 2002-2003 may be distributed in accordance with
18 the flexible funding provisions of the individuals with
19 disabilities education act, ~~title VI of Public Law 91-230~~ **PUBLIC**
20 **LAW 108-446**, including, but not limited to, 34 CFR 300.234 and
21 300.235. Notwithstanding section 17b, payments of federal funds to
22 districts, intermediate districts, and other eligible entities
23 under this section shall be paid on a schedule determined by the
24 department.

25 (2) From the funds allocated under subsection (1), there is
26 allocated each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND**
27 **FOR 2006-2007** the amount necessary, estimated at ~~-\$175,500,000.00~~

1 ~~for 2004-2005 and \$187,700,000.00~~ **\$191,817,900.00** for 2005-2006
2 **AND \$205,200,000.00 FOR 2006-2007**, for payments toward reimbursing
3 districts and intermediate districts for 28.6138% of total approved
4 costs of special education, excluding costs reimbursed under
5 section 53a, and 70.4165% of total approved costs of special
6 education transportation. Allocations under this subsection shall
7 be made as follows:

8 (a) The initial amount allocated to a district under this
9 subsection toward fulfilling the specified percentages shall be
10 calculated by multiplying the district's special education pupil
11 membership, excluding pupils described in subsection (12), times
12 the sum of the foundation allowance under section 20 of the pupil's
13 district of residence plus the amount of the district's per pupil
14 allocation under section 20j(2), not to exceed \$6,500.00 adjusted
15 by the dollar amount of the difference between the basic foundation
16 allowance under section 20 for the current fiscal year and
17 \$5,000.00 minus \$200.00, or, for a special education pupil in
18 membership in a district that is a public school academy or
19 university school, times an amount equal to the amount per
20 membership pupil calculated under section 20(6). For an
21 intermediate district, the amount allocated under this subdivision
22 toward fulfilling the specified percentages shall be an amount per
23 special education membership pupil, excluding pupils described in
24 subsection (12), and shall be calculated in the same manner as for
25 a district, using the foundation allowance under section 20 of the
26 pupil's district of residence, not to exceed \$6,500.00 adjusted by
27 the dollar amount of the difference between the basic foundation

1 allowance under section 20 for the current fiscal year and
2 \$5,000.00 minus \$200.00, and that district's per pupil allocation
3 under section 20j(2).

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

9 (3) From the funds allocated under subsection (1), there is
10 allocated each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND**
11 **FOR 2006-2007** the amount necessary, estimated at ~~-\$3,000,000.00 for~~
12 ~~2004-2005 and \$2,500,000.00~~ **\$2,200,000.00** for 2005-2006 **AND**
13 **\$1,900,000.00 FOR 2006-2007**, to make payments to districts and
14 intermediate districts under this subsection. If the amount
15 allocated to a district or intermediate district for a fiscal year
16 under subsection (2)(b) is less than the sum of the amounts
17 allocated to the district or intermediate district for 1996-97
18 under sections 52 and 58, there is allocated to the district or
19 intermediate district for the fiscal year an amount equal to that
20 difference, adjusted by applying the same proration factor that was
21 used in the distribution of funds under section 52 in 1996-97 as
22 adjusted to the district's or intermediate district's necessary
23 costs of special education used in calculations for the fiscal
24 year. This adjustment is to reflect reductions in special education
25 program operations or services between 1996-97 and subsequent
26 fiscal years. Adjustments for reductions in special education
27 program operations or services shall be made in a manner determined

1 by the department and shall include adjustments for program or
2 service shifts.

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

22 (5) State funds shall be allocated on a total approved cost
23 basis. Federal funds shall be allocated under applicable federal
24 requirements, except that an amount not to exceed \$3,500,000.00 may
25 be allocated by the department each fiscal year ~~for 2004-2005 and~~
26 for 2005-2006 **AND FOR 2006-2007** to districts, intermediate
27 districts, or other eligible entities on a competitive grant basis

1 for programs, equipment, and services that the department
2 determines to be designed to benefit or improve special education
3 on a statewide scale.

4 (6) From the amount allocated in subsection (1), there is
5 allocated an amount not to exceed \$2,200,000.00 each fiscal year
6 ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** to reimburse
7 100% of the net increase in necessary costs incurred by a district
8 or intermediate district in implementing the revisions in the
9 administrative rules for special education that became effective on
10 July 1, 1987. As used in this subsection, "net increase in
11 necessary costs" means the necessary additional costs incurred
12 solely because of new or revised requirements in the administrative
13 rules minus cost savings permitted in implementing the revised
14 rules. Net increase in necessary costs shall be determined in a
15 manner specified by the department.

16 (7) For purposes of this article, all of the following apply:

17 (a) "Total approved costs of special education" shall be
18 determined in a manner specified by the department and may include
19 indirect costs, but shall not exceed 115% of approved direct costs
20 for section 52 and section 53a programs. The total approved costs
21 include salary and other compensation for all approved special
22 education personnel for the program, including payments for social
23 security and medicare and public school employee retirement system
24 contributions. The total approved costs do not include salaries or
25 other compensation paid to administrative personnel who are not
26 special education personnel as defined in section 6 of the revised
27 school code, MCL 380.6. Costs reimbursed by federal funds, other

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

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

26 (c) If the department determines before bookclosing for 2004-
27 2005 that the amounts allocated under this section for 2004-2005

1 will exceed expenditures under this section for 2004-2005, then for
2 2004-2005 only, for a district or intermediate district whose
3 reimbursement for 2004-2005 would otherwise be affected by
4 subdivision (b), subdivision (b) does not apply to the calculation
5 of the reimbursement for that district or intermediate district and
6 reimbursement for that district or intermediate district shall be
7 calculated in the same manner as it was for 2003-2004. If the
8 amount of the excess allocations under this section is not
9 sufficient to fully fund the calculation of reimbursement to those
10 districts and intermediate districts under this subdivision, then
11 the calculations and resulting reimbursement under this subdivision
12 shall be prorated on an equal percentage basis.

13 (D) IF THE DEPARTMENT DETERMINES BEFORE BOOKCLOSING FOR 2005-
14 2006 THAT THE AMOUNTS ALLOCATED FOR 2005-2006 UNDER SUBSECTIONS
15 (2), (3), (6), (8), AND (12) AND SECTIONS 53A, 54, AND 56 WILL
16 EXCEED EXPENDITURES FOR 2005-2006 UNDER SUBSECTIONS (2), (3), (6),
17 (8), AND (12) AND SECTIONS 53A, 54, AND 56, THEN FOR 2005-2006
18 ONLY, FOR A DISTRICT OR INTERMEDIATE DISTRICT WHOSE REIMBURSEMENT
19 FOR 2005-2006 WOULD OTHERWISE BE AFFECTED BY SUBDIVISION (B),
20 SUBDIVISION (B) DOES NOT APPLY TO THE CALCULATION OF THE
21 REIMBURSEMENT FOR THAT DISTRICT OR INTERMEDIATE DISTRICT AND
22 REIMBURSEMENT FOR THAT DISTRICT OR INTERMEDIATE DISTRICT SHALL BE
23 CALCULATED IN THE SAME MANNER AS IT WAS FOR 2003-2004. IF THE
24 AMOUNT OF THE EXCESS ALLOCATIONS UNDER SUBSECTIONS (2), (3), (6),
25 (8), AND (12) AND SECTIONS 53A, 54, AND 56 IS NOT SUFFICIENT TO
26 FULLY FUND THE CALCULATION OF REIMBURSEMENT TO THOSE DISTRICTS AND
27 INTERMEDIATE DISTRICTS UNDER THIS SUBDIVISION, THEN THE

1 **CALCULATIONS AND RESULTING REIMBURSEMENT UNDER THIS SUBDIVISION**
2 **SHALL BE PRORATED ON AN EQUAL PERCENTAGE BASIS.**

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

15 (8) From the allocation in subsection (1), there is allocated
16 each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-**
17 **2007** an amount not to exceed \$15,313,900.00 to intermediate
18 districts. The payment under this subsection to each intermediate
19 district shall be equal to the amount of the 1996-97 allocation to
20 the intermediate district under subsection (6) of this section as
21 in effect for 1996-97.

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

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

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

12 (12) From the funds allocated in subsection (1), there is
13 allocated each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND**
14 **FOR 2006-2007** the amount necessary, estimated at ~~-\$7,000,000.00 for~~
15 ~~2004-2005 and \$6,600,000.00~~ **\$6,900,000.00** for 2005-2006 **AND**
16 **\$6,900,000.00 FOR 2006-2007**, to pay the foundation allowances for
17 pupils described in this subsection. The allocation to a district
18 under this subsection shall be calculated by multiplying the number
19 of pupils described in this subsection who are counted in
20 membership in the district times the sum of the foundation
21 allowance under section 20 of the pupil's district of residence
22 plus the amount of the district's per pupil allocation under
23 section 20j(2), not to exceed \$6,500.00 adjusted by the dollar
24 amount of the difference between the basic foundation allowance
25 under section 20 for the current fiscal year and \$5,000.00 minus
26 \$200.00, or, for a pupil described in this subsection who is
27 counted in membership in a district that is a public school academy

1 or university school, times an amount equal to the amount per
2 membership pupil under section 20(6). The allocation to an
3 intermediate district under this subsection shall be calculated in
4 the same manner as for a district, using the foundation allowance
5 under section 20 of the pupil's district of residence, not to
6 exceed \$6,500.00 adjusted by the dollar amount of the difference
7 between the basic foundation allowance under section 20 for the
8 current fiscal year and \$5,000.00 minus \$200.00, and that
9 district's per pupil allocation under section 20j(2). This
10 subsection applies to all of the following pupils:

11 (a) Pupils described in section 53a.

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

16 (c) Emotionally impaired pupils counted in membership by an
17 intermediate district and provided educational services by the
18 department of community health.

19 (13) After payments under subsections (2) and (12) and section
20 51c, the remaining expenditures from the allocation in subsection
21 (1) shall be made in the following order:

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

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

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

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

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

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

(14) The allocations under subsection (2), subsection (3), and subsection (12) 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.

(15) FROM THE FEDERAL FUNDS ALLOCATED UNDER THIS SECTION, THE DEPARTMENT SHALL MAINTAIN AT LEAST THE SAME FUNDING LEVEL AS FOR 2005-2006 FOR A GRANT TO AN INTERMEDIATE DISTRICT FOR INTEGRATED BEHAVIOR AND LEARNING SUPPORT.

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 each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** the amount necessary, estimated at ~~-\$642,000,000.00 for 2004-2005 and \$690,200,000.00~~ **\$662,300,000.00** for 2005-2006 **AND \$708,700,000.00 FOR 2006-2007**, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** all available federal funding, estimated at ~~-\$65,000,000.00~~ **\$74,000,000.00**, for

1 special education programs that are funded by federal grants. All
2 federal funds allocated under this section shall be distributed in
3 accordance with federal law. Notwithstanding section 17b, payments
4 of federal funds to districts, intermediate districts, and other
5 eligible entities under this section shall be paid on a schedule
6 determined by the department.

7 (2) From the federal funds allocated under subsection (1), the
8 following amounts are allocated for ~~2005-2006~~ **2006-2007**:

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

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

15 (c) An amount estimated at ~~-\$36,000,000.00~~ **\$45,000,000.00** for
16 special education programs funded by DED-OSERS, handicapped
17 program, individuals with disabilities act funds.

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

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

1 the district under section 20j. For intermediate districts,
2 reimbursement for pupils described in ~~section~~ **SUBSECTION** (2)
3 shall be calculated in the same manner as for a district, using the
4 foundation allowance under section 20 of the pupil's district of
5 residence, not to exceed \$6,500.00 adjusted by the dollar amount of
6 the difference between the basic foundation allowance under section
7 20 for the current fiscal year and \$5,000.00, minus \$200.00, and
8 under section 20j.

9 (2) Reimbursement under subsection (1) is for the following
10 special education pupils:

11 (a) Pupils assigned to a district or intermediate district
12 through the community placement program of the courts or a state
13 agency, if the pupil was a resident of another intermediate
14 district at the time the pupil came under the jurisdiction of the
15 court or a state agency.

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

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

21 (d) Pupils enrolled in a department-approved on-grounds
22 educational program longer than 180 days, but not longer than 233
23 days, at a residential child care institution, if the child care
24 institution offered in 1991-92 an on-grounds educational program
25 longer than 180 days but not longer than 233 days.

26 (e) Pupils placed in a district by a parent for the purpose of
27 seeking a suitable home, if the parent does not reside in the same

1 intermediate district as the district in which the pupil is placed.

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

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

9 (5) Not more than \$12,800,000.00 of the allocation for ~~2005-~~
10 ~~2006-~~ **2006-2007** in section 51a(1) shall be allocated under this
11 section.

12 Sec. 54. ~~In addition to the aid received under section 52,~~
13 ~~each~~ **EACH** intermediate district shall receive an amount per pupil
14 for each pupil in attendance at the Michigan schools for the deaf
15 and blind. The amount shall be proportionate to the total
16 instructional cost at each school. Not more than \$1,688,000.00 of
17 the allocation for ~~2005-2006-~~ **2006-2007** in section 51a(1) shall be
18 allocated under this section.

19 Sec. 54a. From the state school aid fund money appropriated in
20 section 11, there is allocated an amount not to exceed \$250,000.00
21 for ~~2005-2006-~~ **2006-2007** to the lending library located at central
22 Michigan university from which districts and intermediate districts
23 can borrow assessment materials designed specifically for children
24 with severe loss of vision or hearing, severe cognitive or motor
25 disabilities, or multiple disabilities and for children who require
26 the most specialized types of psychological and educational
27 assessment. The lending library shall make test assessment

1 materials available through borrowing to districts and intermediate
2 districts. The lending library shall also provide information about
3 the lending library at meetings and conferences for school
4 personnel and shall develop a website to describe the services
5 offered by the lending library. The lending library also ~~should~~
6 **SHALL** mail information about the services offered by the lending
7 library to all districts and intermediate districts.

8 **SEC. 54B. (1) FROM THE MONEY APPROPRIATED IN SECTION 11, THERE**
9 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$150,000.00 FOR 2006-2007 TO**
10 **MICHIGAN STATE UNIVERSITY FOR A STUDY OF THE CONDUCTIVE LEARNING**
11 **CENTER LOCATED AT AQUINAS COLLEGE. THIS FUNDING SHALL BE USED TO**
12 **DEVELOP AND IMPLEMENT AN EVALUATION OF THE EFFECTIVENESS OF**
13 **CONDUCTIVE EDUCATION FOR CHILDREN WITH CEREBRAL PALSY. THE**
14 **EVALUATION SHALL BE MULTIDIMENSIONAL AND SHALL INCLUDE A CONTROL**
15 **GROUP OF CHILDREN WITH CEREBRAL PALSY NOT ENROLLED IN CONDUCTIVE**
16 **EDUCATION. IT SHOULD INCLUDE AN ASSESSMENT OF THE MOTOR SYSTEM**
17 **ITSELF AS WELL AS THE IMPACT OF CONDUCTIVE EDUCATION ON EACH OF THE**
18 **FOLLOWING:**

19 **(A) THE ACQUISITION OF SKILLS PERMITTING COMPLEX MOTOR**
20 **FUNCTIONS.**

21 **(B) THE PERFORMANCE OF TASKS ESSENTIAL TO DAILY LIVING.**

22 **(C) THE ATTITUDES AND FEELINGS OF BOTH CHILDREN AND PARENTS.**

23 **(D) THE LONG-TERM NEED FOR SPECIAL EDUCATION FOR CHILDREN WITH**
24 **CEREBRAL PALSY.**

25 **(2) IT IS THE INTENT OF THE LEGISLATURE THAT THIS FUNDING IS**
26 **FOR THE FIRST OF 3 YEARS OF FUNDING FOR THIS PURPOSE.**

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

1 (a) "Membership" means for a particular fiscal year the total
2 membership for the immediately preceding fiscal year of the
3 intermediate district and the districts constituent to the
4 intermediate district.

5 (b) "Millage levied" means the millage levied for special
6 education pursuant to part 30 of the revised school code, MCL
7 380.1711 to 380.1743, including a levy for debt service
8 obligations.

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

15 (2) From the allocation under section 51a(1), there is
16 allocated an amount **EACH FISCAL YEAR** not to exceed \$36,881,100.00
17 for 2005-2006 **AND FOR 2006-2007** to reimburse intermediate districts
18 levying millages for special education pursuant to part 30 of the
19 revised school code, MCL 380.1711 to 380.1743. The purpose, use,
20 and expenditure of the reimbursement shall be limited as if the
21 funds were generated by these millages and governed by the
22 intermediate district plan adopted pursuant to article 3 of the
23 revised school code, MCL 380.1701 to 380.1766. As a condition of
24 receiving funds under this section, an intermediate district
25 distributing any portion of special education millage funds to its
26 constituent districts shall submit for departmental approval and
27 implement a distribution plan.

1 (3) Reimbursement for those millages levied in 2004-2005 shall
2 be made in 2005-2006 at an amount per 2004-2005 membership pupil
3 computed by subtracting from ~~-\$142,100.00~~ **\$142,900.00** the 2004-
4 2005 taxable value behind each membership pupil and multiplying the
5 resulting difference by the 2004-2005 millage levied. **REIMBURSEMENT**
6 **FOR THOSE MILLAGES LEVIED IN 2005-2006 SHALL BE MADE IN 2006-2007**
7 **AT AN AMOUNT PER 2005-2006 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING**
8 **FROM \$151,300.00 THE 2005-2006 TAXABLE VALUE BEHIND EACH MEMBERSHIP**
9 **PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2005-2006**
10 **MILLAGE LEVIED.**

11 Sec. 57. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed \$285,000.00 for ~~2005-2006~~ **2006-**
13 **2007** for grants to intermediate districts for advanced and
14 accelerated students.

15 (2) To qualify for funding under this section, a grant
16 recipient shall support part of the cost of summer institutes for
17 advanced and accelerated students and, to the extent the funding
18 allows, provide comprehensive programs for advanced and accelerated
19 pupils.

20 (3) Except as otherwise provided in this subsection, the
21 amount of a single grant award under this section shall not exceed
22 \$5,000.00. Intermediate districts may form a consortium, and that
23 consortium may receive a maximum grant amount of \$5,000.00 for each
24 participant intermediate district. Each intermediate district or
25 consortium must apply for grant funding by April 1, ~~2006~~ **2007** and
26 demonstrate compliance with subsection (2).

27 (4) A district, intermediate district, or consortium that

1 receives a grant under this section shall provide at least a 25%
2 match for grant money received under this section from local public
3 or private resources.

4 (5) Any unallocated grant funds may be allocated to
5 intermediate districts and consortia receiving grants under this
6 section in an equal amount per intermediate district.

7 SEC. 57A. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN
8 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00
9 FOR 2006-2007 FOR GRANTS UNDER THIS SECTION. THE DEPARTMENT SHALL
10 MAKE GRANTS TO APPLICANT DISTRICTS, INTERMEDIATE DISTRICTS, OR
11 CONSORTIA CONSISTING OF DISTRICTS OR INTERMEDIATE DISTRICTS OR
12 BOTH, TO ASSIST TO OFFSET THE COSTS OF ESTABLISHING AN
13 INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM OR INTERNATIONAL
14 BACCALAUREATE MIDDLE YEARS PROGRAM.

15 (2) ALL OF THE FOLLOWING APPLY TO A GRANT UNDER THIS SECTION:

16 (A) A DISTRICT, INTERMEDIATE DISTRICT, OR CONSORTIUM
17 CONSISTING OF DISTRICTS OR INTERMEDIATE DISTRICTS OR BOTH SHALL
18 APPLY FOR THE GRANT TO THE DEPARTMENT IN THE FORM AND MANNER
19 PRESCRIBED BY THE DEPARTMENT.

20 (B) THE AMOUNT OF EACH GRANT SHALL BE \$100,000.00, AND A GRANT
21 RECIPIENT MAY RECEIVE A GRANT UNDER THIS SECTION EACH FISCAL YEAR
22 FOR NOT MORE THAN 4 FISCAL YEARS.

23 (C) GRANT FUNDS SHALL BE USED ONLY FOR START-UP COSTS FOR THE
24 FIRST 4 YEARS OF ESTABLISHING AN INTERNATIONAL BACCALAUREATE
25 DIPLOMA PROGRAM OR INTERNATIONAL BACCALAUREATE MIDDLE YEARS
26 PROGRAM, AS PRESCRIBED BY THE DEPARTMENT.

27 (D) THE DEPARTMENT SHALL AWARD THE GRANTS TO GRANT APPLICANTS

1 IN CONSULTATION WITH AN ADVISORY COMMITTEE ESTABLISHED BY THE
2 DEPARTMENT. THE ADVISORY COMMITTEE SHALL CONSIST OF A
3 REPRESENTATIVE OF THE DEPARTMENT, A REPRESENTATIVE DESIGNATED BY
4 THE GOVERNOR, A DISTRICT SUPERINTENDENT, A REPRESENTATIVE FROM AN
5 EXISTING INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM, AND A
6 REPRESENTATIVE OF THE INTERNATIONAL BACCALAUREATE ORGANIZATION.

7 (E) A PROGRAM FUNDED BY A GRANT UNDER THIS SECTION SHALL SERVE
8 EITHER AT LEAST 75 PUPILS ENROLLED IN EACH GRADE LEVEL IN WHICH THE
9 PROGRAM IS OFFERED OR AT LEAST 200 TOTAL PUPILS ENROLLED IN THE
10 PROGRAM.

11 (F) IF THE NUMBER OF GRANT APPLICANTS EXCEEDS THE NUMBER THAT
12 MAY BE FULLY FUNDED WITH THE AMOUNT ALLOCATED UNDER THIS SECTION,
13 THE DEPARTMENT SHALL AWARD THE GRANTS BASED ON THE FOLLOWING:

14 (i) THE NUMBER OF PUPILS TO BE ENROLLED IN THE PROGRAM. FOR A
15 MIDDLE YEARS PROGRAM, THIS MEANS THE NUMBER ENROLLED IN THE PROGRAM
16 IN GRADES 6 TO 8. FOR A DIPLOMA PROGRAM, THIS MEANS THE NUMBER OF
17 PUPILS ENROLLED IN GRADES 9 TO 12.

18 (ii) THE DEPARTMENT SHALL GIVE PRIORITY TO PROGRAMS OPERATED BY
19 A CONSORTIUM AND TO DIPLOMA PROGRAMS THAT REQUIRE FULL DIPLOMA
20 PARTICIPATION.

21 (iii) THE DEPARTMENT SHALL ATTEMPT TO BALANCE THE GRANTS BETWEEN
22 DIPLOMA PROGRAMS AND MIDDLE YEARS PROGRAMS.

23 (G) IF MORE THAN 1 DISTRICT, INTERMEDIATE DISTRICT, OR
24 CONSORTIUM APPLIES FOR A GRANT OR GRANTS UNDER THIS SECTION, THE
25 DEPARTMENT SHALL NOT AWARD MORE THAN 1 GRANT UNDER THIS SECTION TO
26 A PARTICULAR DISTRICT, INTERMEDIATE DISTRICT, OR CONSORTIUM.

27 (H) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION

1 MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

2 (3) AS USED IN THIS SECTION:

3 (A) "INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM" OR "DIPLOMA
4 PROGRAM" MEANS A PROGRAM THAT OFFERS THE CURRICULUM AND
5 EXAMINATIONS LEADING TO AN INTERNATIONAL BACCALAUREATE DIPLOMA
6 AWARDED BY THE INTERNATIONAL BACCALAUREATE ORGANIZATION AND THAT
7 EITHER HAS BEEN AUTHORIZED BY THE INTERNATIONAL BACCALAUREATE
8 ORGANIZATION OR HAS INITIATED THE APPLICATION PROCESS FOR ACHIEVING
9 THAT AUTHORIZATION.

10 (B) "INTERNATIONAL BACCALAUREATE MIDDLE YEARS PROGRAM" OR
11 "MIDDLE YEARS PROGRAM" MEANS A MIDDLE SCHOOL PROGRAM THAT OFFERS
12 THE MIDDLE SCHOOL CURRICULUM AND EXAMINATIONS OF THE INTERNATIONAL
13 BACCALAUREATE ORGANIZATION AND THAT EITHER HAS BEEN AUTHORIZED BY
14 THE INTERNATIONAL BACCALAUREATE ORGANIZATION OR HAS INITIATED THE
15 APPLICATION PROCESS FOR ACHIEVING THAT AUTHORIZATION.

16 Sec. 61a. (1) From the appropriation in section 11, there is
17 allocated an amount not to exceed \$30,000,000.00 for ~~2005-2006~~
18 2006-2007 to reimburse on an added cost basis districts, except for
19 a district that served as the fiscal agent for a vocational
20 education consortium in the 1993-94 school year, and secondary area
21 vocational-technical education centers for secondary-level
22 vocational-technical education programs, including parenthood
23 education programs, according to rules approved by the
24 superintendent. Applications for participation in the programs
25 shall be submitted in the form prescribed by the department. The
26 department shall determine the added cost for each vocational-
27 technical program area. The allocation of added cost funds shall be

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

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

19 (3) From the allocation in subsection (1), there is allocated
20 an amount not to exceed \$388,700.00 for ~~2005-2006~~ **2006-2007** to
21 intermediate districts with constituent districts that had combined
22 state and local revenue per membership pupil in the 1994-95 state
23 fiscal year of \$6,500.00 or more, served as a fiscal agent for a
24 state board designated area vocational education center in the
25 1993-94 school year, and had an adjustment made to their 1994-95
26 combined state and local revenue per membership pupil pursuant to
27 section 20d. The payment under this subsection to the intermediate

1 district shall equal the amount of the allocation to the
2 intermediate district for 1996-97 under this subsection.

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

4 (a) "Membership" means for a particular fiscal year the total
5 membership for the immediately preceding fiscal year of the
6 intermediate district and the districts constituent to the
7 intermediate district or the total membership for the immediately
8 preceding fiscal year of the area vocational-technical program.

9 (b) "Millage levied" means the millage levied for area
10 vocational-technical education pursuant to sections 681 to 690 of
11 the revised school code, MCL 380.681 to 380.690, including a levy
12 for debt service obligations incurred as the result of borrowing
13 for capital outlay projects and in meeting capital projects fund
14 requirements of area vocational-technical education.

15 (c) "Taxable value" means the total taxable value of the
16 districts constituent to an intermediate district or area
17 vocational-technical education program, except that if a district
18 has elected not to come under sections 681 to 690 of the revised
19 school code, MCL 380.681 to 380.690, the membership and taxable
20 value of that district shall not be included in the membership and
21 taxable value of the intermediate district. However, the membership
22 and taxable value of a district that has elected not to come under
23 sections 681 to 690 of the revised school code, MCL 380.681 to
24 380.690, shall be included in the membership and taxable value of
25 the intermediate district if the district meets both of the
26 following:

27 (i) The district operates the area vocational-technical

1 education program pursuant to a contract with the intermediate
2 district.

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

8 (2) From the appropriation in section 11, there is allocated
9 **EACH FISCAL YEAR** an amount not to exceed \$9,000,000.00 for 2005-
10 2006 **AND FOR 2006-2007** to reimburse intermediate districts and area
11 vocational-technical education programs established under section
12 690(3) of the revised school code, MCL 380.690, levying millages
13 for area vocational-technical education pursuant to sections 681 to
14 690 of the revised school code, MCL 380.681 to 380.690. The
15 purpose, use, and expenditure of the reimbursement shall be limited
16 as if the funds were generated by those millages.

17 (3) Reimbursement for the millages levied in 2004-2005 shall
18 be made in 2005-2006 at an amount per 2004-2005 membership pupil
19 computed by subtracting from ~~-\$151,200.00~~ **\$152,000.00** the 2004-
20 2005 taxable value behind each membership pupil and multiplying the
21 resulting difference by the 2004-2005 millage levied. **REIMBURSEMENT**
22 **FOR THE MILLAGES LEVIED IN 2005-2006 SHALL BE MADE IN 2006-2007 AT**
23 **AN AMOUNT PER 2005-2006 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING**
24 **FROM \$160,500.00 THE 2005-2006 TAXABLE VALUE BEHIND EACH MEMBERSHIP**
25 **PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2005-2006**
26 **MILLAGE LEVIED.**

27 **SEC. 66. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**

1 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR GRANTS TO
2 INTERMEDIATE DISTRICTS OR CONSORTIUMS OF INTERMEDIATE DISTRICTS AND
3 COMMUNITY COLLEGES TO AID THE DEPARTMENT AND THE DEPARTMENT OF
4 LABOR AND ECONOMIC GROWTH IN IDENTIFYING EXISTING CAREER AND
5 TECHNICAL EDUCATION CURRICULA AND DEVELOPING NEW CAREER AND
6 TECHNICAL EDUCATION CURRICULA THAT INCORPORATE THE CREDIT
7 REQUIREMENTS AND CONTENT EXPECTATIONS OF THE MICHIGAN MERIT
8 STANDARD AS DESCRIBED IN SECTIONS 1278A AND 1278B OF THE REVISED
9 SCHOOL CODE, MCL 380.1278A AND 380.1278B.

10 (2) AN APPLICATION FOR A GRANT UNDER THIS SECTION SHALL BE
11 SUBMITTED TO THE DEPARTMENT IN A FORM AND MANNER PRESCRIBED BY THE
12 DEPARTMENT.

13 (3) A GRANT RECIPIENT SHALL MAKE AVAILABLE TO ALL DISTRICTS
14 AND INTERMEDIATE DISTRICTS THE CURRICULA, CLASSROOM MATERIALS, AND
15 RELATED PROFESSIONAL DEVELOPMENT DESIGNS AND MATERIALS CREATED
16 USING THESE GRANT FUNDS.

17 (4) THE DEPARTMENT SHALL AWARD GRANTS TO ELIGIBLE RECIPIENTS
18 IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. HOWEVER, THE
19 DEPARTMENT SHALL GIVE PRIORITY TO GRANT PROPOSALS THAT PROVIDE THE
20 MOST INNOVATIVE AND COST-EFFECTIVE APPROACHES TO REVOLUTIONIZING
21 CAREER AND TECHNICAL EDUCATION TO PREPARE STUDENTS FOR WORK AND
22 POSTSECONDARY EDUCATION IN THE 21ST CENTURY.

23 Sec. 74. (1) From the ~~amount~~ STATE SCHOOL AID FUND MONEY
24 appropriated in section 11, there is allocated an amount not to
25 exceed \$1,625,000.00 for ~~2005-2006~~ 2006-2007 for the purposes of
26 ~~subsections (2) and (3)~~ THIS SECTION.

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

1 each fiscal year the amount necessary for payments to state
2 supported colleges or universities and intermediate districts
3 providing school bus driver safety instruction or driver skills
4 road tests pursuant to sections 51 and 52 of the pupil
5 transportation act, 1990 PA 187, MCL 257.1851 and 257.1852. The
6 payments shall be in an amount determined by the department not to
7 exceed 75% of the actual cost of instruction and driver
8 compensation for each public or nonpublic school bus driver
9 attending a course of instruction. For the purpose of computing
10 compensation, the hourly rate allowed each school bus driver shall
11 not exceed the hourly rate received for driving a school bus.
12 Reimbursement compensating the driver during the course of
13 instruction or driver skills road tests shall be made by the
14 department to the college or university or intermediate district
15 providing the course of instruction.

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

23 (4) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11,
24 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,340,000.00 FOR 2006-
25 2007 FOR REIMBURSEMENT TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR
26 COSTS ASSOCIATED WITH THE INSPECTION OF SCHOOL BUSES AND PUPIL
27 TRANSPORTATION VEHICLES BY THE DEPARTMENT OF STATE POLICE AS

1 REQUIRED UNDER SECTION 715A OF THE MICHIGAN VEHICLE CODE, 1949 PA
2 300, MCL 257.715A, AND SECTION 39 OF THE PUPIL TRANSPORTATION ACT,
3 1990 PA 187, MCL 257.1839. THE DEPARTMENT OF STATE POLICE SHALL
4 PREPARE A STATEMENT OF COSTS ATTRIBUTABLE TO EACH DISTRICT FOR
5 WHICH BUS INSPECTIONS ARE PROVIDED AND SUBMIT IT TO THE DEPARTMENT
6 AND TO EACH AFFECTED DISTRICT IN A TIME AND MANNER DETERMINED
7 JOINTLY BY THE DEPARTMENT AND THE DEPARTMENT OF STATE POLICE. THE
8 DEPARTMENT SHALL REIMBURSE EACH DISTRICT AND INTERMEDIATE DISTRICT
9 FOR COSTS DETAILED ON THE STATEMENT WITHIN 30 DAYS AFTER RECEIPT OF
10 THE STATEMENT. DISTRICTS FOR WHICH SERVICES ARE PROVIDED SHALL MAKE
11 PAYMENT IN THE AMOUNT SPECIFIED ON THE STATEMENT TO THE DEPARTMENT
12 OF STATE POLICE WITHIN 45 DAYS AFTER RECEIPT OF THE STATEMENT. THE
13 TOTAL REIMBURSEMENT OF COSTS UNDER THIS SUBSECTION SHALL NOT EXCEED
14 THE AMOUNT ALLOCATED UNDER THIS SUBSECTION.

15 Sec. 81. (1) Except as otherwise provided in this section,
16 from the appropriation in section 11, there is allocated for ~~2005-~~
17 ~~2006-~~ **2006-2007** to the intermediate districts the sum necessary,
18 but not to exceed \$77,702,100.00, to provide state aid to
19 intermediate districts under this section. Except as otherwise
20 provided in this section, there shall be allocated to each
21 intermediate district for ~~2005-2006-~~ **2006-2007** an amount equal to
22 100.0% of the amount appropriated under this subsection for ~~2004-~~
23 ~~2005, excluding the portion that was allocated for the purposes of~~
24 ~~section 32j-~~ **2005-2006**. Funding provided under this section shall
25 be used to comply with requirements of this act and the revised
26 school code that are applicable to intermediate districts, and for
27 which funding is not provided elsewhere in this act, and to provide

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1 technical assistance to districts as authorized by the intermediate
2 school board.

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

13 (3) During a fiscal year, the department shall not increase an
14 intermediate district's allocation under subsection (1) because of
15 an adjustment made by the department during the fiscal year in the
16 intermediate district's taxable value for a prior year. Instead,
17 the department shall report the adjustment and the estimated amount
18 of the increase to the house and senate fiscal agencies and the
19 state budget director not later than June 1 of the fiscal year, and
20 the legislature shall appropriate money for the adjustment in the
21 next succeeding fiscal year.

22 (4) In order to receive funding under this section, an
23 intermediate district shall demonstrate to the satisfaction of the
24 department that the intermediate district employs at least 1 person
25 who is trained in pupil counting procedures, rules, and
26 regulations.

[SEC. 92. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED UNDER
SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED
\$100.00 FOR A GRANT TO THE DETROIT PUBLIC SCHOOLS TO ESTABLISH A MEDICAL-
THEMED HIGH SCHOOL IN DETROIT. THE HIGH SCHOOL SHALL SERVE PUPILS WHO
INTEND TO PURSUE A CAREER IN NURSING, MEDICAL BILLING AND BOOKKEEPING,
AND OTHER MEDICAL SCIENCE AND TECHNOLOGY FIELDS AND SHALL FOCUS ON CAREER
PREPARATION, CERTIFICATION TESTING PREPARATION, AND PREPARATION FOR
POSTSECONDARY EDUCATION IN MEDICAL FIELDS, WITH AN EMPHASIS ON IMMEDIATE
EMPLOYABILITY.]

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

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

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

8 (c) Establish procedures to ensure the validity and
9 reliability of the data and the collection process.

10 (d) Develop state and model local data collection policies,
11 including, but not limited to, policies that ensure the privacy of
12 individual student data. State privacy policies shall ensure that
13 student social security numbers are not released to the public for
14 any purpose.

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

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

20 (g) Assist all entities receiving funds under this act in
21 complying with audits performed according to generally accepted
22 accounting procedures.

23 (h) Other functions as assigned by the state budget director.

24 (2) Each state department, officer, or agency that collects
25 information from districts or intermediate districts as required
26 under state or federal law shall make arrangements with the center,
27 and with the districts or intermediate districts, to have the

center collect the information and to provide it to the department, officer, or agency as necessary. To the extent that it does not cause financial hardship, the center shall arrange to collect the information in a manner that allows electronic submission of the information to the center. Each affected state department, officer, or agency shall provide the center with any details necessary for the center to collect information as provided under this subsection. 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; ~~1961 PA 108, MCL 388.951 to 388.963~~ **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 state budget director shall appoint a CEPI advisory committee, consisting of the following members:

- (a) One representative from the house fiscal agency.
- (b) One representative from the senate fiscal agency.
- (c) One representative from the office of the state budget director.
- (d) One representative from the state education agency.
- (e) One representative each from the department of labor and economic growth and the department of treasury.
- (f) Three representatives from intermediate school districts.
- (g) One representative from each of the following educational organizations:
 - (i) Michigan association of school boards.

1 (ii) Michigan association of school administrators.

2 (iii) Michigan school business officials.

3 (h) One representative representing private sector firms
4 responsible for auditing school records.

5 (i) Other representatives as the state budget director
6 determines are necessary.

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

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

14 (b) Defining the roles of all stakeholders in the data
15 collection system.

16 (c) Recommending timelines for the implementation and ongoing
17 collection of data.

18 (d) Establishing and maintaining data definitions, data
19 transmission protocols, and system specifications and procedures
20 for the efficient and accurate transmission and collection of data.

21 (e) Establishing and maintaining a process for ensuring the
22 accuracy of the data.

23 (f) Establishing and maintaining state and model local
24 policies related to data collection, including, but not limited to,
25 privacy policies related to individual student data.

26 (g) Ensuring the data is made available to state and local
27 policymakers and citizens of this state in the most useful format

1 possible.

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

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

6 (6) From the general fund appropriation in section 11, there
7 is allocated an amount not to exceed \$2,000,000.00 for ~~2005-2006~~
8 **2006-2007** to the department of management and budget to support the
9 operations of the center. The center shall cooperate with the state
10 education agency to ensure that this state is in compliance with
11 federal law and is maximizing opportunities for increased federal
12 funding to improve education in this state. In addition, from the
13 federal funds appropriated in section 11 for ~~2005-2006~~ **2006-2007**,
14 there is allocated the amount necessary, estimated at \$3,543,200.00
15 in order to fulfill federal reporting requirements:

16 (a) An amount not to exceed \$839,000.00 funded from DED-OESE,
17 title I, disadvantaged children funds.

18 (b) An amount not to exceed \$55,700.00 funded from DED-OESE,
19 title I, reading first state grant funds.

20 (c) An amount not to exceed \$47,000.00 funded from DED-OESE,
21 title I, migrant education funds.

22 (d) An amount not to exceed \$285,000.00 funded from DED-OESE,
23 improving teacher quality funds.

24 (e) An amount not to exceed \$73,000.00 funded from DED-OESE,
25 drug-free schools and communities funds.

26 (f) An amount not to exceed \$150,000.00 funded under sections
27 611 to 619 of part B of the individuals with disabilities education

1 act, title VI of Public Law 91-230, 20 USC 1411 to 1419.

2 (g) An amount not to exceed \$13,500.00 for data collection
3 systems, funded from DED-NCES, common core data funds.

4 (h) An amount not to exceed \$400,000.00 for the collection and
5 dissemination of state assessment data, funded from DED-OESE, title
6 VI, state assessments funds.

7 (i) An amount not to exceed \$80,000.00 for data collection
8 systems, funded from DED-NCES, task award funds.

9 (j) An amount not to exceed \$100,000.00 for data collection
10 systems development funded from DED-NCES, performance based data
11 management initiative.

12 (k) An amount not to exceed \$1,500,000.00 to support the
13 development and implementation of a comprehensive K-12 data
14 management and student tracking system, funded from the competitive
15 grants of DED-OESE, title II, educational technology funds. Not
16 later than November 30, ~~2005~~ **2006**, the department shall award a
17 single grant to an eligible partnership that includes an
18 intermediate district with at least 1 high-need local school
19 district and the center.

20 (7) If the center, in partnership with the department,
21 receives a federal grant appropriated in the department's budget to
22 support the development and implementation of a comprehensive data
23 management and pupil tracking system, the center shall first expend
24 those funds before expending funds allocated under this section.

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

(9) 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.

(10) 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 (6) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(11) As used in this section:

(a) "DED-NCES" means the United States department of education national center for education statistics.

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

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

(d) "State education agency" means the department.

Sec. 98. (1) From the **STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$525,000.00 FOR 2006-2007 AND FROM THE** general fund money appropriated in section 11, there is allocated an amount not to exceed ~~-\$1,750,000.00 for 2005-2006-~~ **\$2,750,000.00 FOR 2006-2007** to

1 provide a grant to the Michigan virtual university for the
 2 development, implementation, and operation of the Michigan virtual
 3 high school; **TO PROVIDE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR**
 4 **EDUCATORS;** and to fund other purposes described in this section. In
 5 addition, from the federal funds appropriated in section 11, there
 6 is allocated for ~~2005-2006~~ **2006-2007** an amount estimated at
 7 ~~\$2,250,000.00 from DED-OESE, title II, improving teacher quality~~
 8 ~~funds~~ **\$3,250,000.00.**

9 (2) The Michigan virtual high school shall have the following
 10 goals:

11 (a) Significantly expand curricular offerings for high schools
 12 across this state through agreements with districts or licenses
 13 from other recognized providers. The Michigan virtual high school
 14 shall explore options for providing rigorous civics curricula
 15 online.

16 (b) Create statewide instructional models using interactive
 17 multimedia tools delivered by electronic means, including, but not
 18 limited to, the internet, digital broadcast, or satellite network,
 19 for distributed learning at the high school level.

20 (c) Provide pupils with opportunities to develop skills and
 21 competencies through on-line learning.

22 ~~—(d) Offer teachers opportunities to learn new skills and~~
 23 ~~strategies for developing and delivering instructional services.~~

24 ~~—(e) Accelerate this state's ability to respond to current and~~
 25 ~~emerging educational demands.~~

26 **(D) PROVIDE ONLINE TEST PREPARATION RESOURCES FOR PUPILS.**

27 **(E) —(f)—** Grant high school diplomas through a dual enrollment

1 method with districts.

2 (F) ~~-(g)-~~ Act as a broker for college level equivalent
3 courses, as defined in section 1471 of the revised school code, MCL
4 380.1471, and dual enrollment courses from postsecondary education
5 institutions.

6 (3) FROM THE GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1),
7 AN AMOUNT ESTIMATED AT, BUT NOT TO EXCEED \$1,000,000.00, SHALL BE
8 USED BY THE MICHIGAN VIRTUAL HIGH SCHOOL TO PROVIDE ONLINE TEST
9 PREPARATION RESOURCES FOR ALL MICHIGAN HIGH SCHOOL PUPILS USING
10 WEB-BASED TOOLS THAT ALIGN WITH THE MICHIGAN MERIT EXAM
11 REQUIREMENTS, INCLUDING THE ACT AND THE REVISED MEAP EXAM. THESE
12 RESOURCES SHALL INCLUDE THE FOLLOWING:

13 (A) PRACTICE TEST OPPORTUNITIES FOR STUDENTS.

14 (B) INFORMATION ON EFFECTIVE TEST TAKING STRATEGIES.

15 (C) DIAGNOSTIC TOOLS TO IDENTIFY STUDENT LEARNING GAPS.

16 (D) SELF-PACED ONLINE INSTRUCTIONAL TUTORIALS.

17 (E) ELECTRONIC REPORTS THAT PROVIDE FEEDBACK FOR STUDENTS AND
18 SCHOOL PERSONNEL.

19 (4) ~~-(3)-~~ The Michigan virtual high school course offerings
20 shall include, but are not limited to, all of the following:

21 (a) Information technology courses.

22 (b) College level equivalent courses, as defined in section
23 1471 of the revised school code, MCL 380.1471.

24 (c) Courses and dual enrollment opportunities.

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

26 (e) General education development test preparation courses for
27 adjudicated youth.

1 (f) Special interest courses.

2 (g) Professional development programs and services for
3 teachers.

4 (5) ~~—(4)—~~ FROM THE FEDERAL FUNDS ALLOCATED IN SUBSECTION (1),
5 THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT ESTIMATED AT
6 \$2,250,000.00 FROM DED-OESE, TITLE II, IMPROVING TEACHER QUALITY
7 FUNDS FOR A GRANT TO THE MICHIGAN VIRTUAL UNIVERSITY FOR THE
8 PURPOSE OF THIS SUBSECTION. The state education agency shall sign a
9 memorandum of understanding with the Michigan virtual university
10 regarding the DED-OESE, title II, improving teacher quality funds
11 as provided under this subsection. The memorandum of understanding
12 under this subsection shall require that the Michigan virtual
13 university coordinate the following activities related to DED-OESE,
14 title II, improving teacher quality funds in accordance with
15 federal law:

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

21 (b) Encourage and support the training of teachers and
22 administrators to effectively integrate technology into curricula
23 and instruction.

24 (c) Coordinate the activities of eligible partnerships that
25 include higher education institutions for the purposes of providing
26 professional development activities for teachers,
27 paraprofessionals, and principals as defined in federal law.

1 (D) OFFER TEACHERS OPPORTUNITIES TO LEARN NEW SKILLS AND
2 STRATEGIES FOR DEVELOPING AND DELIVERING INSTRUCTIONAL SERVICES.

3 (E) PROVIDE ONLINE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR
4 EDUCATORS TO UPDATE AND EXPAND KNOWLEDGE AND SKILLS NEEDED TO
5 SUPPORT THE MICHIGAN MERIT CURRICULUM CORE CONTENT STANDARDS AND
6 CREDIT REQUIREMENTS.

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

13 ~~—— (6) From the allocations in subsection (1), the amount~~
14 ~~necessary, not to exceed \$1,250,000.00, shall be used to provide~~
15 ~~online professional development for classroom teachers. This~~
16 ~~allocation is intended to be for the last of 3 years. These funds~~
17 ~~may be used for designing and building courses, marketing and~~
18 ~~outreach, workshops and evaluation, content acquisition, technical~~
19 ~~assistance, project management, and customer support. The Michigan~~
20 ~~virtual university shall offer at least 5 hours of online~~
21 ~~professional development for classroom teachers under this section~~
22 ~~each fiscal year beginning in 2004-2005 without charge to the~~
23 ~~teachers or to districts or intermediate districts.~~

24 (6) ~~—(7)—~~ THE MICHIGAN VIRTUAL UNIVERSITY SHALL OFFER AT LEAST
25 200 HOURS OF ONLINE PROFESSIONAL DEVELOPMENT FOR CLASSROOM TEACHERS
26 UNDER THIS SECTION EACH FISCAL YEAR BEGINNING IN 2006-2007 WITHOUT
27 CHARGE TO THE TEACHERS OR TO DISTRICTS OR INTERMEDIATE DISTRICTS. A

1 district or intermediate district may require a full-time teacher
2 to participate in at least 5 hours of online professional
3 development provided by the Michigan virtual university under
4 subsection ~~-(6)-~~ (5). Five hours of this professional development
5 shall be considered to be part of the 51 hours allowed to be
6 counted as hours of pupil instruction under section 101(10).

7 (7) ~~-(8)- In addition to the other funds allocated under this~~
8 ~~section, from~~ **FROM** the federal funds appropriated in ~~section 11~~
9 **SUBSECTION (1)**, there is allocated for ~~2005-2006~~ **2006-2007** an
10 amount estimated at \$1,000,000.00 from the DED-OESE, title II,
11 educational technology grant funds to support e-learning and
12 virtual school initiatives consistent with the goals contained in
13 the United States national educational technology plan issued in
14 January 2005. **NOT LATER THAN NOVEMBER 30, 2006, FROM THE FUNDS**
15 **ALLOCATED IN THIS SUBSECTION, THE DEPARTMENT SHALL AWARD A SINGLE**
16 **GRANT OF \$1,000,000.00 TO A CONSORTIUM OR PARTNERSHIP ESTABLISHED**
17 **BY THE MICHIGAN VIRTUAL UNIVERSITY THAT MEETS THE REQUIREMENTS OF**
18 **THIS SUBSECTION. TO BE ELIGIBLE FOR THIS FUNDING, A CONSORTIUM OR**
19 **PARTNERSHIP ESTABLISHED BY THE MICHIGAN VIRTUAL UNIVERSITY SHALL**
20 **INCLUDE AT LEAST 1 INTERMEDIATE DISTRICT AND AT LEAST 1 HIGH-NEED**
21 **LOCAL DISTRICT. ALL OF THE FOLLOWING APPLY TO THIS FUNDING:**

22 (A) AN ELIGIBLE CONSORTIUM OR PARTNERSHIP MUST DEMONSTRATE
23 THE FOLLOWING:

24 (i) PRIOR SUCCESS IN DELIVERING ONLINE COURSES AND
25 INSTRUCTIONAL SERVICES TO K-12 PUPILS THROUGHOUT THIS STATE.

26 (ii) EXPERTISE IN DESIGNING, DEVELOPING, AND EVALUATING ONLINE
27 K-12 COURSE CONTENT.

1 (iii) EXPERIENCE IN MAINTAINING A STATEWIDE HELP DESK SERVICE
2 FOR PUPILS, ONLINE TEACHERS, AND OTHER SCHOOL PERSONNEL.

3 (iv) KNOWLEDGE AND EXPERIENCE IN PROVIDING TECHNICAL ASSISTANCE
4 AND SUPPORT TO K-12 SCHOOLS IN THE AREA OF ONLINE EDUCATION.

5 (v) EXPERIENCE IN TRAINING AND SUPPORTING K-12 EDUCATORS IN
6 THIS STATE TO TEACH ONLINE COURSES.

7 (vi) DEMONSTRATED TECHNICAL EXPERTISE AND CAPACITY IN MANAGING
8 COMPLEX TECHNOLOGY SYSTEMS.

9 (vii) EXPERIENCE PROMOTING TWENTY-FIRST CENTURY LEARNING SKILLS
10 THROUGH THE USE OF ONLINE TECHNOLOGIES.

11 (B) The Michigan virtual university, which operates the
12 Michigan virtual high school, shall perform the following tasks
13 related to this funding:

14 (i) ~~-(a)-~~ Examine the curricular and specific course content
15 needs of middle and high school students in the areas of
16 mathematics and science.

17 (ii) ~~-(b)-~~ Design, develop, and acquire online courses and
18 related supplemental resources aligned to state standards to create
19 a comprehensive and rigorous statewide catalog of online courses
20 and instructional services.

21 (iii) ~~-(c)-~~ Conduct a demonstration pilot to promote new and
22 innovative online courses and instructional services.

23 (iv) ~~-(d)-~~ Evaluate existing online teaching and learning
24 practices and develop continuous improvement strategies to enhance
25 student achievement.

26 (v) ~~-(e)-~~ Develop, support, and maintain the technology
27 infrastructure and related software required to deliver online

1 courses and instructional services to students statewide.

2 ~~—— (f) Begin to develop a web-based practice assessment and~~
3 ~~classroom remediation program that includes reading, mathematics,~~
4 ~~social science, and science for pupils in grades 3 to 8. The~~
5 ~~Michigan virtual high school may contract with an outside provider~~
6 ~~to provide the services under this subdivision. The program must~~
7 ~~meet all of the following:~~

8 ~~—— (i) Have the ability to register pupils online.~~

9 ~~—— (ii) Be accessible on the internet.~~

10 ~~—— (iii) Provide test results immediately upon completion of the~~
11 ~~test.~~

12 ~~—— (iv) Provide remedial services by linking to textbooks in the~~
13 ~~classroom.~~

14 ~~—— (v) Provide results that are reported to the district~~
15 ~~superintendent, the school principal, and the department and are~~
16 ~~made available to parents, and that are tracked by pupil,~~
17 ~~classroom, school, and district.~~

18 ~~—— (9) Not later than November 30, 2005, from the funds allocated~~
19 ~~in subsection (8), the department shall award a single grant of~~
20 ~~\$1,000,000.00 to a consortium or partnership established by the~~
21 ~~Michigan virtual university that meets the requirements of this~~
22 ~~section. To be eligible for this funding, a consortium or~~
23 ~~partnership established by the Michigan virtual university shall~~
24 ~~include at least 1 intermediate district and at least 1 high-need~~
25 ~~local district. An eligible consortium or partnership must~~
26 ~~demonstrate the following:~~

27 ~~—— (a) Prior success in delivering online courses and~~

~~instructional services to K-12 students throughout this state.~~

~~—— (b) Expertise in designing, developing, and evaluating online K-12 course content.~~

~~—— (c) Experience in maintaining a statewide help desk service for students, online teachers, and other school personnel.~~

~~—— (d) Knowledge and experience in providing technical assistance and support to K-12 schools in the area of online education.~~

~~—— (e) Experience in training and supporting K-12 educators in this state to teach online courses.~~

~~—— (f) Demonstrated technical expertise and capacity in managing complex technology systems.~~

~~—— (g) Experience promoting twenty-first century learning skills through the innovative use of online technologies.~~

(8) FROM THE STATE SCHOOL AID FUND ALLOCATION IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED \$525,000.00 FOR 2006-2007 SHALL BE AWARDED AS A SINGLE GRANT TO AN INTERMEDIATE DISTRICT WORKING IN PARTNERSHIP WITH THE MICHIGAN VIRTUAL HIGH SCHOOL FOR A STATEWIDE LICENSE FOR "MY DREAM EXPLORER", A CAREER EXPLORATION AND PLANNING TOOL, TO BE MADE AVAILABLE TO ALL PUPILS AT NO COST.

(9) IF A HOME-SCHOOLED OR NONPUBLIC SCHOOL STUDENT IS A RESIDENT OF A DISTRICT THAT SUBSCRIBES TO SERVICES PROVIDED BY THE MICHIGAN VIRTUAL HIGH SCHOOL, THE STUDENT MAY USE THE SERVICES PROVIDED BY THE MICHIGAN VIRTUAL HIGH SCHOOL TO THE DISTRICT WITHOUT CHARGE TO THE STUDENT BEYOND WHAT IS CHARGED TO A DISTRICT PUPIL USING THE SAME SERVICES.

(10) ALL ACTIVITIES FUNDED UNDER THIS SECTION RELATING TO SCIENCE SHALL INCLUDE THE USE OF THE SCIENTIFIC METHOD TO

1 **CRITICALLY EVALUATE SCIENTIFIC THEORIES AND THE USE OF RELEVANT**
 2 **SCIENTIFIC DATA TO ASSESS THE VALIDITY OF THOSE THEORIES.**

3 (11) ~~—(10)—~~ As used in this section:

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

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

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

10 Sec. 98b. (1) From the federal funds appropriated in section
 11 11 there is allocated for ~~—2005-2006—~~ **2006-2007** an amount ~~not to~~
 12 ~~exceed \$2,500,000.00 from the competitive grants of DED-OESE, title~~
 13 ~~II, educational technology grants funds, and an amount not to~~
 14 ~~exceed~~ **ESTIMATED AT** \$3,000,000.00 from funds carried forward from
 15 ~~2003-2004—~~ **2005-2006** from unexpended DED-OESE, title II,
 16 educational technology grants funds, for the freedom to learn
 17 program described in this section. ~~In addition, from the state~~
 18 ~~school aid fund money appropriated in section 11, there is~~
 19 ~~allocated for 2005-2006 an amount not to exceed \$250,000.00 for the~~
 20 ~~purposes of this section.~~

21 (2) The allocations in subsection (1) shall be used to
 22 develop, implement, and operate the freedom to learn program and
 23 make program grants. The goal of the program is to achieve one-to-
 24 one access to wireless technology for K-12 pupils through statewide
 25 and local public-private partnerships. To implement the program,
 26 the state education agency shall sign a memorandum of understanding
 27 with ~~Ferris state university—~~ **THE FIDUCIARY INTERMEDIATE SCHOOL**

1 **DISTRICT** that provides for joint administration of program grants
2 under this subsection and ~~authorizes the creation of an~~
3 ~~independent institute. If sufficient private funds are obtained for~~
4 ~~this purpose, Ferris state university shall create an~~ **WITH THE**
5 independent institute ~~to assume~~ **WITH** responsibility for the
6 freedom to learn program and to use the allocations in subsection
7 (1) and any funds from alternative sources to do all of the
8 following:

9 (a) Carry out all goals and activities of the freedom to learn
10 program described in this section.

11 (b) Establish itself as a national leadership organization in
12 1-to-1 research, development, and mentoring.

13 (c) Garner new public and private resources for school
14 participation in the freedom to learn program and other 1-to-1
15 learning programs.

16 (3) ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** and
17 the state education agency shall make grants to districts as
18 described in this section. In awarding the grants, ~~Ferris state~~
19 ~~university~~ **THE INDEPENDENT INSTITUTE** and the state education
20 agency shall give priority to applications that demonstrate that
21 the district's program will meet all of the following:

22 (a) Will be ready for immediate implementation and will have
23 begun professional development on technology integration in the
24 classroom.

25 (b) Will utilize state structure and resources for
26 professional development. ~~—, as coordinated by Ferris state~~
27 ~~university.~~

1 (c) Will opt to participate in the statewide partnership
2 described in subsection (10) or will participate in an approved
3 alternative 1-to-1 deployment described in subsection (11).

4 (d) Will agree to participate in the program and its
5 professional development and evaluation components for 4 years.

6 (4) The amount of program grants to districts is estimated at
7 \$250.00 per pupil in membership in grade 6 in ~~2005-2006~~ **2006-**
8 **2007**, or in another grade allowed in this section, or per grade 6
9 teacher if the funding is awarded in a ratio of at least 20 pupils
10 funded for each teacher funded. The state education agency and
11 ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** shall establish
12 grant criteria that maximize the distribution of federal funds to
13 achieve the \$250.00 per pupil or teacher in districts that qualify
14 for federal funds. To qualify for a grant under this section, a
15 district shall submit an application to the state education agency
16 and ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** and
17 complete the application process established by the state education
18 agency and ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE**. The
19 application shall include at least all of the following:

20 (a) If the district is applying for federal funds, how the
21 district will meet the requirements of the competitive grants under
22 DED-OESE, title II, part D.

23 (b) How the district will provide the opportunity for each
24 pupil in membership in grade 6 to receive a wireless computing
25 device. If the district has already achieved one-to-one wireless
26 access in grade 6 or if the district's school building grade
27 configuration makes implementation of the program for grade 6

1 impractical, the district may apply for a grant for the next
2 highest grade. If the district does not have a grade 6 or higher,
3 the district may apply for funding for the next lowest grade level.
4 If the district operates 1 or more schools that are not meeting
5 adequate yearly progress, as determined by the department, and that
6 contain grade 6, the district may apply for funding for a school
7 building-wide program for 1 or more of those schools. A public
8 school academy that does not offer a grade higher than grade 5 may
9 apply to receive a grant under this section for pupils in the
10 highest grade offered by the public school academy.

11 (c) The district shall submit a plan describing the uses of
12 the grant funds. The plan shall describe a plan for professional
13 development on technology integration, content and curriculum, and
14 local partnerships with the other districts and representatives
15 from businesses, industry, and higher education. The plan shall
16 include at least the following:

17 (i) The academic achievement goals, which may include, but are
18 not limited to, goals related to mathematics, science, and language
19 arts.

20 (ii) The engagement goals, which may include, but are not
21 limited to, goals related to retention rates, dropout rates,
22 detentions, and suspensions.

23 (iii) The professional development goals, which may include, but
24 are not limited to, goals related to staff and teacher development
25 and performance indicators.

26 (d) A 3- to 5-year plan or funding model for increasing the
27 share that is borne locally of the expenditures for one-to-one

1 wireless access. ~~Ferris state university~~ **THE INDEPENDENT**
2 **INSTITUTE** shall provide districts with sample local plans and
3 funding models for the purposes of this subdivision and with
4 information on available federal and private resources.

5 (e) How the district will amend its local technology plan as
6 required under state and federal law to reflect the program under
7 this section.

8 (5) A district that receives a grant under this section shall
9 provide at least a \$25.00 per pupil match for grant money received
10 under this section from local public or private resources.

11 (6) The amount of a grant under this section to a single
12 district for a fiscal year shall not exceed 25% of the total amount
13 available for grants under this section for that fiscal year.

14 (7) A district that received money under section 98 in 2002-
15 2003 for a wireless technology grant is eligible to receive a grant
16 under this section.

17 (8) The federal funding under subsection (1) shall be used
18 first to provide the grants under this subsection. A district
19 described in this subsection shall apply to ~~Ferris state~~
20 ~~university~~ **THE INDEPENDENT INSTITUTE** and the state education
21 agency for a grant in the form and manner prescribed by the
22 department. An application under this section is not subject to the
23 requirements of subsection (3) if the application demonstrates that
24 the program will meet all of the following:

25 (a) Will continue as a demonstration program.

26 (b) Will provide regional assistance to schools that are not
27 meeting adequate yearly progress, as determined by the department,

1 and to new grant recipients, as directed by the state education
2 agency and ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE**.

3 (c) Will seek to expand its existing wireless technology
4 initiatives.

5 (9) Not more than 25% of the DED-OESE, title II, educational
6 technology grants funds under subsection (1) that are allocated for
7 grants to districts that participate in the statewide public-
8 private partnership under subsection (10) may be used to provide
9 statewide professional development. ~~that will be coordinated by~~
10 ~~Ferris state university~~.

11 (10) The department of management and budget shall maintain a
12 statewide public-private partnership to implement the program.

13 (11) A district may elect to purchase or lease wireless
14 computing devices from a vendor other than the statewide
15 partnership described in subsection (10) if ~~Ferris state~~
16 ~~university~~ **THE INDEPENDENT INSTITUTE** determines that the vendor
17 meets or exceeds minimum requirements and the vendor is identified
18 in the district's grant application. Districts may apply to receive
19 additional grants of \$250.00 per pupil for use in professional
20 development activities specific to the alternative deployment
21 solution instead of the statewide professional development as
22 described under subsection (9).

23 (12) The state education agency shall sign a memorandum of
24 understanding with ~~Ferris state university~~ **THE FIDUCIARY**
25 **INTERMEDIATE SCHOOL DISTRICT AND THE INDEPENDENT INSTITUTE**
26 regarding DED-OESE, title II, educational technology grants, as
27 provided under this subsection not later than October 1, ~~2005~~

1 2006. ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** shall
2 coordinate activities described in this subsection with the freedom
3 to learn grants described under this section. The memorandum of
4 understanding shall require that ~~Ferris state university~~ **THE**
5 **INDEPENDENT INSTITUTE** coordinate the following state activities
6 related to DED-OESE, title II, educational technology grants in
7 accordance with federal law:

8 (a) Assist in the development of innovative strategies for the
9 delivery of specialized or rigorous academic courses and curricula
10 through the use of technology, including distance learning
11 technologies.

12 (b) Establish and support public-private initiatives for the
13 acquisition of educational technology.

14 (13) Funds allocated under this section that are not expended
15 in the state fiscal year for which they were allocated may be
16 carried forward to a subsequent state fiscal year.

17 (14) It is the intent of the legislature that all plans or
18 applications submitted by the state education agency to the United
19 States department of education relating to the distribution of
20 federal funds under this section are for the purposes described in
21 this section.

22 (15) The state education agency shall ensure that the program
23 goals and plans for the freedom to learn program are contained in
24 the state technology plan required by federal law.

25 ~~— (16) From the funds allocated under this section from the~~
26 ~~state school aid fund, an amount not to exceed \$250,000.00 is~~
27 ~~allocated to Ferris state university to be used for statewide~~

1 ~~administration of the freedom to learn program.~~

2 (16) ~~—(17)—~~ Notwithstanding section 17b, payments under this
3 section may be made pursuant to an agreement with the department.

4 (17) ~~—(18)—~~ It is the intent of the legislature that this
5 state will seek to raise private funds for the current and future
6 funding of the freedom to learn program under this section and all
7 of the program components.

8 (18) ~~—(19)—~~ As used in this section:

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

11 (b) "State education agency" means the department.

12 Sec. 99. (1) From the state school aid fund money appropriated
13 in section 11, there is allocated an amount not to exceed
14 ~~\$2,416,000.00 for 2005-2006~~ **\$4,916,000.00 FOR 2006-2007** and from
15 the general fund appropriation in section 11, there is allocated an
16 amount not to exceed \$84,000.00 for ~~2005-2006~~ **2006-2007** for
17 implementing the comprehensive master plan for mathematics and
18 science centers developed by the department and approved by the
19 state board on August 8, 2002, **AND FOR OTHER PURPOSES AS DESCRIBED**
20 **IN THIS SECTION.** In addition, from the federal funds appropriated
21 in section 11, there is allocated for ~~2005-2006~~ **2006-2007** an
22 amount estimated at \$4,456,000.00 from DED-OESE, title II,
23 mathematics and science partnership grants.

24 (2) Within a service area designated locally, approved by the
25 department, and consistent with the master plan described in
26 subsection (1), an established mathematics and science center shall
27 address 2 or more of the following 6 basic services, as described

1 in the master plan, to constituent districts and communities:
2 leadership, pupil services, curriculum support, community
3 involvement, professional development, and resource clearinghouse
4 services.

5 (3) The department shall not award a state grant under this
6 section to more than 1 mathematics and science center located in a
7 designated region as prescribed in the 2002 master plan unless each
8 of the grants serves a distinct target population or provides a
9 service that does not duplicate another program in the designated
10 region.

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

16 (5) Allocations under this section to support the activities
17 and programs of mathematics and science centers shall be continuing
18 support grants to all 33 established mathematics and science
19 centers. Each established mathematics and science center that was
20 funded in ~~2003-2004~~ **2005-2006** shall receive state funding in an
21 amount equal to **160% OF** the amount it received under this section
22 for ~~2003-2004~~ **2005-2006**. If a center declines state funding or a
23 center closes, the remaining money available under this section
24 shall be distributed on a pro rata basis to the remaining centers,
25 as determined by the department.

26 **(6) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS**
27 **ALLOCATED \$1,000,000.00 IN A FORM AND MANNER DETERMINED BY THE**

1 DEPARTMENT TO THOSE CENTERS ABLE TO PROVIDE CURRICULUM AND
2 PROFESSIONAL DEVELOPMENT SUPPORT TO ASSIST DISTRICTS IN
3 IMPLEMENTING THE MICHIGAN MERIT CURRICULUM COMPONENTS FOR
4 MATHEMATICS AND SCIENCE.

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

10 (8) ~~—(7)—~~ Not later than September 30, 2007, the department
11 shall reevaluate and update the comprehensive master plan described
12 in subsection (1).

13 (9) ~~—(8)—~~ The department shall give preference in awarding the
14 federal grants allocated in subsection (1) to eligible existing
15 mathematics and science centers.

16 (10) ~~—(9)—~~ In order to receive state funds under this section,
17 a grant recipient shall provide at least a 10% local match from
18 local public or private resources for the funds received under this
19 section.

20 (11) ALL ACTIVITIES FUNDED UNDER THIS SECTION RELATING TO
21 SCIENCE SHALL INCLUDE THE USE OF THE SCIENTIFIC METHOD TO
22 CRITICALLY EVALUATE SCIENTIFIC THEORIES AND THE USE OF RELEVANT
23 SCIENTIFIC DATA TO ASSESS THE VALIDITY OF THOSE THEORIES.

24 (12) ~~—(10)—~~ As used in this section:

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

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

1 Sec. 99b. (1) From the state school aid fund money
2 appropriated in section 11, there is allocated an amount not to
3 exceed ~~-\$3,850,000.00~~ **\$4,000,000.00** for ~~2005-2006~~ **2006-2007** for
4 payments to intermediate districts under this section for the
5 middle school mathematics initiative to achieve the middle school
6 mathematics standards and benchmarks adopted by the state board.

7 (2) The amount of the payment to each intermediate district
8 for ~~2005-2006~~ **2006-2007** shall be an equal amount per pupil for
9 each pupil actually enrolled and attending school in a district
10 located within the intermediate district in grades 6 to 8. The
11 amount of the payment to an intermediate district under this
12 section for subsequent fiscal years will be calculated as described
13 in subsection (4).

14 (3) An intermediate district shall use funds received under
15 this section only for activities and efforts, **WITH AN EMPHASIS ON**
16 **PROFESSIONAL DEVELOPMENT**, designed to improve pupil performance on
17 the Michigan education assessment program mathematics assessments
18 administered during grades 6 to 8 and to help the districts within
19 the intermediate district meet adequate yearly progress
20 requirements for mathematics under the no child left behind act of
21 2001, Public Law 107-110.

22 (4) It is the intent of the legislature to continue to
23 allocate funds under this section for subsequent fiscal years.
24 However, beginning in ~~2006-2007~~ **2007-2008**, only eligible
25 intermediate districts will receive funding under this section and
26 the amount of funding shall be an equal amount per pupil enrolled
27 and attending school in grades 6 to 8 in districts located within

1 eligible intermediate districts only. An intermediate district
2 shall be eligible to receive funding under this section only for
3 the districts located within the intermediate district that meet
4 either or both of the following during the fiscal year for which
5 the funds are allocated:

6 (a) Achieve the passage rate on the Michigan education
7 assessment program mathematics assessments administered during
8 grades 6 to 8 necessary for the district to meet adequate yearly
9 progress requirements for those grades for mathematics under the no
10 child left behind act of 2001, Public Law 107-110.

11 (b) Achieve an increase in the passage rate on the Michigan
12 education assessment program mathematics assessments administered
13 during grades 6 to 8 of at least 10 percentage points, as compared
14 to that passage rate for the immediately preceding year.

15 **SEC. 99C. (1) FROM THE STATE SCHOOL AID FUND MONEY**
16 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO**
17 **EXCEED \$30,000,000.00 FOR 2006-2007 FOR PAYMENTS TO DISTRICTS UNDER**
18 **THIS SECTION FOR THE MIDDLE SCHOOL MATHEMATICS INITIATIVE TO**
19 **ACHIEVE THE MIDDLE SCHOOL MATHEMATICS STANDARDS AND BENCHMARKS**
20 **ADOPTED BY THE STATE BOARD.**

21 **(2) THE AMOUNT OF THE PAYMENT TO EACH DISTRICT FOR 2006-2007**
22 **SHALL BE AN EQUAL AMOUNT PER PUPIL FOR EACH PUPIL ACTUALLY ENROLLED**
23 **AND ATTENDING SCHOOL IN THE DISTRICT IN GRADES 6 TO 8. THE AMOUNT**
24 **OF THE PAYMENT TO A DISTRICT UNDER THIS SECTION FOR SUBSEQUENT**
25 **FISCAL YEARS SHALL BE CALCULATED AS DESCRIBED IN SUBSECTION (4).**

26 **(3) A DISTRICT SHALL USE FUNDS RECEIVED UNDER THIS SECTION**
27 **ONLY FOR ACTIVITIES AND EFFORTS DESIGNED TO IMPROVE PUPIL**

1 PERFORMANCE ON THE MICHIGAN EDUCATION ASSESSMENT PROGRAM
2 MATHEMATICS ASSESSMENTS ADMINISTERED DURING GRADES 6 TO 8 AND TO
3 HELP THE DISTRICT MEET ADEQUATE YEARLY PROGRESS REQUIREMENTS FOR
4 MATHEMATICS UNDER THE NO CHILD LEFT BEHIND ACT OF 2001, PUBLIC LAW
5 107-110.

6 (4) IT IS THE INTENT OF THE LEGISLATURE TO CONTINUE TO
7 ALLOCATE FUNDS UNDER THIS SECTION FOR SUBSEQUENT FISCAL YEARS.
8 HOWEVER, BEGINNING IN 2007-2008, ONLY ELIGIBLE DISTRICTS WILL
9 RECEIVE FUNDING UNDER THIS SECTION AND THE AMOUNT OF FUNDING SHALL
10 BE AN EQUAL AMOUNT PER PUPIL ENROLLED AND ATTENDING SCHOOL IN
11 GRADES 6 TO 8 IN ELIGIBLE DISTRICTS ONLY. BEGINNING IN 2007-2008, A
12 DISTRICT SHALL BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION
13 ONLY IF THE DISTRICT MEETS EITHER OR BOTH OF THE FOLLOWING DURING
14 THE FISCAL YEAR FOR WHICH THE FUNDS ARE ALLOCATED:

15 (A) ACHIEVES THE PASSAGE RATE ON THE MICHIGAN EDUCATION
16 ASSESSMENT PROGRAM MATHEMATICS ASSESSMENTS ADMINISTERED DURING
17 GRADES 6 TO 8 NECESSARY FOR THE DISTRICT TO MEET ADEQUATE YEARLY
18 PROGRESS REQUIREMENTS FOR THOSE GRADES FOR MATHEMATICS UNDER THE NO
19 CHILD LEFT BEHIND ACT OF 2001, PUBLIC LAW 107-110.

20 (B) ACHIEVES AN INCREASE IN THE PASSAGE RATE ON THE MICHIGAN
21 EDUCATION ASSESSMENT PROGRAM MATHEMATICS ASSESSMENTS ADMINISTERED
22 DURING GRADES 6 TO 8 OF AT LEAST 10 PERCENTAGE POINTS, AS COMPARED
23 TO THAT PASSAGE RATE FOR THE IMMEDIATELY PRECEDING YEAR.

24 (5) DISTRICTS RECEIVING FUNDING UNDER THIS SECTION AND
25 INTERMEDIATE DISTRICTS RECEIVING FUNDING UNDER SECTION 99B ARE
26 ENCOURAGED TO WORK COOPERATIVELY WITH EACH OTHER TO MAXIMIZE THE
27 BENEFITS OF PROGRAMS FUNDED UNDER THIS SECTION AND SECTION 99B.

1 SEC. 99D. (1) FROM THE STATE SCHOOL AID FUND MONEY
2 APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN
3 AMOUNT NOT TO EXCEED \$100,000.00 FOR GRANTS TO DISTRICTS FOR
4 PURCHASING AUTOMATED EXTERNAL DEFIBRILLATORS.

5 (2) TO BE ELIGIBLE TO RECEIVE A GRANT UNDER THIS SECTION, A
6 DISTRICT SHALL MEET ALL OF THE FOLLOWING:

7 (A) SHALL APPLY TO THE DEPARTMENT IN THE FORM AND MANNER
8 PRESCRIBED BY THE DEPARTMENT.

9 (B) SHALL PROVIDE AT LEAST A 50% LOCAL MATCH FROM LOCAL PUBLIC
10 OR PRIVATE RESOURCES FOR THE FUNDS RECEIVED UNDER THIS SECTION.

11 (C) SHALL MEET OTHER CRITERIA THAT ARE ESTABLISHED BY THE
12 DEPARTMENT AND DESIGNED TO MAXIMIZE THE EFFECTIVENESS OF THE GRANT
13 FUNDS.

14 (3) GRANTS SHALL BE AWARDED TO DISTRICTS UNDER THIS SECTION IN
15 DESCENDING ORDER OF A DISTRICT'S PERCENTAGE OF PUPILS WHO MET THE
16 INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK AS
17 DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT
18 AND AS REPORTED TO THE DEPARTMENT BY OCTOBER 31, 2005 AND ADJUSTED
19 NOT LATER THAN DECEMBER 31, 2005.

20 (4) THE DEPARTMENT SHALL NOT AWARD A GRANT TO A DISTRICT UNDER
21 THIS SECTION TO PURCHASE MORE THAN 1 AUTOMATED EXTERNAL
22 DEFIBRILLATOR UNLESS THE DEPARTMENT DETERMINES THAT EACH DISTRICT
23 EITHER HAS AT LEAST 1 AUTOMATED EXTERNAL DEFIBRILLATOR OR HAS BEEN
24 AWARDED A GRANT UNDER THIS SECTION FOR PURCHASING 1 AUTOMATED
25 EXTERNAL DEFIBRILLATOR. AFTER THAT POINT, UNTIL THE TOTAL AMOUNT
26 ALLOCATED UNDER THIS SECTION HAS BEEN USED, THE DEPARTMENT SHALL
27 AWARD GRANTS TO DISTRICTS IN THE SAME ORDER AS PRESCRIBED IN

1 SUBSECTION (3) IN SUFFICIENT AMOUNT TO ENSURE THAT THE DISTRICT
2 RECEIVING A GRANT FOR MORE THAN 1 AUTOMATED EXTERNAL DEFIBRILLATOR
3 WILL HAVE ENOUGH AUTOMATED EXTERNAL DEFIBRILLATORS AFTER THE GRANT
4 TO PLACE 1 IN EACH HIGH SCHOOL IT OPERATES.

5 (5) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION MAY DECIDE
6 WHERE TO PLACE AN AUTOMATED EXTERNAL DEFIBRILLATOR PURCHASED
7 PURSUANT TO THE GRANT.

8 SEC. 99E. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11,
9 \$100.00 SHALL BE ALLOCATED TO A DISTRICT THAT MEETS ALL OF THE
10 FOLLOWING REQUIREMENTS:

11 (A) THE DISTRICT'S MEMBERSHIP HAS GROWN BY AT LEAST 20%
12 BETWEEN 2004-2005 AND 2005-2006.

13 (B) AT LEAST 60% OF THE PUPILS IN THE DISTRICT WERE ELIGIBLE
14 FOR FREE OR REDUCED LUNCH FOR 2005-2006.

15 (C) THE DISTRICT LEVIES AT LEAST 10 MILLS FOR THE PURPOSE OF
16 DEBT RETIREMENT.

17 (D) THE DISTRICT HAD AN EMERGENCY FINANCIAL MANAGER IN PLACE
18 DURING 2004-2005.

19 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), \$50.00
20 SHALL BE USED TO SUPPLEMENT THE DISTRICT'S OPERATIONAL FUNDS AS
21 COMPENSATION FOR HAVING RECEIVED A REDUCED FOUNDATION ALLOWANCE DUE
22 TO PRORATION WHILE HAVING HAD AN EMERGENCY FINANCIAL MANAGER IN
23 PLACE.

24 (3) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), \$50.00
25 SHALL BE USED BY THE DISTRICT FOR IMPLEMENTING AN ACADEMIC
26 IMPROVEMENT PLAN. THIS PLAN SHALL CLEARLY STATE MEASURABLE GOALS
27 AND STEPS THE DISTRICT INTENDS TO TAKE TO IMPROVE THE QUALITY OF

1 THE DISTRICT'S ACADEMIC PROGRAMS. IT SHALL INCLUDE AT LEAST ALL OF
2 THE FOLLOWING:

3 (A) ENSURE DISTRICT PUPILS HAVE ACCESS TO UP-TO-DATE
4 TEXTBOOKS, MATERIALS, TECHNOLOGY, AND OTHER SUPPLIES THAT ARE
5 ALIGNED WITH GRADE-LEVEL CONTENT EXPECTATIONS OR SUBJECT AREA
6 CONTENT EXPECTATIONS, AS APPLICABLE.

7 (B) PROVIDE PROFESSIONAL DEVELOPMENT FOR TEACHERS TO ALIGN
8 TEACHING TECHNIQUES WITH ACT AND SAT STANDARDS.

9 (C) PROVIDE PUPILS ENROLLED IN GRADES 3 TO 8 WITH ACCESS TO A
10 GIFTED AND TALENTED PROGRAM. THIS PROGRAM SHALL INCLUDE A FOREIGN
11 LANGUAGE REQUIREMENT.

12 (D) PROVIDE PUPILS ENROLLED IN HIGH SCHOOL WITH ENHANCED
13 ACCESS TO COMMUNITY COLLEGE DUAL ENROLLMENT PROGRAMS, ADVANCED
14 PLACEMENT COURSES, OR OTHER ACCELERATED COURSEWORK.

15 (E) THE IMPLEMENTATION OF SPECIALIZED TEACHING PROGRAMS THAT
16 PREPARE PUPILS FOR POSTSECONDARY EDUCATION IN SCIENCE, ENGINEERING,
17 HEALTH CARE, THE PERFORMING ARTS, AND INTERNATIONAL BUSINESS.

18 (F) THE DEVELOPMENT OF A MENTORING PROGRAM WITH CORPORATE AND
19 BUSINESS PARTNERS TO PROVIDE PUPILS WITH HANDS-ON LEARNING
20 EXPERIENCES.

21 (3) TO RECEIVE FUNDING UNDER THIS SECTION FOR 2006-2007, THE
22 DISTRICT SHALL SUBMIT ITS ACADEMIC IMPROVEMENT PLAN UNDER
23 SUBSECTION (2) TO THE DEPARTMENT NOT LATER THAN OCTOBER 31, 2006.

24 (4) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL REPORT
25 THE STATUS OF IMPLEMENTATION OF THE SCHOOL IMPROVEMENT PLAN TO THE
26 DEPARTMENT BY JULY 1, 2007. THE REPORT SHALL INCLUDE, BUT IS NOT
27 LIMITED TO, THE NUMBER OF PUPILS SERVED BY THE ACADEMIC IMPROVEMENT

1 PROGRAMS, THE NUMBER OF COLLEGE CREDITS EARNED BY DUAL-ENROLLED
2 PUPILS, AND THE BUSINESSES PARTICIPATING IN THE STUDENT MENTORING
3 PROGRAM.

4 (5) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHOULD
5 PREPARE A REPORT DETAILING ACTIONS TAKEN AND ACHIEVEMENTS MADE
6 UNDER THE ACADEMIC IMPROVEMENT PLAN TO SHARE WITH OTHER DISTRICTS
7 IN ORDER TO HELP PREVENT THE NEED FOR EMERGENCY FINANCIAL MANAGERS
8 IN OTHER DISTRICTS.

9 SEC. 99F. FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS
10 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR GRANTS UNDER THIS
11 SECTION. THE DEPARTMENT SHALL MAKE GRANTS OF \$250,000.00 EACH TO
12 APPLICANT DISTRICTS WHO HAVE DISPLAYED EXEMPLARY ACHIEVEMENT. A
13 DISTRICT IS ELIGIBLE FOR A GRANT UNDER THIS SECTION IF THE DISTRICT
14 IS DETERMINED BY THE DEPARTMENT TO MEET ALL OF THE FOLLOWING:

15 (A) THE DISTRICT IS CONTIGUOUS TO AT LEAST 2 OTHER DISTRICTS
16 THAT HAD A FOUNDATION ALLOWANCE FOR 2005-2006 THAT WAS AT LEAST
17 \$1,000.00 GREATER THAN THAT DISTRICT'S FOUNDATION ALLOWANCE FOR
18 2005-2006.

19 (B) ON A PER PUPIL BASIS, THE DISTRICT SPENDS LESS THAN THE
20 STATEWIDE AVERAGE ON BUSINESS AND ADMINISTRATIVE COSTS AND MORE
21 THAN THE STATEWIDE AVERAGE ON INSTRUCTION, AS DETERMINED BY THE
22 DEPARTMENT ACCORDING TO THE DEPARTMENT'S BULLETIN 1014.

23 (C) THE DISTRICT IS MAKING ADEQUATE YEARLY PROGRESS UNDER THE
24 NO CHILD LEFT BEHIND ACT OF 2001, PUBLIC LAW 107-110, AS DETERMINED
25 BY THE DEPARTMENT.

26 (D) THE DISTRICT IS ACHIEVING SIGNIFICANT STUDENT ACHIEVEMENT
27 AS DETERMINED BY THE DEPARTMENT. ONE MEASURE OF STUDENT ACHIEVEMENT

1 SHALL BE THE NUMBER OF PUPILS WHO WERE ENROLLED IN GRADE 11 FOR THE
2 IMMEDIATELY PRECEDING FISCAL YEAR WHO TOOK THE ASSESSMENTS UNDER
3 SECTION 1279 OR 1279G OF THE REVISED SCHOOL CODE, MCL 380.1279 AND
4 380.1279G, AND WHO RECEIVED QUALIFYING RESULTS AS DEFINED UNDER THE
5 MICHIGAN MERIT AWARD SCHOLARSHIP ACT, 1999 PA 94, MCL 390.1451 TO
6 390.1459.

7 Sec. 101. (1) To be eligible to receive state aid under this
8 act, not later than the fifth Wednesday after the pupil membership
9 count day and not later than the fifth Wednesday after the
10 supplemental count day, each district superintendent through the
11 secretary of the district's board shall file with the intermediate
12 superintendent a certified and sworn copy of the number of pupils
13 enrolled and in regular daily attendance in the district as of the
14 pupil membership count day and as of the supplemental count day, as
15 applicable, for the current school year. In addition, a district
16 maintaining school during the entire year, as provided under
17 section 1561 of the revised school code, MCL 380.1561, shall file
18 with the intermediate superintendent a certified and sworn copy of
19 the number of pupils enrolled and in regular daily attendance in
20 the district for the current school year pursuant to rules
21 promulgated by the superintendent. Not later than the seventh
22 Wednesday after the pupil membership count day and not later than
23 the seventh Wednesday after the supplemental count day, the
24 intermediate district shall transmit to the center revised data, as
25 applicable, for each of its constituent districts. If a district
26 fails to file the sworn and certified copy with the intermediate
27 superintendent in a timely manner, as required under this

1 subsection, the intermediate district shall notify the department
2 and state aid due to be distributed under this act shall be
3 withheld from the defaulting district immediately, beginning with
4 the next payment after the failure and continuing with each payment
5 until the district complies with this subsection. If an
6 intermediate district fails to transmit the data in its possession
7 in a timely and accurate manner to the center, as required under
8 this subsection, state aid due to be distributed under this act
9 shall be withheld from the defaulting intermediate district
10 immediately, beginning with the next payment after the failure and
11 continuing with each payment until the intermediate district
12 complies with this subsection. If a district or intermediate
13 district does not comply with this subsection by the end of the
14 fiscal year, the district or intermediate district forfeits the
15 amount withheld. A person who willfully falsifies a figure or
16 statement in the certified and sworn copy of enrollment shall be
17 punished in the manner prescribed by section 161.

18 (2) To be eligible to receive state aid under this act, not
19 later than the twenty-fourth Wednesday after the pupil membership
20 count day and not later than the twenty-fourth Wednesday after the
21 supplemental count day, an intermediate district shall submit to
22 the center, in a form and manner prescribed by the center, the
23 audited enrollment and attendance data for the pupils of its
24 constituent districts and of the intermediate district. If an
25 intermediate district fails to transmit the audited data as
26 required under this subsection, state aid due to be distributed
27 under this act shall be withheld from the defaulting intermediate

1 district immediately, beginning with the next payment after the
2 failure and continuing with each payment until the intermediate
3 district complies with this subsection. If an intermediate district
4 does not comply with this subsection by the end of the fiscal year,
5 the intermediate district forfeits the amount withheld.

6 (3) All of the following apply to the provision of pupil
7 instruction:

8 (a) Except as otherwise provided in this section, each
9 district shall provide at least 1,098 hours of pupil instruction.
10 Except as otherwise provided in this act, a district failing to
11 comply with the required minimum hours of pupil instruction under
12 this subsection shall forfeit from its total state aid allocation
13 an amount determined by applying a ratio of the number of hours the
14 district was in noncompliance in relation to the required minimum
15 number of hours under this subsection. Not later than August 1, the
16 board of each district shall certify to the department the number
17 of hours of pupil instruction in the previous school year. If the
18 district did not provide at least the required minimum number of
19 hours of pupil instruction under this subsection, the deduction of
20 state aid shall be made in the following fiscal year from the first
21 payment of state school aid. A district is not subject to
22 forfeiture of funds under this subsection for a fiscal year in
23 which a forfeiture was already imposed under subsection (6). Hours
24 lost because of strikes or teachers' conferences shall not be
25 counted as days or hours of pupil instruction.

26 (b) Except as otherwise provided in subdivision (c), a
27 district not having at least 75% of the district's membership in

1 attendance on any day of pupil instruction shall receive state aid
2 in that proportion of 1/180 that the actual percent of attendance
3 bears to the specified percentage.

4 (c) Beginning in 2005-2006, at the request of a district that
5 operates a department-approved alternative education program and
6 that does not provide instruction for pupils in all of grades K to
7 12, the superintendent shall grant a waiver for a period of 3
8 school years from the requirements of subdivision (b) in order to
9 conduct a pilot study. The waiver shall indicate that an eligible
10 district is subject to the proration provisions of subdivision (b)
11 only if the district does not have at least 50% of the district's
12 membership in attendance on any day of pupil instruction. Not later
13 than 2008-2009, the department shall report on the impact of this
14 waiver on the academic achievement of pupils in these districts to
15 the state budget director and the senate and house appropriations
16 subcommittees on state school aid. In order to be eligible for this
17 waiver, a district must maintain records to substantiate its
18 compliance with the following requirements during the pilot study:

19 (i) The district offers the minimum hours of pupil instruction
20 as required under this section.

21 (ii) For each enrolled pupil, the district uses appropriate
22 academic assessments to develop an individual education plan that
23 leads to a high school diploma.

24 (iii) The district tests each pupil to determine academic
25 progress at regular intervals and records the results of those
26 tests in that pupil's individual education plan.

27 (d) The superintendent shall promulgate rules for the

1 implementation of this subsection.

2 (4) Except as otherwise provided in this subsection, the first
3 30 hours for which pupil instruction is not provided because of
4 conditions not within the control of school authorities, such as
5 severe storms, fires, epidemics, utility power unavailability,
6 water or sewer failure, or health conditions as defined by the
7 city, county, or state health authorities, shall be counted as
8 hours of pupil instruction. Beginning in 2003-2004, with the
9 approval of the superintendent of public instruction, the
10 department shall count as hours of pupil instruction for a fiscal
11 year not more than 30 additional hours for which pupil instruction
12 is not provided in a district after April 1 of the applicable
13 school year due to unusual and extenuating occurrences resulting
14 from conditions not within the control of school authorities such
15 as those conditions described in this subsection. Subsequent such
16 hours shall not be counted as hours of pupil instruction.

17 (5) A district shall not forfeit part of its state aid
18 appropriation because it adopts or has in existence an alternative
19 scheduling program for pupils in kindergarten if the program
20 provides at least the number of hours required under subsection (3)
21 for a full-time equated membership for a pupil in kindergarten as
22 provided under section 6(4).

23 (6) Not later than April 15 of each fiscal year, the board of
24 each district shall certify to the department the planned number of
25 hours of pupil instruction in the district for the school year
26 ending in the fiscal year. In addition to any other penalty or
27 forfeiture under this section, if at any time the department

1 determines that 1 or more of the following has occurred in a
2 district, the district shall forfeit in the current fiscal year
3 beginning in the next payment to be calculated by the department a
4 proportion of the funds due to the district under this act that is
5 equal to the proportion below the required minimum number of hours
6 of pupil instruction under subsection (3), as specified in the
7 following:

8 (a) The district fails to operate its schools for at least the
9 required minimum number of hours of pupil instruction under
10 subsection (3) in a school year, including hours counted under
11 subsection (4).

12 (b) The board of the district takes formal action not to
13 operate its schools for at least the required minimum number of
14 hours of pupil instruction under subsection (3) in a school year,
15 including hours counted under subsection (4).

16 (7) In providing the minimum number of hours of pupil
17 instruction required under subsection (3), a district shall use the
18 following guidelines, and a district shall maintain records to
19 substantiate its compliance with the following guidelines:

20 (a) Except as otherwise provided in this subsection, a pupil
21 must be scheduled for at least the required minimum number of hours
22 of instruction, excluding study halls, or at least the sum of 90
23 hours plus the required minimum number of hours of instruction,
24 including up to 2 study halls.

25 (b) The time a pupil is assigned to any tutorial activity in a
26 block schedule may be considered instructional time, unless that
27 time is determined in an audit to be a study hall period.

1 (c) Except as otherwise provided in this subdivision, a pupil
2 in grades 9 to 12 for whom a reduced schedule is determined to be
3 in the individual pupil's best educational interest must be
4 scheduled for a number of hours equal to at least 80% of the
5 required minimum number of hours of pupil instruction to be
6 considered a full-time equivalent pupil. A pupil in grades 9 to 12
7 who is scheduled in a 4-block schedule may receive a reduced
8 schedule under this subsection if the pupil is scheduled for a
9 number of hours equal to at least 75% of the required minimum
10 number of hours of pupil instruction to be considered a full-time
11 equivalent pupil.

12 (d) If a pupil in grades 9 to 12 who is enrolled in a
13 cooperative education program or a special education pupil cannot
14 receive the required minimum number of hours of pupil instruction
15 solely because of travel time between instructional sites during
16 the school day, that travel time, up to a maximum of 3 hours per
17 school week, shall be considered to be pupil instruction time for
18 the purpose of determining whether the pupil is receiving the
19 required minimum number of hours of pupil instruction. However, if
20 a district demonstrates to the satisfaction of the department that
21 the travel time limitation under this subdivision would create
22 undue costs or hardship to the district, the department may
23 consider more travel time to be pupil instruction time for this
24 purpose.

25 (e) In grades 7 through 12, instructional time that is part of
26 a junior reserve officer training corps (JROTC) program shall be
27 considered to be pupil instruction time regardless of whether the

1 instructor is a certificated teacher if all of the following are
2 met:

3 (i) The instructor has met all of the requirements established
4 by the United States department of defense and the applicable
5 branch of the armed services for serving as an instructor in the
6 junior reserve officer training corps program.

7 (ii) The board of the district or intermediate district
8 employing or assigning the instructor complies with the
9 requirements of sections 1230 and 1230a of the revised school code,
10 MCL 380.1230 and 380.1230a, with respect to the instructor to the
11 same extent as if employing the instructor as a regular classroom
12 teacher.

13 (8) The department shall apply the guidelines under subsection
14 (7) in calculating the full-time equivalency of pupils.

15 (9) Upon application by the district for a particular fiscal
16 year, the superintendent may waive for a district the minimum
17 number of hours of pupil instruction requirement of subsection (3)
18 for a department-approved alternative education program. If a
19 district applies for and receives a waiver under this subsection
20 and complies with the terms of the waiver, for the fiscal year
21 covered by the waiver the district is not subject to forfeiture
22 under this section for the specific program covered by the waiver.

23 **IF THE DISTRICT DOES NOT COMPLY WITH THE TERMS OF THE WAIVER, THE**
24 **AMOUNT OF THE FORFEITURE SHALL BE CALCULATED BASED UPON A**
25 **COMPARISON OF THE NUMBER OF HOURS OF PUPIL INSTRUCTION ACTUALLY**
26 **PROVIDED TO THE MINIMUM NUMBER OF HOURS OF PUPIL INSTRUCTION**
27 **REQUIRED UNDER SUBSECTION (3).**

1 (10) A district may count up to 51 hours of qualifying
2 professional development for teachers, including the 5 hours of
3 online professional development provided by the Michigan virtual
4 university under section 98, as hours of pupil instruction. A
5 district that elects to use this exception shall notify the
6 department of its election. As used in this subsection, "qualifying
7 professional development" means professional development that is
8 focused on 1 or more of the following:

9 (a) Achieving or improving adequate yearly progress as defined
10 under the no child left behind act of 2001, Public Law 107-110.

11 (b) Achieving accreditation or improving a school's
12 accreditation status under section 1280 of the revised school code,
13 MCL 380.1280.

14 (c) Achieving highly qualified teacher status as defined under
15 the no child left behind act of 2001, Public Law 107-110.

16 (d) Maintaining teacher certification.

17 **SEC. 104. (1) FROM THE STATE SCHOOL AID FUND MONEY**
18 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN**
19 **AMOUNT NOT TO EXCEED \$19,500,000.00 FOR REIMBURSEMENT TO DISTRICTS**
20 **OF COSTS ASSOCIATED WITH COMPLYING WITH SECTIONS 104A AND 104B,**
21 **SECTIONS 1279 AND 1280B OF THE REVISED SCHOOL CODE, MCL 380.1279**
22 **AND 380.1280B, AND 1970 PA 38, MCL 388.1081 TO 388.1086. IN**
23 **ADDITION, FROM THE FEDERAL FUNDS APPROPRIATED IN SECTION 11, THERE**
24 **IS ALLOCATED FOR 2006-2007 AN AMOUNT ESTIMATED AT \$8,425,164.00,**
25 **FUNDED FROM DED-OESE, TITLE VI, STATE ASSESSMENTS FUNDS FOR THE**
26 **PURPOSES OF COMPLYING WITH THE FEDERAL NO CHILD LEFT BEHIND ACT OF**
27 **2001, PUBLIC LAW 107-110.**

1 (2) THE RESULTS OF EACH TEST ADMINISTERED AS PART OF THE
2 MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM, INCLUDING TESTS
3 ADMINISTERED TO HIGH SCHOOL STUDENTS, SHALL INCLUDE AN ITEM
4 ANALYSIS THAT LISTS ALL ITEMS THAT ARE COUNTED FOR INDIVIDUAL PUPIL
5 SCORES AND THE PERCENTAGE OF PUPILS CHOOSING EACH POSSIBLE
6 RESPONSE.

7 (3) ALL FEDERAL FUNDS ALLOCATED UNDER THIS SECTION SHALL BE
8 DISTRIBUTED IN ACCORDANCE WITH FEDERAL LAW AND WITH FLEXIBILITY
9 PROVISIONS OUTLINED IN PUBLIC LAW 107-116, AND IN THE EDUCATION
10 FLEXIBILITY PARTNERSHIP ACT OF 1999, PUBLIC LAW 106-25.
11 NOTWITHSTANDING SECTION 17B, PAYMENTS OF FEDERAL FUNDS TO
12 DISTRICTS, INTERMEDIATE DISTRICTS, AND OTHER ELIGIBLE ENTITIES
13 UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
14 DEPARTMENT.

15 Sec. 107. (1) From the appropriation in section 11, there is
16 allocated an amount not to exceed ~~-\$21,000,000.00 for 2005-2006~~
17 **\$25,000,000.00 FOR 2006-2007** for adult education programs
18 authorized under this section.

19 (2) To be eligible to be a participant funded under this
20 section, a person shall be enrolled in an adult basic education
21 program, an adult English as a second language program, a general
22 educational development (G.E.D.) test preparation program, a job or
23 employment related program, or a high school completion program,
24 that meets the requirements of this section, and shall meet either
25 of the following, as applicable:

26 (a) If the individual has obtained a high school diploma or a
27 general educational development (G.E.D.) certificate, the

1 individual meets 1 of the following:

2 (i) Is less than 20 years of age on September 1 of the school
3 year and is enrolled in the state technical institute and
4 rehabilitation center.

5 (ii) Is less than 20 years of age on September 1 of the school
6 year, is not attending an institution of higher education, and is
7 enrolled in a job or employment-related program through a referral
8 by an employer.

9 (iii) Is enrolled in an English as a second language program.

10 (iv) Is enrolled in a high school completion program.

11 (b) If the individual has not obtained a high school diploma
12 or G.E.D. certificate, the individual meets 1 of the following:

13 (i) Is at least 20 years of age on September 1 of the school
14 year.

15 (ii) Is at least 16 years of age on September 1 of the school
16 year, has been permanently expelled from school under section
17 1311(2) or 1311a of the revised school code, MCL 380.1311 and
18 380.1311a, and has no appropriate alternative education program
19 available through his or her district of residence.

20 (3) Except as otherwise provided in subsection (4), **FROM** the
21 amount allocated under subsection (1), **\$23,000,000.00** shall be
22 distributed as follows:

23 (a) For districts and consortia that received payments for
24 ~~2003-2004~~ **2005-2006** under this section, the amount allocated to
25 each for ~~2005-2006~~ **2006-2007** shall be based on the number of
26 participants served by the district or consortium for ~~2005-2006~~
27 **2006-2007**, using the amount allocated per full-time equated

1 participant under subsection ~~-(5)-~~ **(6)**, up to a maximum total
 2 allocation under this ~~section~~ **SUBSECTION** in an amount equal to
 3 **115% OF** the amount the district or consortium received for ~~2003-~~
 4 ~~2004-~~ **2005-2006** under this section before any reallocations made
 5 for ~~2003-2004-~~ **2005-2006** under subsection (4).

6 (b) A district or consortium that received funding in 2003-
 7 2004 under this section may operate independently of a consortium
 8 or join or form a consortium for ~~2005-2006-~~ **2006-2007**. ~~In~~
 9 ~~addition, a district that had a declaration of financial emergency~~
 10 ~~in place under the local government fiscal responsibility act, 1990~~
 11 ~~PA 72, MCL 141.1201 to 141.1291, and for which that declaration was~~
 12 ~~revoked during 2005 may operate a program under this section~~
 13 ~~independently of a consortium or may join or form a consortium to~~
 14 ~~operate a program under this section.~~ The allocation for ~~2005-~~
 15 ~~2006-~~ **2006-2007** to the district or the newly formed consortium
 16 under this subsection shall be determined by the department of
 17 labor and economic growth and shall be based on the proportion of
 18 the amounts that are attributable to the district or consortium
 19 that received funding in ~~2003-2004 or, for a district for which a~~
 20 ~~declaration of financial emergency was revoked during 2005, based~~
 21 ~~on the amount the district received under this section using a 3-~~
 22 ~~year average of the 3 most recent fiscal years the district~~
 23 ~~received funding under this section~~ **2005-2006**. A district or
 24 consortium described in this subdivision shall notify the
 25 department of labor and economic growth of its intention with
 26 regard to ~~2005-2006-~~ **2006-2007** by October 1, ~~2005-~~ **2006**.

27 (4) A district that operated an adult education program in

1 ~~2004-2005~~ **2005-2006** and does not intend to operate a program in
2 ~~2005-2006~~ **2006-2007** shall notify the department of labor and
3 economic growth by October 1, ~~2005~~ **2006** of its intention. The
4 funds intended to be allocated under this section to a district
5 that does not operate a program in ~~2005-2006~~ **2006-2007** and the
6 unspent funds originally allocated under this section to a district
7 or consortium that subsequently operates a program at less than the
8 level of funding allocated under subsection (3) shall instead be
9 proportionately reallocated to the other districts described in
10 subsection (3)(a) that are operating an adult education program in
11 ~~2005-2006~~ **2006-2007** under this section.

12 (5) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1),
13 \$2,000,000.00 SHALL BE ALLOCATED AS FOLLOWS:

14 (A) \$1,400,000.00 SHALL BE ALLOCATED FOR DISTRICTS OR
15 CONSORTIA THAT DID NOT RECEIVE PAYMENTS FOR 2005-2006 UNDER THIS
16 SECTION AND THAT NOTIFY THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH
17 BY OCTOBER 1, 2006 OF AN INTENTION TO OPERATE A PROGRAM IN 2006-
18 2007 AND PROVIDE AN ESTIMATE OF FULL-TIME EQUATED PARTICIPANTS TO
19 BE SERVED. THE ALLOCATION FOR 2006-2007 SHALL BE BASED ON THE
20 NUMBER OF PARTICIPANTS SERVED BY THE DISTRICT OR CONSORTIUM FOR
21 2006-2007, USING THE AMOUNT ALLOCATED PER FULL-TIME EQUATED
22 PARTICIPANT UNDER SUBSECTION (6), UP TO A MAXIMUM TOTAL ALLOCATION
23 UNDER THIS SUBSECTION IN AN AMOUNT EQUAL TO \$1,400,000.00.

24 (B) \$600,000.00 SHALL BE ALLOCATED FOR 3 GRANTS NOT TO EXCEED
25 \$200,000.00 EACH FOR INNOVATIVE MICHIGAN COMMUNITY COLLEGE PROGRAMS
26 THAT FOCUS ON EDUCATING ADULTS. GRANTS MAY BE USED FOR PROGRAM
27 OPERATING EXPENSES SUCH AS STAFFING, RENT, EQUIPMENT, AND OTHER

1 EXPENSES. TO BE ELIGIBLE FOR THIS GRANT FUNDING, A PROGRAM MUST
2 MEET THE FOLLOWING CRITERIA:

3 (i) COLLABORATES WITH LOCAL DISTRICTS AND BUSINESSES TO
4 DETERMINE AREA ACADEMIC NEEDS AND TO PROMOTE THE LEARNING
5 OPPORTUNITIES.

6 (ii) IS LOCATED OFF-CAMPUS IN AN URBAN RESIDENTIAL SETTING WITH
7 DOCUMENTED HIGH POVERTY AND LOW HIGH SCHOOL GRADUATION RATES.

8 (iii) PROVIDES GENERAL EDUCATIONAL DEVELOPMENT (G.E.D.) TEST
9 PREPARATION COURSES AND WORKSHOPS.

10 (iv) PROVIDES DEVELOPMENTAL COURSES TAUGHT BY COLLEGE FACULTY
11 THAT PREPARE STUDENTS TO BE SUCCESSFUL IN COLLEGE-LEVEL COURSES.

12 (v) USES LEARNING COMMUNITIES TO ALLOW FOR SHARED, RATHER THAN
13 ISOLATED, LEARNING EXPERIENCES.

14 (vi) PROVIDES ON-SITE TUTORING.

15 (vii) PROVIDES ACCESS TO UP-TO-DATE TECHNOLOGY, INCLUDING
16 PERSONAL COMPUTERS.

17 (viii) PARTNERS WITH A FINANCIAL INSTITUTION TO PROVIDE
18 FINANCIAL LITERACY EDUCATION.

19 (ix) ASSISTS STUDENTS IN GAINING ACCESS TO FINANCIAL AID.

20 (x) PROVIDES ON-SITE ACADEMIC ADVISING TO STUDENTS.

21 (xi) PROVIDES VOUCHERS FOR REDUCED G.E.D. TESTING COSTS.

22 (xii) PARTNERS WITH LOCAL AGENCIES TO PROVIDE REFERRALS FOR
23 SOCIAL SERVICES AS NEEDED.

24 (xiii) ENROLLS PARTICIPANTS AS STUDENTS OF THE COMMUNITY
25 COLLEGE.

26 (xiv) PARTNERS WITH PHILANTHROPIC AND BUSINESS ENTITIES TO
27 PROVIDE CAPITAL FUNDING.

1 (C) AFTER OCTOBER 1, 2006, IF THE DEPARTMENT OF LABOR AND
2 ECONOMIC GROWTH DETERMINES THAT THERE WILL BE UNSPENT FUNDS UNDER
3 THIS SUBSECTION, THEN THOSE UNSPENT FUNDS SHALL INSTEAD BE
4 PROPORTIONALLY REALLOCATED TO THE DISTRICTS OR CONSORTIA THAT
5 RECEIVE FUNDS UNDER SUBSECTION (3)(A) AND UNDER THIS SUBSECTION.

6 (6) ~~—(5)—~~ The amount allocated under this section per full-
7 time equated participant is \$2,850.00 for a 450-hour program. The
8 amount shall be proportionately reduced for a program offering less
9 than 450 hours of instruction.

10 (7) ~~—(6)—~~ An adult basic education program or an adult English
11 as a second language program operated on a year-round or school
12 year basis may be funded under this section, subject to all of the
13 following:

14 (a) The program enrolls adults who are determined by an
15 appropriate assessment to be below ninth grade level in reading or
16 mathematics, or both, or to lack basic English proficiency.

17 (b) The program tests individuals for eligibility under
18 subdivision (a) before enrollment and tests participants to
19 determine progress after every 90 hours of attendance, using
20 assessment instruments approved by the department of labor and
21 economic growth.

22 (c) A participant in an adult basic education program is
23 eligible for reimbursement until 1 of the following occurs:

24 (i) The participant's reading and mathematics proficiency are
25 assessed at or above the ninth grade level.

26 (ii) The participant fails to show progress on 2 successive
27 assessments after having completed at least 450 hours of

1 instruction.

2 (d) A funding recipient enrolling a participant in an English
3 as a second language program is eligible for funding according to
4 subsection ~~—(10)—~~ (11) until the participant meets 1 of the
5 following:

6 (i) The participant is assessed as having attained basic
7 English proficiency.

8 (ii) The participant fails to show progress on 2 successive
9 assessments after having completed at least 450 hours of
10 instruction. The department of labor and economic growth shall
11 provide information to a funding recipient regarding appropriate
12 assessment instruments for this program.

13 (8) ~~—(7)—~~ A general educational development (G.E.D.) test
14 preparation program operated on a year-round or school year basis
15 may be funded under this section, subject to all of the following:

16 (a) The program enrolls adults who do not have a high school
17 diploma.

18 (b) The program shall administer a G.E.D. pre-test approved by
19 the department of labor and economic growth before enrolling an
20 individual to determine the individual's potential for success on
21 the G.E.D. test, and shall administer other tests after every 90
22 hours of attendance to determine a participant's readiness to take
23 the G.E.D. test.

24 (c) A funding recipient shall receive funding according to
25 subsection ~~—(10)—~~ (11) for a participant, and a participant may be
26 enrolled in the program until 1 of the following occurs:

27 (i) The participant passes the G.E.D. test.

1 (ii) The participant fails to show progress on 2 successive
2 tests used to determine readiness to take the G.E.D. test after
3 having completed at least 450 hours of instruction.

4 **(9)** ~~—(8)—~~ A high school completion program operated on a year-
5 round or school year basis may be funded under this section,
6 subject to all of the following:

7 (a) The program enrolls adults who do not have a high school
8 diploma.

9 (b) A funding recipient shall receive funding according to
10 subsection ~~—(10)—~~ **(11)** for a participant in a course offered under
11 this subsection until 1 of the following occurs:

12 (i) The participant passes the course and earns a high school
13 diploma.

14 (ii) The participant fails to earn credit in 2 successive
15 semesters or terms in which the participant is enrolled after
16 having completed at least 900 hours of instruction.

17 **(10)** ~~—(9)—~~ A job or employment-related adult education program
18 operated on a year-round or school year basis may be funded under
19 this section, subject to all of the following:

20 (a) The program enrolls adults referred by their employer who
21 are less than 20 years of age, have a high school diploma, are
22 determined to be in need of remedial mathematics or communication
23 arts skills and are not attending an institution of higher
24 education.

25 (b) An individual may be enrolled in this program and the
26 grant recipient shall receive funding according to subsection ~~—(10)—~~
27 **(11)** until 1 of the following occurs:

1 (i) The individual achieves the requisite skills as determined
2 by appropriate assessment instruments administered at least after
3 every 90 hours of attendance.

4 (ii) The individual fails to show progress on 2 successive
5 assessments after having completed at least 450 hours of
6 instruction. The department of labor and economic growth shall
7 provide information to a funding recipient regarding appropriate
8 assessment instruments for this program.

9 **(11)** ~~—(10)—~~ A funding recipient shall receive payments under
10 this section in accordance with the following:

11 (a) ~~Ninety~~ **SEVENTY-FIVE** percent for enrollment of eligible
12 participants.

13 (b) ~~Ten~~ **TWENTY-FIVE** percent for completion of the adult
14 basic education objectives by achieving an increase of at least 1
15 grade level of proficiency in reading or mathematics; for achieving
16 basic English proficiency; for passage of the G.E.D. test; for
17 passage of a course required for a participant to attain a high
18 school diploma; or for completion of the course and demonstrated
19 proficiency in the academic skills to be learned in the course, as
20 applicable.

21 **(12)** ~~—(11)—~~ As used in this section, "participant" means the
22 sum of the number of full-time equated individuals enrolled in and
23 attending a department-approved adult education program under this
24 section, using quarterly participant count days on the schedule
25 described in section 6(7)(b).

26 **(13)** ~~—(12)—~~ A person who is not eligible to be a participant
27 funded under this section may receive adult education services upon

1 the payment of tuition. In addition, a person who is not eligible
2 to be served in a program under this section due to the program
3 limitations specified in subsection ~~-(6)-~~ (7), (8), ~~or~~ (9), **OR**
4 **(10)** may continue to receive adult education services in that
5 program upon the payment of tuition. The tuition level shall be
6 determined by the local or intermediate district conducting the
7 program.

8 **(14)** ~~-(13)-~~ An individual who is an inmate in a state
9 correctional facility shall not be counted as a participant under
10 this section.

11 **(15)** ~~-(14)-~~ A district shall not commingle money received
12 under this section or from another source for adult education
13 purposes with any other funds of the district. A district receiving
14 adult education funds shall establish a separate ledger account for
15 those funds. This subsection does not prohibit a district from
16 using general funds of the district to support an adult education
17 or community education program.

18 **(16)** ~~-(15)-~~ A district or intermediate district receiving
19 funds under this section may establish a sliding scale of tuition
20 rates based upon a participant's family income. A district or
21 intermediate district may charge a participant tuition to receive
22 adult education services under this section from that sliding scale
23 of tuition rates on a uniform basis. The amount of tuition charged
24 per participant shall not exceed the actual operating cost per
25 participant minus any funds received under this section per
26 participant. A district or intermediate district may not charge a
27 participant tuition under this section if the participant's income

1 is at or below 200% of the federal poverty guidelines published by
2 the United States department of health and human services.

3 Sec. 121. (1) The valuation of a whole or fractional district
4 shall be the total taxable value of the property contained in the
5 whole or fractional district as last determined by the state tax
6 commission and placed on the ad valorem tax roll. For purposes of
7 computations made under this act, except as provided in section 26,
8 the taxable value of a district or intermediate district shall
9 include the value of property used to calculate the tax imposed on
10 lessees or users of tax-exempt property under ~~Act No. 189 of the~~
11 ~~Public Acts of 1953, being sections 211.181 to 211.182 of the~~
12 ~~Michigan Compiled Laws~~ 1953 PA 189, MCL 211.181 TO 211.182, AND
13 THE VALUE OF PROPERTY USED TO CALCULATE THE STATE PAYMENT IN LIEU
14 OF TAXES ON STATE PURCHASED PROPERTY UNDER SECTION 2153 OF THE
15 NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451,
16 MCL 324.2153. Adjustments to this taxable value shall be made for
17 all of the following:

18 (a) State tax tribunal decisions.

19 (b) Court decisions.

20 (c) Local board of review adjustments made after the state tax
21 commission determination.

22 (d) Lands deeded to the state for jurisdictions without
23 delinquent tax revolving funds or for jurisdictions that have
24 required repayment to the delinquent tax revolving funds.

25 (e) The requirements of this act.

26 (2) Adjustments under subsection (1) shall not be made for
27 more than the 6 state fiscal years immediately preceding the state

1 fiscal year in which the adjustment is made, except that an
 2 adjustment pursuant to a state tax tribunal decision or court
 3 decision shall be made for the tax years involved in the decision
 4 and any subsequent years affected by the decision.

5 Sec. 147. ~~—(1)—~~ The allocation for ~~—2005-2006—~~ **2006-2007** for
 6 the public school employees' retirement system pursuant to the
 7 public school employees retirement act of 1979, 1980 PA 300, MCL
 8 38.1301 to 38.1408, shall be made using the entry age normal cost
 9 actuarial method and risk assumptions adopted by the public school
 10 employees retirement board and the department of management and
 11 budget. The annual level percentage of payroll contribution rate is
 12 estimated at ~~—16.34%—~~ **17.74%** for the ~~—2005-2006—~~ **2006-2007** state
 13 fiscal year. The portion of the contribution rate assigned to
 14 districts and intermediate districts for each fiscal year is all of
 15 the total percentage points. This contribution rate reflects an
 16 amortization period of ~~—31—~~ **30** years for ~~—2005-2006—~~ **2006-2007**. The
 17 public school employees' retirement system board shall notify each
 18 district and intermediate district by February 28 of each fiscal
 19 year of the estimated contribution rate for the next fiscal year.

20 ~~—— (2) It is the intent of the legislature that the amortization~~
 21 ~~period described in section 41(2) of the public school employees~~
 22 ~~retirement act of 1979, 1980 PA 300, MCL 38.1341, be reduced to 30~~
 23 ~~years by the end of the 2005-2006 state fiscal year by reducing the~~
 24 ~~amortization period by not more than 1 year each fiscal year.~~

25 Sec. 161a. If a court determines that a person intentionally
 26 violated section 411a of the Michigan penal code, 1931 PA 328, MCL
 27 750.411a, by making a false report of the commission of a crime

1 described in section ~~6(6)(g)~~ **6(6)(F)** knowing the report to be
2 false for the purpose of having a pupil counted in membership in a
3 district under section ~~6(6)(g)~~ **6(6)(F)**, as part of the
4 restitution ordered under section 30 of chapter XIIIA of 1939 PA
5 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's
6 rights act, 1985 PA 87, MCL 780.766, 780.794, and 780.826, or
7 section 1a of chapter IX of the code of criminal procedure, 1927 PA
8 175, MCL 769.1a, the court may order the person to pay the pupil's
9 district of residence an amount that is not more than the state
10 school aid that district would have received attributable to the
11 pupil if the pupil had been counted in membership in his or her
12 district of residence.

13 Sec. 167. (1) The department in cooperation with the
14 department of community health shall develop plans to assist
15 districts and intermediate districts and local county health
16 departments to comply with section 1177 of the revised school code,
17 MCL 380.1177, and section 9209 of the public health code, 1978 PA
18 368, MCL 333.9209, for each school year.

19 (2) Each district or intermediate district shall report to the
20 local health department in which it is located by November 1 of
21 each fiscal year, in a manner prescribed by the department of
22 community health, the immunization status of each pupil in grades K
23 through 12 who enrolled in the district or intermediate district
24 for the first time or, beginning in 2002-2003, who enrolled in
25 grade 6 in the district or intermediate district for the first
26 time, between January 1 and September 30 of the immediately
27 preceding fiscal year. Not later than December 31 of each fiscal

1 year, the department of community health shall notify the
2 department by district or intermediate district of the percentage
3 of entering pupils and, beginning in 2002-2003, of pupils who
4 enrolled in grade 6 for the first time who do not have a completed,
5 waived, or provisional immunization record in accordance with
6 section 1177 of the revised school code, MCL 380.1177. If a
7 district or intermediate district does not have a completed,
8 waived, or provisional immunization record in accordance with
9 section 1177 of the revised school code, MCL 380.1177, for at least
10 90% of the district's or intermediate district's entering pupils,
11 as recorded in the November 1 reports required under this
12 subsection, the district or intermediate district is subject to
13 subsection (4) until the district or intermediate district has such
14 an immunization record for at least 90% of its pupils who enrolled
15 in the district or intermediate district for the first time.

16 (3) Each district or intermediate district shall again report
17 to the local health department in which it is located by February 1
18 of each fiscal year, in a manner prescribed by the department of
19 community health, the immunization status of each pupil in grades K
20 through 12 who enrolled in the district or intermediate district
21 for the first time or, beginning in 2002-2003, who enrolled in
22 grade 6 in the district or intermediate district for the first
23 time, between January 1 of the immediately preceding fiscal year
24 and December 31 of the current fiscal year. Not later than March 31
25 of each fiscal year, the department of community health shall
26 notify the department by district or intermediate district of the
27 percentage of entering pupils and, beginning in 2002-2003, of

1 pupils who enrolled in grade 6 for the first time who do not have a
2 completed, waived, or provisional immunization record in accordance
3 with section 1177 of the revised school code, MCL 380.1177. If a
4 district or intermediate district does not have a completed,
5 waived, or provisional immunization record in accordance with
6 section 1177 of the revised school code, MCL 380.1177, for at least
7 95% of the district's or intermediate district's entering pupils,
8 as recorded in the February 1 reports required under this
9 subsection, the district or intermediate district is subject to
10 subsection (4) until the district or intermediate district has such
11 an immunization record for at least 95% of its pupils who enrolled
12 in the district or intermediate district for the first time. If the
13 department of community health is not able to report to the
14 department by March 31 because a district or intermediate district
15 fails to submit a report as required in this subsection, or submits
16 an incomplete, inaccurate, or late report, the district or
17 intermediate district is subject to subsection (4) until the report
18 is submitted in a complete and accurate form.

19 (4) If a district or intermediate district does not comply
20 with this section, the department shall withhold 5% of the total
21 funds due to the district or intermediate district under this act
22 after the date the department of community health reports a
23 district's or intermediate district's noncompliance with this
24 section to the department until the district or intermediate
25 district complies with this section. If the district or
26 intermediate district does not comply with this section by the end
27 of the fiscal year, the district or intermediate district forfeits

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the total amount withheld.

~~—— (5) For 2005-2006 only, if a pupil has been evacuated from another state and relocated in this state due to a natural disaster and is being educated in a district, if the pupil's immunization record has not yet been received or confirmed, and if the district is making a good faith effort to obtain immunization information concerning the pupil, the district may exclude the pupil from the calculation of the specified percentages in subsections (2) and (3).~~

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 [\$11,691,116,500.00] and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at [\$11,545,680,500.00].

(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 \$11,308,044,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,393,300.00.

Enacting section 2. Sections 31b, 33, and 105a of the state school aid act of 1979, 1979 PA 94, MCL 388.1631b, 388.1633, and 388.1705a, are repealed.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2006.

(2) Sections 11, 15, 22a, 22b, 51a, 51c, 56, and 62 of the

1 state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1615,
2 388.1622a, 388.1622b, 388.1651a, 388.1651c, 388.1656, and 388.1662,
3 as amended by this amendatory act, take effect upon enactment of
4 this amendatory act.