

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1107

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18b,
19, 20, 20d, 20j, 22a, 22b, 22d, 24, 24a, 24c, 25b, 25c, 26a, 26b,
29, 31a, 31d, 31f, 32b, 32c, 32d, 32j, 32l, 37, 38, 39, 39a, 41,
51a, 51c, 51d, 53a, 54, 54a, 54c, 56, 57, 61a, 62, 64, 65, 74, 81,
94a, 98, 99, 99c, 99e, 99i, 99j, 99k, 99n, 99p, 104, 104b, 105,
105c, 107, 147, 151, 164c, 166b, and 166e (MCL 388.1603, 388.1604,
388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k,
388.1611m, 388.1615, 388.1618b, 388.1619, 388.1620, 388.1620d,
388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1624a,
388.1624c, 388.1625b, 388.1625c, 388.1626a, 388.1626b, 388.1629,
388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632c, 388.1632d,

388.1632j, 388.1632l, 388.1637, 388.1638, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a, 388.1654c, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1664, 388.1665, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1699c, 388.1699e, 388.1699i, 388.1699j, 388.1699k, 388.1699n, 388.1699p, 388.1704, 388.1704b, 388.1705, 388.1705c, 388.1707, 388.1747, 388.1751, 388.1764c, 388.1766b, and 388.1766e), sections 3, 6, 11a, 11g, 11k, 11m, 15, 19, 20, 20j, 24, 24a, 24c, 26a, 26b, 29, 31a, 31d, 31f, 32b, 32c, 32d, 32j, 32l, 37, 39, 39a, 41, 51d, 53a, 54, 54a, 57, 61a, 64, 65, 74, 81, 94a, 98, 99, 99c, 99e, 107, and 151 as amended and sections 99i, 99j, and 99k as added by 2007 PA 137, sections 4 and 164c as amended by 2005 PA 155, sections 11, 11j, 22a, 22b, 22d, 51a, 51c, 56, 62, and 104 as amended and sections 54c, 99n, and 99p as added by 2008 PA 112, section 18b as added by 2000 PA 297, section 20d as amended and section 166e as added by 1997 PA 93, section 25b as amended and section 25c as added by 2001 PA 121, section 38 as amended by 2003 PA 158, section 104b as added by 2004 PA 593, sections 105 and 105c as amended by 2006 PA 342, section 147 as amended by 2007 PA 92, and section 166b as amended by 1999 PA 119, and by adding sections 11n, 22e, 31h, 32g, 32h, 98d, 99h, 99m, 99o, 99q, and 99r; 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, means 92% of the pupils counted in
 3 membership on the pupil membership count day, as defined in section
 4 6(7).

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

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

5 (4) "Cooperative education program" means a written voluntary
6 agreement between and among districts to provide certain
7 educational programs for pupils in certain groups of districts. The
8 written agreement shall be approved by all affected districts at
9 least annually and shall specify the educational programs to be
10 provided and the estimated number of pupils from each district who
11 will participate in the educational programs.

12 (5) "Department", except in section 107, means the department
13 of education.

14 (6) "District" means a local school district established under
15 the revised school code, a local act school district, or, except in
16 sections 6(4), 6(6), **11N**, 13, 20, 22a, 23, 29, 31a, ~~99j, 99k,~~
17 **51A(15)**, 105, and 105c, a public school academy. Except in sections
18 6(4), 6(6), **11N**, 13, 20, 22a, 29, ~~99j, 99k, 51A(15)~~, 105, and 105c,
19 district also includes a university school.

20 (7) "District of residence", except as otherwise provided in
21 this subsection, means the district in which a pupil's custodial
22 parent or parents or legal guardian resides. For a pupil described
23 in section 24b, the pupil's district of residence is the district
24 in which the pupil enrolls under that section. For a pupil
25 described in section 6(4)(d), the pupil's district of residence
26 shall be considered to be the district or intermediate district in
27 which the pupil is counted in membership under that section. For a

1 pupil under court jurisdiction who is placed outside the district
2 in which the pupil's custodial parent or parents or legal guardian
3 resides, the pupil's district of residence shall be considered to
4 be the educating district or educating intermediate district.

5 (8) "District superintendent" means the superintendent of a
6 district, the chief administrator of a public school academy, or
7 the chief administrator of a university school.

8 Sec. 4. (1) "Elementary pupil" means a pupil in membership in
9 grades K to 8 in a district not maintaining classes above the
10 eighth grade or in grades K to 6 in a district maintaining classes
11 above the eighth grade. **FOR THE PURPOSES OF CALCULATING UNIVERSAL
12 SERVICE FUND (E-RATE) DISCOUNTS, "ELEMENTARY PUPIL" INCLUDES
13 CHILDREN ENROLLED IN A PRESCHOOL PROGRAM OPERATED BY A DISTRICT IN
14 ITS FACILITIES.**

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

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

25 (4) "General educational development testing preparation
26 program" means a program that has high school level courses in
27 English language arts, social studies, science, and mathematics and

1 that prepares a person to successfully complete the general
2 educational development (GED) test.

3 (5) "High school pupil" means a pupil in membership in grades
4 7 to 12, except in a district not maintaining grades above the
5 eighth grade.

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

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

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

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

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

1 membership.

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

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

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

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

24 (f) A pupil enrolled in a vocational education program
25 supported by a millage levied over an area larger than a single
26 district or in an area vocational-technical education program
27 established pursuant to section 690 of the revised school code, MCL

1 380.690, shall be counted only in the pupil's district of
2 residence.

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

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

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

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

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

1 day for the current school year.

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

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

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

23 (m) An individual who has obtained a high school diploma shall
24 not be counted in membership. An individual who has obtained a
25 general educational development (G.E.D.) certificate shall not be
26 counted in membership. An individual participating in a job
27 training program funded under former section 107a or a jobs program

1 funded under former section 107b, administered by the Michigan
2 strategic fund or the department of labor and economic growth, or
3 participating in any successor of either of those 2 programs, shall
4 not be counted in membership.

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

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

27 (ii) If the public school academy provides instruction for less

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

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

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

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

25 (r) Full-time equated memberships for pupils in kindergarten
26 shall be determined by dividing the number of class hours scheduled
27 and provided per year per kindergarten pupil by a number equal to

1 1/2 the number used for determining full-time equated memberships
2 for pupils in grades 1 to 12. **BEGINNING IN 2009-2010, FULL-TIME**
3 **EQUATED MEMBERSHIPS FOR PUPILS IN KINDERGARTEN SHALL BE DETERMINED**
4 **BY DIVIDING THE NUMBER OF CLASS HOURS SCHEDULED AND PROVIDED PER**
5 **YEAR PER KINDERGARTEN PUPIL BY THE NUMBER USED FOR DETERMINING**
6 **FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN GRADES 1 TO 12.**

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

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

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

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

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

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

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

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

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

1 ~~the pupil.~~ FOR THE FIRST YEAR IN WHICH A PUPIL IS COUNTED IN
2 MEMBERSHIP ON THE PUPIL MEMBERSHIP COUNT DAY IN A MIDDLE COLLEGE
3 PROGRAM DESCRIBED IN SECTION 64, THE MEMBERSHIP IS THE AVERAGE OF
4 THE FULL-TIME EQUATED MEMBERSHIP ON THE PUPIL MEMBERSHIP COUNT DAY
5 AND ON THE SUPPLEMENTAL COUNT DAY FOR THE CURRENT SCHOOL YEAR, AS
6 DETERMINED BY THE DEPARTMENT. IF A PUPIL WAS COUNTED BY THE
7 OPERATING DISTRICT ON THE IMMEDIATELY PRECEDING SUPPLEMENTAL COUNT
8 DAY, THE PUPIL SHALL BE EXCLUDED FROM THE DISTRICT'S IMMEDIATELY
9 PRECEDING SUPPLEMENTAL COUNT FOR PURPOSES OF DETERMINING THE
10 DISTRICT'S MEMBERSHIP.

11 (w) If a pupil was enrolled in a public school academy on the
12 pupil membership count day, if the public school academy's contract
13 with its authorizing body is revoked or the public school academy
14 otherwise ceases to operate, and if the pupil enrolls in a district
15 within 45 days after the pupil membership count day, the department
16 shall adjust the district's pupil count for the pupil membership
17 count day to include the pupil in the count.

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

1 (y) If a district's membership for a particular fiscal year,
2 as otherwise calculated under this subsection, would be less than
3 1,550 pupils and the district has 4.5 or fewer pupils per square
4 mile, as determined by the department, and, **BEGINNING IN 2007-2008,**
5 if the district does not receive funding under section ~~22d~~**22D(2)**,
6 the district's membership shall be considered to be the membership
7 figure calculated under this subdivision. If a district educates
8 and counts in its membership pupils in grades 9 to 12 who reside in
9 a contiguous district that does not operate grades 9 to 12 and if 1
10 or both of the affected districts request the department to use the
11 determination allowed under this sentence, the department shall
12 include the square mileage of both districts in determining the
13 number of pupils per square mile for each of the districts for the
14 purposes of this subdivision. The membership figure calculated
15 under this subdivision is the greater of the following:

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

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

23 (z) If a public school academy that is not in its first or
24 second year of operation closes at the end of a school year and
25 does not reopen for the next school year, the department shall
26 adjust the membership count of the district in which a former pupil
27 of the public school academy enrolls and is in regular daily

1 attendance for the next school year to ensure that the district
2 receives the same amount of membership aid for the pupil as if the
3 pupil were counted in the district on the supplemental count day of
4 the preceding school year.

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

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

20 (5) "Public school academy" means a public school academy,
21 urban high school academy, or strict discipline academy operating
22 under the revised school code.

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

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

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

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

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

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

15 (f) A pupil who has made an official written complaint or
16 whose parent or legal guardian has made an official written
17 complaint to law enforcement officials and to school officials of
18 the pupil's district of residence that the pupil has been the
19 victim of a criminal sexual assault or other serious assault, if
20 the official complaint either indicates that the assault occurred
21 at school or that the assault was committed by 1 or more other
22 pupils enrolled in the school the pupil would otherwise attend in
23 the district of residence or by an employee of the district of
24 residence. A person who intentionally makes a false report of a
25 crime to law enforcement officials for the purposes of this
26 subdivision is subject to section 411a of the Michigan penal code,
27 1931 PA 328, MCL 750.411a, which provides criminal penalties for

1 that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

26 (v) **THE PUPIL IS ENROLLED IN AN ALTERNATIVE OR DISCIPLINARY**
27 **EDUCATION PROGRAM DESCRIBED IN SECTION 25.**

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

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

6 (k) An expelled pupil who has been denied reinstatement by the
7 expelling district and is reinstated by another school board under
8 section 1311 or 1311a of the revised school code, MCL 380.1311 and
9 380.1311a.

10 (l) A pupil enrolled in a district other than the pupil's
11 district of residence in a program described in section 64 if the
12 pupil's district of residence and the enrolling district are both
13 constituent districts of the same intermediate district.

14 **(M) A PUPIL ENROLLED IN A DISTRICT OTHER THAN THE PUPIL'S**
15 **DISTRICT OF RESIDENCE WHO ATTENDS A UNITED STATES OLYMPIC EDUCATION**
16 **CENTER.**

17 However, if a district that is not a **DISTRICT OF THE** first
18 class ~~district~~ educates pupils who reside in a **DISTRICT OF THE**
19 first class ~~district~~ and if the primary instructional site for
20 those pupils is located within the boundaries of the **DISTRICT OF**
21 **THE** first class, ~~district~~, the educating district must have the
22 approval of the **DISTRICT OF THE** first class ~~district~~ to count those
23 pupils in membership. ~~As used in this subsection, "first class~~
24 ~~district" means a district organized as a school district of the~~
25 ~~first class under the revised school code.~~

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

1 (a) Except as provided in subdivision (b), the fourth
2 Wednesday after Labor day each school year or, for a district or
3 building in which school is not in session on that Wednesday due to
4 conditions not within the control of school authorities, with the
5 approval of the superintendent, the immediately following day on
6 which school is in session in the district or building.

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

9 (i) Fourth Wednesday in July.

10 (ii) Fourth Wednesday after Labor day.

11 (iii) Second Wednesday in February.

12 (iv) Fourth Wednesday in April.

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

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

17 (9) "Rule" means a rule promulgated pursuant to the
18 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
19 24.328.

20 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
21 380.1852.

22 (11) **"SCHOOL DISTRICT OF THE FIRST CLASS", "FIRST CLASS SCHOOL**
23 **DISTRICT", AND "DISTRICT OF THE FIRST CLASS" MEAN THE DISTRICT THAT**
24 **HAD THE MOST PUPILS IN MEMBERSHIP FOR THE IMMEDIATELY PRECEDING**
25 **FISCAL YEAR AMONG ALL DISTRICTS.**

26 (12) ~~(11)~~ "School fiscal year" means a fiscal year that
27 commences July 1 and continues through June 30.

1 (13) ~~(12)~~—"State board" means the state board of education.

2 (14) ~~(13)~~—"Superintendent", unless the context clearly refers
3 to a district or intermediate district superintendent, means the
4 superintendent of public instruction described in section 3 of
5 article VIII of the state constitution of 1963.

6 (15) ~~(14)~~—"Supplemental count day" means the day on which the
7 supplemental pupil count is conducted under section 6a.

8 (16) ~~(15)~~—"Tuition pupil" means a pupil of school age
9 attending school in a district other than the pupil's district of
10 residence for whom tuition may be charged. Tuition pupil does not
11 include a pupil who is a special education pupil or a pupil
12 described in subsection ~~(6) (d) to (k)~~ **(6) (C) TO (M)**. A pupil's
13 district of residence shall not require a high school tuition
14 pupil, as provided under section 111, to attend another school
15 district after the pupil has been assigned to a school district.

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

19 (18) ~~(17)~~—"Taxable value" means the taxable value of property
20 as determined under section 27a of the general property tax act,
21 1893 PA 206, MCL 211.27a.

22 (19) ~~(18)~~—"Textbook" means a book that is selected and
23 approved by the governing board of a district and that contains a
24 presentation of principles of a subject, or that is a literary work
25 relevant to the study of a subject required for the use of
26 classroom pupils, or another type of course material that forms the
27 basis of classroom instruction.

1 (20) ~~(19)~~—"Total state aid" or "total state school aid" means
2 the total combined amount of all funds due to a district,
3 intermediate district, or other entity under all of the provisions
4 of this act.

5 (21) ~~(20)~~—"University school" means an instructional program
6 operated by a public university under section 23 that meets the
7 requirements of section 23.

8 Sec. 11. (1) For the fiscal year ending September 30, 2008,
9 there is appropriated for the public schools of this state and
10 certain other state purposes relating to education the sum of
11 \$11,386,866,600.00 from the state school aid fund established by
12 section 11 of article IX of the state constitution of 1963 and the
13 sum of \$34,909,600.00 from the general fund. **FOR THE FISCAL YEAR**
14 **ENDING SEPTEMBER 30, 2009, THERE IS APPROPRIATED FOR THE PUBLIC**
15 **SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO**
16 **EDUCATION THE SUM OF \$11,810,371,000.00 FROM THE STATE SCHOOL AID**
17 **FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE**
18 **CONSTITUTION OF 1963 AND THE SUM OF \$43,000,300.00 FROM THE GENERAL**
19 **FUND.** In addition, available federal funds are appropriated for the
20 fiscal year ending September 30, 2008 **AND FOR THE FISCAL YEAR**
21 **ENDING SEPTEMBER 30, 2009.**

22 (2) The appropriations under this section shall be allocated
23 as provided in this act. Money appropriated under this section from
24 the general fund shall be expended to fund the purposes of this act
25 before the expenditure of money appropriated under this section
26 from the state school aid fund. If the maximum amount appropriated
27 under this section from the state school aid fund for a fiscal year

1 exceeds the amount necessary to fully fund allocations under this
2 act from the state school aid fund, that excess amount shall not be
3 expended in that state fiscal year and shall not lapse to the
4 general fund, but instead shall be deposited into the school aid
5 stabilization fund created in section 11a.

6 (3) If the maximum amount appropriated under this section from
7 the state school aid fund and the school aid stabilization fund for
8 a fiscal year exceeds the amount available for expenditure from the
9 state school aid fund for that fiscal year, payments under sections
10 11f, 11g, 11j, **11N**, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c,
11 53a, and 56 shall be made in full. In addition, for districts
12 beginning operations after 1994-95 that qualify for payments under
13 section 22b, payments under section 22b shall be made so that the
14 qualifying districts receive the lesser of an amount equal to the
15 1994-95 foundation allowance of the district in which the district
16 beginning operations after 1994-95 is located or \$5,500.00. The
17 amount of the payment to be made under section 22b for these
18 qualifying districts shall be as calculated under section 22a, with
19 the balance of the payment under section 22b being subject to the
20 proration otherwise provided under this subsection and subsection
21 (4). If proration is necessary, state payments under each of the
22 other sections of this act from all state funding sources shall be
23 prorated in the manner prescribed in subsection (4) as necessary to
24 reflect the amount available for expenditure from the state school
25 aid fund for the affected fiscal year. However, if the department
26 of treasury determines that proration will be required under this
27 subsection, or if the department of treasury determines that

1 further proration is required under this subsection after an
2 initial proration has already been made for a fiscal year, the
3 department of treasury shall notify the state budget director, and
4 the state budget director shall notify the legislature at least 30
5 calendar days or 6 legislative session days, whichever is more,
6 before the department reduces any payments under this act because
7 of the proration. During the 30 calendar day or 6 legislative
8 session day period after that notification by the state budget
9 director, the department shall not reduce any payments under this
10 act because of proration under this subsection. The legislature may
11 prevent proration from occurring by, within the 30 calendar day or
12 6 legislative session day period after that notification by the
13 state budget director, enacting legislation appropriating
14 additional funds from the general fund, countercyclical budget and
15 economic stabilization fund, state school aid fund balance, or
16 another source to fund the amount of the projected shortfall.

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

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

24 (i) Districts.

25 (ii) Intermediate districts.

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

27 (b) The department shall recover a percentage of the proration

1 amount required under subsection (3) that is equal to the
2 percentage calculated under subdivision (a) (i) for districts by
3 reducing payments to districts. This reduction shall be made by
4 calculating an equal dollar amount per pupil as necessary to
5 recover this percentage of the proration amount and reducing each
6 district's total state school aid from state sources, other than
7 payments under sections 11f, 11g, 11j, **11N**, 22a, 26a, 26b, 31d,
8 31f, 51a(2), 51a(12), 51c, and 53a, by that amount.

9 (c) The department shall recover a percentage of the proration
10 amount required under subsection (3) that is equal to the
11 percentage calculated under subdivision (a) (ii) for intermediate
12 districts by reducing payments to intermediate districts. This
13 reduction shall be made by reducing the payments to each
14 intermediate district, other than payments under sections 11f, 11g,
15 **11N**, 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage
16 basis.

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

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

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

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

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

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

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

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

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

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

27 (6) If the maximum amount appropriated under section 11 from

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

13 (7) For ~~2007-2008~~ **2008-2009**, there is appropriated from the
14 school aid stabilization fund to the state school aid fund the
15 amount necessary to fully fund the allocations under this act.

16 Sec. 11g. (1) From the appropriation in section 11, there is
17 allocated for this section an amount not to exceed ~~\$141,000.00 for~~
18 ~~the fiscal year ending September 30, 2008, and an amount not to~~
19 ~~exceed \$42,000,000.00~~ **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009**
20 **AND** for each succeeding fiscal year through the fiscal year ending
21 September 30, 2015, after which these payments will cease. These
22 allocations are for paying the amounts described in subsection (3)
23 to districts and intermediate districts, other than those receiving
24 a lump-sum payment under section 11f(2), that were not plaintiffs
25 in the consolidated cases known as Durant v State of Michigan,
26 Michigan supreme court docket no. 104458-104492 and that, on or
27 before March 2, 1998, submitted to the state treasurer a waiver

1 resolution described in section 11f. The amounts paid under this
2 section represent offers of settlement and compromise of any claim
3 or claims that were or could have been asserted by these districts
4 and intermediate districts, as described in this section.

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

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

17 (a) If the district or intermediate district does not borrow
18 money and issue bonds under section 11i, 1/30 of the total amount
19 listed in section 11h for the district or intermediate district
20 through the fiscal year ending September 30, 2013.

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

1 the amount appropriated under this section in each fiscal year.

2 (4) The entire amount of each payment under this section each
3 fiscal year shall be paid on May 15 of the applicable fiscal year
4 or on the next business day following that date. If a district or
5 intermediate district borrows money and issues bonds under section
6 11i, the district or intermediate district shall use funds received
7 under this section to pay debt service on bonds issued under
8 section 11i. If a district or intermediate district does not borrow
9 money and issue bonds under section 11i, the district or
10 intermediate district shall use funds received under this section
11 only for the following purposes, in the following order of
12 priority:

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

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

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

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

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

1 under this section.

2 Sec. 11j. From the appropriation in section 11, there is
3 allocated an amount not to exceed \$3,900,000.00 for 2007-2008 **AND**
4 **AN AMOUNT NOT TO EXCEED \$39,000,000.00 FOR 2008-2009** for payments
5 to the school loan bond redemption fund in the department of
6 treasury on behalf of districts and intermediate districts.
7 Notwithstanding section 11 or any other provision of this act,
8 funds allocated under this section are not subject to proration and
9 shall be paid in full.

10 Sec. 11k. For ~~2007-2008-2008-2009~~, there is appropriated from
11 the general fund to the school loan revolving fund an amount equal
12 to the amount of school bond loans assigned to the Michigan
13 municipal bond authority, not to exceed the total amount of school
14 bond loans held in reserve as long-term assets. As used in this
15 section, "school loan revolving fund" means that fund created in
16 section 16c of the shared credit rating act, 1985 PA 227, MCL
17 141.1066c.

18 Sec. 11m. From the appropriations in section 11, there is
19 allocated for ~~2007-2008-2008-2009~~ an amount not to exceed
20 ~~\$22,800,000.00~~ **\$30,800,000.00** for fiscal year cash-flow borrowing
21 costs solely related to the state school aid fund established by
22 section 11 of article IX of the state constitution of 1963.

23 **SEC. 11N. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**
24 **ALLOCATED \$32,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30,**
25 **2009 AND FOR EACH SUCCEEDING FISCAL YEAR THROUGH THE FISCAL YEAR**
26 **ENDING SEPTEMBER 30, 2028, AFTER WHICH THESE ALLOCATIONS WILL**
27 **CEASE. THESE ALLOCATIONS SHALL BE DEPOSITED IN THE 21ST CENTURY**

1 SCHOOLS FUND ON NOVEMBER 15 OF THE APPLICABLE FISCAL YEAR OR ON THE
2 NEXT BUSINESS DAY FOLLOWING THAT DATE AND SHALL BE DISTRIBUTED IN
3 EACH FISCAL YEAR AS FOLLOWS:

4 (A) TO EACH DISTRICT OR INTERMEDIATE DISTRICT THAT BORROWS
5 MONEY AND ISSUES BONDS UNDER SUBSECTION (7), AN AMOUNT IN EACH
6 FISCAL YEAR CALCULATED BY THE DEPARTMENT OF TREASURY THAT IS EQUAL
7 TO THE DEBT SERVICE AMOUNT IN THAT FISCAL YEAR ON THE BONDS ISSUED
8 BY THAT DISTRICT OR INTERMEDIATE DISTRICT UNDER SUBSECTION (7). THE
9 AMOUNTS PAID UNDER THIS SUBDIVISION SHALL BE PAID ON THE DATES THAT
10 THE CORRESPONDING DEBT SERVICE PAYMENTS ARE REQUIRED TO BE MADE. A
11 DISTRICT OR INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER THIS
12 SUBDIVISION SHALL USE THESE FUNDS ONLY TO PAY DEBT SERVICE ON BONDS
13 ISSUED UNDER SUBSECTION (7) AND FOR NO OTHER PURPOSE.

14 (B) AMOUNTS NOT NEEDED TO MAKE PAYMENTS UNDER SUBDIVISION (A),
15 DETERMINED BY THE SUPERINTENDENT, MAY BE USED TO FUND AWARDS MADE
16 UNDER SUBSECTIONS (5) AND (6) IN EACH FISCAL YEAR.

17 (2) THE 21ST CENTURY SCHOOLS FUND IS ESTABLISHED IN THE
18 DEPARTMENT OF TREASURY. MONEY IN THE 21ST CENTURY SCHOOLS FUND AT
19 THE END OF EACH FISCAL YEAR SHALL REMAIN IN THE 21ST CENTURY
20 SCHOOLS FUND AND SHALL NOT LAPSE TO THE SCHOOL AID FUND OR THE
21 GENERAL FUND.

22 (3) MONEY IN THE 21ST CENTURY SCHOOLS FUND IS APPROPRIATED FOR
23 THE CREATION OF SMALL HIGH SCHOOLS THAT PROVIDE CONTEXTUAL LEARNING
24 ENVIRONMENTS DESIGNED TO SUPPORT STUDENT ACADEMIC ACHIEVEMENT THAT
25 PREPARES STUDENTS FOR POSTSECONDARY EDUCATION AND EMPLOYMENT, AND
26 FOR THE PAYMENT OF DEBT SERVICE ON BONDS ISSUED PURSUANT TO
27 SUBSECTION (7).

1 (4) AN ELIGIBLE DISTRICT OR INTERMEDIATE DISTRICT MAY APPLY TO
2 THE SUPERINTENDENT FOR START-UP GRANTS. AN ELIGIBLE DISTRICT MAY
3 APPLY TO THE SUPERINTENDENT FOR FACILITY GRANTS. APPLICATIONS FOR
4 START-UP GRANTS AND FACILITY GRANTS SHALL BE MADE IN A MANNER AND
5 FORM AS DETERMINED BY THE SUPERINTENDENT.

6 (5) THE SUPERINTENDENT MAY AWARD START-UP GRANTS OF UP TO
7 \$2,000,000.00 IN TOTAL TO ELIGIBLE DISTRICTS AND INTERMEDIATE
8 DISTRICTS FOR EACH SMALL HIGH SCHOOL FOR WHICH THE DISTRICT OR
9 INTERMEDIATE DISTRICT IS APPLYING. TOTAL START-UP GRANTS SHALL BE
10 DISTRIBUTED TO EACH ELIGIBLE DISTRICT OR INTERMEDIATE DISTRICT IN
11 DECLINING AMOUNTS OVER 4 YEARS, AS DETERMINED BY THE
12 SUPERINTENDENT, BEGINNING IN THE SCHOOL YEAR PRIOR TO THE FIRST
13 YEAR OF OPERATIONS. IF A SMALL HIGH SCHOOL DOES NOT BEGIN OR CEASES
14 OPERATIONS FOR WHICH A DISTRICT OR INTERMEDIATE DISTRICT RECEIVED
15 ANY PORTION OF START-UP GRANTS FUNDING, THAT DISTRICT OR
16 INTERMEDIATE DISTRICT SHALL REPAY ALL OF THE FUNDS RECEIVED TO THE
17 DEPARTMENT OF TREASURY FOR DEPOSIT INTO THE 21ST CENTURY SCHOOLS
18 FUND, IN A MANNER DETERMINED BY THE SUPERINTENDENT. START-UP GRANTS
19 SHALL BE USED FOR ALL OF THE FOLLOWING PURPOSES:

20 (A) PLANNING AND IMPLEMENTATION OF SITE-BASED MANAGEMENT FOR
21 EACH PROPOSED SMALL HIGH SCHOOL FOR WHICH THE ELIGIBLE DISTRICT OR
22 INTERMEDIATE DISTRICT RECEIVES AN AWARD. IMPLEMENTATION OF SITE-
23 BASED MANAGEMENT MAY INCLUDE THE AUTHORIZATION OF A PUBLIC SCHOOL
24 ACADEMY OR CONTRACT SCHOOL BY THE ELIGIBLE DISTRICT OR INTERMEDIATE
25 DISTRICT.

26 (B) PLANNING AND IMPLEMENTATION OF HIGH SCHOOL CURRICULA
27 CONSISTENT WITH THE CREDIT REQUIREMENTS CONTAINED IN SECTIONS 1278A

1 AND 1278B OF THE REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B,
2 AND ORGANIZED IN ACCORDANCE WITH CAREER CLUSTERS THAT PREPARE
3 STUDENTS FOR POSTSECONDARY EDUCATION AND EMPLOYMENT.

4 (C) PLANNING AND IMPLEMENTATION OF EARLY POSTSECONDARY
5 OPPORTUNITIES FOR HIGH SCHOOL STUDENTS THAT PROVIDE COLLEGE OR
6 COLLEGE EQUIVALENT COURSEWORK, INCLUDING, BUT NOT LIMITED TO, DUAL
7 ENROLLMENT, ADVANCED PLACEMENT, AND EARLY OR MIDDLE COLLEGE.

8 (D) PLANNING AND IMPLEMENTATION OF TEACHER AND ADMINISTRATIVE
9 PROFESSIONAL DEVELOPMENT THAT WILL LEAD TO SUCCESSFUL STUDENT
10 ACHIEVEMENT IN SMALL HIGH SCHOOL CONTEXTUAL LEARNING ENVIRONMENTS.

11 (E) PLANNING AND IMPLEMENTATION OF A DIGITAL LEARNING
12 ENVIRONMENT USING INNOVATIVE DIGITAL ACCESS, CREATION, AND CONTENT
13 DISTRIBUTION TOOLS.

14 (6) AN ELIGIBLE DISTRICT MAY APPLY FOR A FACILITY GRANT TO
15 RENOVATE OR REPLACE EXISTING HIGH SCHOOL BUILDINGS IN ORDER TO
16 CREATE SMALL HIGH SCHOOLS THAT IMPROVE EDUCATIONAL OPPORTUNITIES
17 FOR STUDENTS BEING EDUCATED IN HIGH-PRIORITY HIGH SCHOOL BUILDINGS.
18 FACILITY GRANTS SHALL NOT BE USED FOR LAND PURCHASES OR BUILDING A
19 NEW FACILITY ON CURRENTLY VACANT LAND. A FACILITY GRANT FOR AN
20 APPROVED SMALL HIGH SCHOOL MAY BE AWARDED BY THE SUPERINTENDENT
21 UNDER EITHER OF THE FOLLOWING SUBDIVISIONS, BUT NOT BOTH:

22 (A) ELIGIBLE DISTRICTS MAY APPLY TO THE SUPERINTENDENT FOR
23 GRANTS OF UP TO \$8,000,000.00 TO BE MATCHED BY PRIVATE REVENUES ON
24 AT LEAST A 1-TO-1 BASIS FOR THE TOTAL COSTS OF RENOVATING OR
25 REPLACING AN EXISTING HIGH SCHOOL.

26 (B) ELIGIBLE DISTRICTS MAY ALSO APPLY FOR ANNUAL MILLAGE
27 EQUALIZATION GRANTS NOT TO EXCEED A TOTAL OF 20 ANNUAL PAYMENTS.

1 THE SUPERINTENDENT SHALL AWARD THE ANNUAL MILLAGE EQUALIZATION
2 GRANTS TO AN ELIGIBLE DISTRICT SO THAT FUNDS GENERATED BY MILLAGES
3 APPROVED BY THE VOTERS AND ACTUALLY LEVIED PLUS THE MILLAGE
4 EQUALIZATION GRANT AWARDED TO THE ELIGIBLE DISTRICT FOR EACH SMALL
5 HIGH SCHOOL EQUALS THE STATE AVERAGE TAXABLE VALUE BEHIND EACH
6 MEMBERSHIP PUPIL FOR 2006-2007. LOCAL REVENUES FROM THE LEVIED
7 MILLAGE PLUS STATE MILLAGE EQUALIZATION GRANTS SHALL NOT EXCEED
8 MORE THAN \$16,000,000.00 FOR EACH SMALL HIGH SCHOOL OVER THE LIFE
9 OF THE MILLAGE AUTHORIZATION.

10 (7) IN ADDITION TO ANY OTHER AUTHORITY GRANTED UNDER LAW, AN
11 ELIGIBLE DISTRICT OR ELIGIBLE INTERMEDIATE DISTRICT MAY BORROW, TO
12 THE EXTENT PERMITTED BY THE AWARD, FROM THE MICHIGAN MUNICIPAL BOND
13 AUTHORITY CREATED UNDER THE SHARED CREDIT RATING ACT, 1985 PA 227,
14 MCL 141.1051 TO 141.1076, AN AMOUNT NOT GREATER THAN THE AMOUNT
15 AWARDED TO THE DISTRICT OR INTERMEDIATE DISTRICT UNDER SUBSECTIONS
16 (5) AND (6), IN ANTICIPATION OF THE RECEIPT OF THE PAYMENTS
17 APPROPRIATED UNDER SUBSECTION (1), AND MAY AUTHORIZE BY RESOLUTION
18 OF ITS GOVERNING BODY AND ISSUE ITS BONDS TO EVIDENCE ITS
19 OBLIGATIONS TO THE MICHIGAN MUNICIPAL BOND AUTHORITY ON THE TERMS
20 AND WITH THOSE PROVISIONS AS ARE PROVIDED BY RESOLUTION OF THE
21 BOARD OF THE DISTRICT OR INTERMEDIATE DISTRICT AND AS ARE
22 ACCEPTABLE TO THE MICHIGAN MUNICIPAL BOND AUTHORITY. A DISTRICT OR
23 INTERMEDIATE DISTRICT MAY PLEDGE AND ASSIGN TO THE MICHIGAN
24 MUNICIPAL BOND AUTHORITY, AS SECURITY FOR THE BONDS, ALL OF THE
25 PAYMENTS APPROPRIATED TO IT UNDER SUBSECTION (1) (A) BUT MAY NOT
26 OTHERWISE PLEDGE OR ASSIGN THOSE PAYMENTS. BONDS ISSUED UNDER THIS
27 SUBSECTION ARE NOT SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT,

1 2001 PA 34, MCL 141.2101 TO 141.2821, OR THE AGENCY FINANCING
2 REPORTING ACT, 2002 PA 470, MCL 129.171 TO 129.177. THIS SUBSECTION
3 SHALL BE CONSTRUED AS CUMULATIVE AUTHORITY FOR THE EXERCISE OF THE
4 POWERS GRANTED IN THIS SUBSECTION AND SHALL NOT BE CONSTRUED TO
5 REPEAL ANY EXISTING LAW. THE PURPOSE OF THIS SUBSECTION IS TO
6 CREATE FULL AND COMPLETE ADDITIONAL AND ALTERNATE METHODS FOR THE
7 EXERCISE OF EXISTING POWERS, AND THE POWERS CONFERRED BY THIS
8 SECTION ARE NOT AFFECTED OR LIMITED BY ANY OTHER STATUTE OR BY ANY
9 CHARTER OR INCORPORATING DOCUMENT.

10 (8) PROCEEDS OF BONDS ISSUED UNDER SUBSECTION (7) SHALL BE
11 MADE AVAILABLE TO DISTRICTS AND INTERMEDIATE DISTRICTS ON OR AFTER
12 OCTOBER 1, 2008. EACH DISTRICT AND INTERMEDIATE DISTRICT SHALL USE
13 PROCEEDS OF BONDS ISSUED BY IT UNDER SUBSECTION (7) ONLY FOR A
14 PURPOSE FOR WHICH AWARDS ARE MADE UNDER SUBSECTIONS (5) AND (6),
15 INCLUDING REIMBURSEMENT OF ADVANCES FROM THE 21ST CENTURY SCHOOLS
16 FUND.

17 (9) BONDS ISSUED UNDER SUBSECTION (7) DO NOT CONSTITUTE A
18 GENERAL OBLIGATION OR DEBT OF A DISTRICT OR INTERMEDIATE DISTRICT
19 WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT
20 LIMITATION.

21 (10) A PLEDGE MADE BY A DISTRICT OR INTERMEDIATE DISTRICT
22 UNDER SUBSECTION (7) IS VALID AND BINDING FROM THE TIME THE PLEDGE
23 IS MADE. THE REVENUE OR OTHER MONEY PLEDGED UNDER SUBSECTION (7)
24 AND THEREAFTER RECEIVED BY A DISTRICT OR INTERMEDIATE DISTRICT IS
25 IMMEDIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT PHYSICAL
26 DELIVERY OF THE REVENUE OR MONEY OR ANY FURTHER ACT. THE LIEN OF
27 SUCH A PLEDGE IS VALID AND BINDING AGAINST A PARTY HAVING A CLAIM

1 OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE AGAINST THE DISTRICT OR
2 INTERMEDIATE DISTRICT, IRRESPECTIVE OF WHETHER THAT PARTY HAS
3 NOTICE OF THE PLEDGE. THE RESOLUTION OR ANY OTHER INSTRUMENT BY
4 WHICH A PLEDGE IS CREATED IS NOT REQUIRED TO BE FILED OR RECORDED
5 IN ORDER TO ESTABLISH AND PERFECT A LIEN OR SECURITY INTEREST IN
6 THE PROPERTY PLEDGED.

7 (11) BONDS ISSUED UNDER SUBSECTION (7) ARE NOT IN ANY WAY A
8 DEBT OR LIABILITY OF THIS STATE; DO NOT CREATE OR CONSTITUTE ANY
9 INDEBTEDNESS, LIABILITY, OR OBLIGATION OF THIS STATE; ARE NOT AND
10 DO NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THIS STATE;
11 AND SHALL CONTAIN ON THEIR FACE A STATEMENT TO THAT EFFECT.

12 (12) AS USED IN THIS SECTION:

13 (A) "CAREER CLUSTER" MEANS A BROAD GROUPING OF CAREERS THAT
14 SHARE SIMILAR COMPETENCY REQUIREMENTS, AS DEFINED BY THE
15 DEPARTMENT.

16 (B) "ELIGIBLE DISTRICT" MEANS A DISTRICT CONTAINING AT LEAST 1
17 HIGH SCHOOL BUILDING THAT HAS NOT MADE ADEQUATE YEARLY PROGRESS FOR
18 AT LEAST 2 YEARS AS DETERMINED BY THE DEPARTMENT. IN ADDITION, FOR
19 A DISTRICT APPLYING FOR A FACILITY GRANT, ELIGIBLE DISTRICT MEANS A
20 DISTRICT THAT IS OTHERWISE AN ELIGIBLE DISTRICT AND THAT HAS AT
21 LEAST 800 PUPILS IN MEMBERSHIP IN GRADES 9 TO 12 IN 2007-2008,
22 INCLUDING THOSE PUPILS ATTENDING ALTERNATIVE EDUCATION.

23 (C) "ELIGIBLE INTERMEDIATE DISTRICT" MEANS AN INTERMEDIATE
24 DISTRICT THAT APPLIES FOR START-UP FUNDING UNDER SUBSECTION (5) FOR
25 THE PURPOSE OF ESTABLISHING REGIONAL SMALL HIGH SCHOOLS THAT
26 PRIMARILY SERVE STUDENTS WHO WOULD HAVE ATTENDED HIGH SCHOOLS NOT
27 ACHIEVING ADEQUATE YEARLY PROGRESS. THE REGIONAL SMALL HIGH SCHOOLS

1 SHALL PROVIDE EARLY POSTSECONDARY OPPORTUNITIES FOR HIGH SCHOOL
2 STUDENTS THAT LEAD TO POSTSECONDARY DEGREES OR CERTIFICATIONS AND
3 EMPLOYMENT. INTERMEDIATE DISTRICTS ARE NOT ELIGIBLE TO APPLY FOR
4 FACILITY GRANTS UNDER SUBSECTION (6).

5 (D) "HIGH-PRIORITY HIGH SCHOOL BUILDING" MEANS A HIGH SCHOOL
6 BUILDING THAT HAS NOT ACHIEVED ADEQUATE YEARLY PROGRESS FOR AT
7 LEAST 2 YEARS AND IS IN A SANCTION PHASE, AS DETERMINED BY THE
8 DEPARTMENT.

9 (E) "SMALL HIGH SCHOOL" MEANS A SCHOOL EDUCATING A MAXIMUM
10 AVERAGE OF 450 PUPILS PER HIGH SCHOOL BUILDING FOR ANY COMBINATION
11 OF GRADES 9 TO 12.

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

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

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

23 (4) Expenditures made by the department under this act that
24 are caused by the write-off of prior year accruals may be funded by
25 revenue from the write-off of prior year accruals.

26 (5) In addition to funds appropriated in section 11 for all
27 programs and services, there is appropriated for ~~2007-2008-2008-~~

1 2009 for obligations in excess of applicable appropriations —an
2 amount equal to the collection of overpayments, but not to exceed
3 amounts available from overpayments.

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

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

10 (b) The public school academy's contract has been revoked **OR**
11 **TERMINATED FOR ANY REASON.**

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

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

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

27 (4) This section does not impose any liability on this state,

1 any agency of this state, or an authorizing body for any debt
2 incurred by a public school academy.

3 (5) As used in this section and section 18c, "authorizing
4 body" means an authorizing body defined under section 501 **OR 1311B**
5 of the revised school code, MCL 380.501 **AND 380.1311B**.

6 Sec. 19. (1) A district shall comply with any requirements of
7 sections 1204a, 1277, 1278, and 1280 of the revised school code,
8 MCL 380.1204a, 380.1277, 380.1278, and 380.1280, commonly referred
9 to as "public act 25 of 1990" that are not also required by the no
10 child left behind act of 2001, Public Law 107-110, as determined by
11 the department.

12 (2) Each district and intermediate district shall provide to
13 the department, in a form and manner prescribed by the department,
14 information necessary for the development of an annual progress
15 report on the required implementation of sections 1204a, 1277,
16 1278, and 1280 of the revised school code, MCL 380.1204a, 380.1277,
17 380.1278, and 380.1280, commonly referred to as "public act 25 of
18 1990".

19 (3) A district or intermediate district shall comply with all
20 applicable reporting requirements specified in state and federal
21 law. Data provided to the center, in a form and manner prescribed
22 by the center, shall be aggregated and disaggregated as required by
23 state and federal law.

24 (4) Each district shall furnish to the center not later than 7
25 5 weeks after the pupil membership count day, in a manner
26 prescribed by the center, the information necessary for the
27 preparation of the district and high school graduation report. This

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

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

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

19 (7) If a district or intermediate district fails to meet the
20 requirements of subsection (2), (3), (4), (5), or (6), the
21 department shall withhold 5% of the total funds for which the
22 district or intermediate district qualifies under this act until
23 the district or intermediate district complies with all of those
24 subsections. If the district or intermediate district does not
25 comply with all of those subsections by the end of the fiscal year,
26 the department shall place the amount withheld in an escrow account
27 until the district or intermediate district complies with all of

1 those subsections.

2 (8) Before publishing a list of schools or districts
3 determined to have failed to make adequate yearly progress as
4 required by the no child left behind act of 2001, Public Law 107-
5 110, the department shall allow a school or district to appeal that
6 determination. The department shall consider and act upon the
7 appeal within 30 days after it is submitted and shall not publish
8 the list until after all appeals have been considered and decided.

9 Sec. 20. (1) ~~For 2006-2007, the basic foundation allowance is~~
10 ~~\$7,085.00.~~ For 2007-2008, the basic foundation allowance is
11 \$8,433.00. **FOR 2008-2009, THE BASIC FOUNDATION ALLOWANCE IS**
12 **\$8,488.00.**

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

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

20 (a) For 2007-2008, for a district that had a foundation
21 allowance for 2006-2007, including any adjustment under subdivision
22 (f), that was at least equal to \$7,108.00 but less than \$8,385.00,
23 the district shall receive a foundation allowance in an amount
24 equal to the sum of the district's foundation allowance for 2006-
25 2007 plus the difference between \$96.00 and [(\$48.00 minus \$20.00)
26 times (the difference between the district's foundation allowance
27 for 2006-2007, including any adjustment under subdivision (f), and

1 \$7,108.00) divided by \$1,325.00]. Beginning in 2008-2009, for a
2 district that had a foundation allowance for the immediately
3 preceding state fiscal year that was at least equal to the sum of
4 \$7,108.00 plus the total dollar amount of all adjustments made from
5 2006-2007 to the immediately preceding state fiscal year in the
6 lowest foundation allowance among all districts, but less than the
7 basic foundation allowance for the immediately preceding state
8 fiscal year, the district shall receive a foundation allowance in
9 an amount equal to the sum of the district's foundation allowance
10 for the immediately preceding state fiscal year plus the difference
11 between twice the dollar amount of the adjustment from the
12 immediately preceding state fiscal year to the current state fiscal
13 year made in the basic foundation allowance and [(the dollar amount
14 of the adjustment from the immediately preceding state fiscal year
15 to the current state fiscal year made in the basic foundation
16 allowance minus ~~\$50.00~~ **\$20.00**) times (the difference between the
17 district's foundation allowance for the immediately preceding state
18 fiscal year and the sum of \$7,108.00 plus the total dollar amount
19 of all adjustments made from 2006-2007 to the immediately preceding
20 state fiscal year in the lowest foundation allowance among all
21 districts) divided by the difference between the basic foundation
22 allowance for the current state fiscal year and the sum of
23 \$7,108.00 plus the total dollar amount of all adjustments made from
24 2006-2007 to the immediately preceding state fiscal year in the
25 lowest foundation allowance among all districts]. However, the
26 foundation allowance for a district that had less than the basic
27 foundation allowance for the immediately preceding state fiscal

1 year shall not exceed the basic foundation allowance for the
2 current state fiscal year.

3 (b) Except as otherwise provided in this subsection, beginning
4 in 2008-2009, for a district that in the immediately preceding
5 state fiscal year had a foundation allowance in an amount at least
6 equal to the amount of the basic foundation allowance for the
7 immediately preceding state fiscal year, the district shall receive
8 a foundation allowance in an amount equal to the sum of the
9 district's foundation allowance for the immediately preceding state
10 fiscal year plus the dollar amount of the adjustment from the
11 immediately preceding state fiscal year to the current state fiscal
12 year in the basic foundation allowance.

13 (c) 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. For 2007-2008, for a~~
10 ~~district that in the 1994-95 state fiscal year had a foundation~~
11 ~~allowance greater than \$6,500.00, the district's foundation~~
12 ~~allowance is an amount equal to the district's foundation allowance~~
13 ~~for the immediately preceding state fiscal year plus \$48.00.~~

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

17 (e) For a district that received a payment under section 22c
18 as that section was in effect for 2001-2002, the district's 2001-
19 2002 foundation allowance shall be considered to have been an
20 amount equal to the sum of the district's actual 2001-2002
21 foundation allowance as otherwise calculated under this section
22 plus the per pupil amount of the district's equity payment for
23 2001-2002 under section 22c as that section was in effect for 2001-
24 2002.

25 (f) ~~Beginning in 2007-2008, for~~ **FOR** a district that received a
26 payment under section 22c as that section was in effect for 2006-
27 2007, the district's 2006-2007 foundation allowance shall be

1 considered to have been an amount equal to the sum of the
2 district's actual 2006-2007 foundation allowance as otherwise
3 calculated under this section plus the per pupil amount of the
4 district's equity payment for 2006-2007 under section 22c as that
5 section was in effect for 2006-2007.

6 (4) Except as otherwise provided in this subsection, the state
7 portion of a district's foundation allowance is an amount equal to
8 the district's foundation allowance or the basic foundation
9 allowance for the current state fiscal year, whichever is less,
10 minus the difference between the **SUM OF THE** product of the taxable
11 value per membership pupil of all property in the district that is
12 ~~not a principal residence or qualified agricultural~~ **NONEXEMPT**
13 property times the ~~lesser of 18 mills or the number of mills of~~
14 ~~school operating taxes levied by the district in 1993-94~~ **DISTRICT'S**
15 **CERTIFIED MILLS AND, FOR A DISTRICT WITH CERTIFIED MILLS EXCEEDING**
16 **12, THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF**
17 **PROPERTY IN THE DISTRICT THAT IS COMMERCIAL PERSONAL PROPERTY TIMES**
18 **THE CERTIFIED MILLS MINUS 12 MILLS** and the quotient of the ad
19 valorem property tax revenue of the district captured under ~~1975 PA~~
20 ~~197, MCL 125.1651 to 125.1681, the tax increment finance authority~~
21 ~~act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development~~
22 ~~financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the~~
23 ~~brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651~~
24 ~~to 125.2672, or the corridor improvement authority act, 2005 PA~~
25 ~~280, MCL 125.2871 to 125.2899, **TAX INCREMENT FINANCING ACTS**~~ divided
26 by the district's membership excluding special education pupils.
27 For a district described in subsection (3)(c), the state portion of

1 the district's foundation allowance is an amount equal to \$6,962.00
2 plus the difference between the district's foundation allowance for
3 the current state fiscal year and the district's foundation
4 allowance for 1998-99, minus the difference between the **SUM OF THE**
5 product of the taxable value per membership pupil of all property
6 in the district that is ~~not a principal residence or qualified~~
7 ~~agricultural~~ **NONEXEMPT** property times the ~~lesser of 18 mills or the~~
8 ~~number of mills of school operating taxes levied by the district in~~
9 ~~1993-94~~ **DISTRICT'S CERTIFIED MILLS AND, FOR A DISTRICT WITH**
10 **CERTIFIED MILLS EXCEEDING 12, THE PRODUCT OF THE TAXABLE VALUE PER**
11 **MEMBERSHIP PUPIL OF PROPERTY IN THE DISTRICT THAT IS COMMERCIAL**
12 **PERSONAL PROPERTY TIMES THE CERTIFIED MILLS MINUS 12 MILLS** and the
13 quotient of the ad valorem property tax revenue of the district
14 captured under ~~1975 PA 197, MCL 125.1651 to 125.1681, the tax~~
15 ~~increment finance authority act, 1980 PA 450, MCL 125.1801 to~~
16 ~~125.1830, the local development financing act, 1986 PA 281, MCL~~
17 ~~125.2151 to 125.2174, the brownfield redevelopment financing act,~~
18 ~~1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement~~
19 ~~authority act, 2005 PA 280, MCL 125.2871 to 125.2899,~~ **TAX INCREMENT**
20 **FINANCING ACTS** divided by the district's membership excluding
21 special education pupils. For a district that has a millage
22 reduction required under section 31 of article IX of the state
23 constitution of 1963, the state portion of the district's
24 foundation allowance shall be calculated as if that reduction did
25 not occur.

26 (5) The allocation calculated under this section for a pupil
27 shall be based on the foundation allowance of the pupil's district

1 of residence. However, for a pupil enrolled in a district other
2 than the pupil's district of residence, if the foundation allowance
3 of the pupil's district of residence has been adjusted pursuant to
4 subsection (19), the allocation calculated under this section shall
5 not include the adjustment described in subsection (19). For a
6 pupil enrolled pursuant to section 105 or 105c in a district other
7 than the pupil's district of residence, the allocation calculated
8 under this section shall be based on the lesser of the foundation
9 allowance of the pupil's district of residence or the foundation
10 allowance of the educating district. For a pupil in membership in a
11 K-5, K-6, or K-8 district who is enrolled in another district in a
12 grade not offered by the pupil's district of residence, the
13 allocation calculated under this section shall be based on the
14 foundation allowance of the educating district if the educating
15 district's foundation allowance is greater than the foundation
16 allowance of the pupil's district of residence. The calculation
17 under this subsection shall take into account a district's per
18 pupil allocation under section 20j(2).

19 (6) For 2007-2008, subject to subsection (7) and section
20 22b(3) and except as otherwise provided in this subsection, for
21 pupils in membership, other than special education pupils, in a
22 public school academy or a university school, the allocation
23 calculated under this section is an amount per membership pupil
24 other than special education pupils in the public school academy or
25 university school equal to the sum of the local school operating
26 revenue per membership pupil other than special education pupils
27 for the district in which the public school academy or university

1 school is located and the state portion of that district's
2 foundation allowance, or \$7,475.00, whichever is less. Beginning in
3 2008-2009, subject to subsection (7) and section 22b(3) and except
4 as otherwise provided in this subsection, for pupils in membership,
5 other than special education pupils, in a public school academy or
6 a university school, the allocation calculated under this section
7 is an amount per membership pupil other than special education
8 pupils in the public school academy or university school equal to
9 the sum of the local school operating revenue per membership pupil
10 other than special education pupils for the district in which the
11 public school academy or university school is located and the state
12 portion of that district's foundation allowance, or the state
13 maximum public school academy allocation, whichever is less.
14 Notwithstanding section 101(2), for a public school academy that
15 begins operations after the pupil membership count day, the amount
16 per membership pupil calculated under this subsection shall be
17 adjusted by multiplying that amount per membership pupil by the
18 number of hours of pupil instruction provided by the public school
19 academy after it begins operations, as determined by the
20 department, divided by the minimum number of hours of pupil
21 instruction required under section 101(3). The result of this
22 calculation shall not exceed the amount per membership pupil
23 otherwise calculated under this subsection.

24 (7) If more than 25% of the pupils residing within a district
25 are in membership in 1 or more public school academies located in
26 the district, then the amount per membership pupil calculated under
27 this section for a public school academy located in the district

1 shall be reduced by an amount equal to the difference between the
2 **SUM OF THE** product of the taxable value per membership pupil of all
3 property in the district that is ~~not a principal residence or~~
4 ~~qualified agricultural~~ **NONEXEMPT** property times the ~~lesser of 18~~
5 ~~mills or the number of mills of school operating taxes levied by~~
6 ~~the district in 1993-94~~ **DISTRICT'S CERTIFIED MILLS AND, FOR A**
7 **DISTRICT WITH CERTIFIED MILLS EXCEEDING 12, THE PRODUCT OF THE**
8 **TAXABLE VALUE PER MEMBERSHIP PUPIL OF PROPERTY IN THE DISTRICT THAT**
9 **IS COMMERCIAL PERSONAL PROPERTY TIMES THE CERTIFIED MILLS MINUS 12**
10 **MILLS** and the quotient of the ad valorem property tax revenue of
11 the district captured under ~~1975 PA 197, MCL 125.1651 to 125.1681,~~
12 ~~the tax increment finance authority act, 1980 PA 450, MCL 125.1801~~
13 ~~to 125.1830, the local development financing act, 1986 PA 281, MCL~~
14 ~~125.2151 to 125.2174, the brownfield redevelopment financing act,~~
15 ~~1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement~~
16 ~~authority act, 2005 PA 280, MCL 125.2871 to 125.2899,~~ **TAX INCREMENT**
17 **FINANCING ACTS** divided by the district's membership excluding
18 special education pupils, in the school fiscal year ending in the
19 current state fiscal year, calculated as if the resident pupils in
20 membership in 1 or more public school academies located in the
21 district were in membership in the district. In order to receive
22 state school aid under this act, a district described in this
23 subsection shall pay to the authorizing body that is the fiscal
24 agent for a public school academy located in the district for
25 forwarding to the public school academy an amount equal to that
26 local school operating revenue per membership pupil for each
27 resident pupil in membership other than special education pupils in

1 the public school academy, as determined by the department.

2 (8) If a district does not receive an amount calculated under
3 subsection (9); if the number of mills the district may levy on a
4 principal residence, ~~and~~ qualified agricultural property, **QUALIFIED**
5 **FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND COMMERCIAL**
6 **PERSONAL PROPERTY** under section ~~1211(1)~~ **1211** of the revised school
7 code, MCL 380.1211, is 0.5 mills or less; and if the district
8 elects not to levy those mills, the district instead shall receive
9 a separate supplemental amount calculated under this subsection in
10 an amount equal to the amount the district would have received had
11 it levied those mills, as determined by the department of treasury.
12 A district shall not receive a separate supplemental amount
13 calculated under this subsection for a fiscal year unless in the
14 calendar year ending in the fiscal year the district levies ~~18~~
15 ~~mills or the number of mills of school operating taxes levied by~~
16 ~~the district in 1993, whichever is less,~~ **THE DISTRICT'S CERTIFIED**
17 **MILLS** on property that is ~~not a principal residence or qualified~~
18 ~~agricultural~~ **NONEXEMPT** property.

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

1 **COMMERCIAL PERSONAL PROPERTY** as provided in section ~~1211(1)~~**1211** of
2 the revised school code, MCL 380.1211, and not to levy school
3 operating taxes on all property as provided in section 1211(2) of
4 the revised school code, MCL 380.1211, there is calculated under
5 this subsection for 1994-95 and each succeeding fiscal year a
6 separate supplemental amount in an amount equal to the amount the
7 district would have received per membership pupil had it levied
8 school operating taxes on a principal residence, ~~and~~ qualified
9 agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL**
10 **PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** at the rate
11 authorized for the district under section ~~1211(1)~~**1211** of the
12 revised school code, MCL 380.1211, and levied school operating
13 taxes on all property at the rate authorized for the district under
14 section 1211(2) of the revised school code, MCL 380.1211, as
15 determined by the department of treasury. If in the calendar year
16 ending in the fiscal year a district does not levy ~~18 mills or the~~
17 ~~number of mills of school operating taxes levied by the district in~~
18 ~~1993, whichever is less,~~ **THE DISTRICT'S CERTIFIED MILLS** on property
19 that is ~~not a principal residence or qualified agricultural~~
20 **NONEXEMPT** property, the amount calculated under this subsection
21 will be reduced by the same percentage as the millage actually
22 levied compares to the ~~18 mills or the number of mills levied in~~
23 ~~1993, whichever is less~~ **DISTRICT'S CERTIFIED MILLS.**

24 (10) Subject to subsection (4), for a district that is formed
25 or reconfigured after June 1, 2002 by consolidation of 2 or more
26 districts or by annexation, the resulting district's foundation
27 allowance under this section beginning after the effective date of

1 the consolidation or annexation shall be the average of the
2 foundation allowances of each of the original or affected
3 districts, calculated as provided in this section, weighted as to
4 the percentage of pupils in total membership in the resulting
5 district who reside in the geographic area of each of the original
6 or affected districts. The calculation under this subsection shall
7 take into account a district's per pupil allocation under section
8 20j(2).

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

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

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

22 (a) The pupil membership factor shall be computed by dividing
23 the estimated membership in the school year ending in the current
24 state fiscal year, excluding intermediate district membership, by
25 the estimated membership for the school year ending in the
26 subsequent state fiscal year, excluding intermediate district
27 membership. If a consensus membership factor is not determined at

1 the revenue estimating conference, the principals of the revenue
2 estimating conference shall report their estimates to the house and
3 senate subcommittees responsible for school aid appropriations not
4 later than 7 days after the conclusion of the revenue conference.

5 (b) The revenue adjustment factor shall be computed by
6 dividing the sum of the estimated total state school aid fund
7 revenue for the subsequent state fiscal year plus the estimated
8 total state school aid fund revenue for the current state fiscal
9 year, adjusted for any change in the rate or base of a tax the
10 proceeds of which are deposited in that fund and excluding money
11 transferred into that fund from the countercyclical budget and
12 economic stabilization fund under section 353e of the management
13 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
14 estimated total school aid fund revenue for the current state
15 fiscal year plus the estimated total state school aid fund revenue
16 for the immediately preceding state fiscal year, adjusted for any
17 change in the rate or base of a tax the proceeds of which are
18 deposited in that fund. If a consensus revenue factor is not
19 determined at the revenue estimating conference, the principals of
20 the revenue estimating conference shall report their estimates to
21 the house and senate subcommittees responsible for school aid
22 appropriations not later than 7 days after the conclusion of the
23 revenue conference.

24 (c) The index shall be calculated by multiplying the pupil
25 membership factor by the revenue adjustment factor. ~~However, for~~
26 ~~2007-2008, the index shall be 1.00.~~ If a consensus index is not
27 determined at the revenue estimating conference, the principals of

1 the revenue estimating conference shall report their estimates to
2 the house and senate subcommittees responsible for school aid
3 appropriations not later than 7 days after the conclusion of the
4 revenue conference.

5 (14) If the principals at the revenue estimating conference
6 reach a consensus on the index described in subsection (13)(c), the
7 ~~basic-LOWEST~~ foundation allowance **AMONG ALL DISTRICTS** for the
8 subsequent state fiscal year shall be at least the amount of that
9 consensus index multiplied by the ~~basic-LOWEST~~ foundation allowance
10 ~~specified in subsection (1)~~ **AMONG ALL DISTRICTS FOR THE IMMEDIATELY**
11 **PRECEDING STATE FISCAL YEAR.**

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

21 (16) For a district that had combined state and local revenue
22 per membership pupil in the 1993-94 state fiscal year of more than
23 \$6,500.00, that had fewer than 7 pupils in membership in the 1993-
24 94 state fiscal year, that has at least 1 child educated in the
25 district in the current state fiscal year, and that levies the
26 number of mills of school operating taxes authorized for the
27 district under section 1211 of the revised school code, MCL

1 380.1211, a minimum amount of combined state and local revenue
2 shall be calculated for the district as provided under this
3 subsection. The minimum amount of combined state and local revenue
4 for 1999-2000 shall be \$67,000.00 plus the district's additional
5 expenses to educate pupils in grades 9 to 12 educated in other
6 districts as determined and allowed by the department. The minimum
7 amount of combined state and local revenue under this subsection,
8 before adding the additional expenses, shall increase each fiscal
9 year by the same percentage increase as the percentage increase in
10 the basic foundation allowance from the immediately preceding
11 fiscal year to the current fiscal year. The state portion of the
12 minimum amount of combined state and local revenue under this
13 subsection shall be calculated by subtracting from the minimum
14 amount of combined state and local revenue under this subsection
15 the sum of the district's local school operating revenue and an
16 amount equal to the product of the sum of the state portion of the
17 district's foundation allowance plus the amount calculated under
18 section 20j times the district's membership. As used in this
19 subsection, "additional expenses" means the district's expenses for
20 tuition or fees, not to exceed the basic foundation allowance for
21 the current state fiscal year, plus a room and board stipend not to
22 exceed \$10.00 per school day for each pupil in grades 9 to 12
23 educated in another district, as approved by the department.

24 (17) For a district in which 7.75 mills levied in 1992 for
25 school operating purposes in the 1992-93 school year were not
26 renewed in 1993 for school operating purposes in the 1993-94 school
27 year, the district's combined state and local revenue per

1 membership pupil shall be recalculated as if that millage reduction
2 did not occur and the district's foundation allowance shall be
3 calculated as if its 1994-95 foundation allowance had been
4 calculated using that recalculated 1993-94 combined state and local
5 revenue per membership pupil as a base. A district is not entitled
6 to any retroactive payments for fiscal years before 2000-2001 due
7 to this subsection.

8 (18) For a district in which an industrial facilities
9 exemption certificate that abated taxes on property with a state
10 equalized valuation greater than the total state equalized
11 valuation of the district at the time the certificate was issued or
12 \$700,000,000.00, whichever is greater, was issued under 1974 PA
13 198, MCL 207.551 to 207.572, before the calculation of the
14 district's 1994-95 foundation allowance, the district's foundation
15 allowance for 2002-2003 is an amount equal to the sum of the
16 district's foundation allowance for 2002-2003, as otherwise
17 calculated under this section, plus \$250.00.

18 (19) For a district that received a grant under former section
19 32e for 2001-2002, the district's foundation allowance for 2002-
20 2003 and each succeeding fiscal year shall be adjusted to be an
21 amount equal to the sum of the district's foundation allowance, as
22 otherwise calculated under this section, plus the quotient of 100%
23 of the amount of the grant award to the district for 2001-2002
24 under former section 32e divided by the number of pupils in the
25 district's membership for 2001-2002 who were residents of and
26 enrolled in the district. Except as otherwise provided in this
27 subsection, a district qualifying for a foundation allowance

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

27 (20) An early intervening program that uses funds resulting

1 from the adjustment under subsection (19) shall meet either or both
2 of the following:

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

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

1 (21) For a district that levied 1.9 mills in 1993 to finance
2 an operating deficit, the district's foundation allowance shall be
3 calculated as if those mills were included as operating mills in
4 the calculation of the district's 1994-1995 foundation allowance. A
5 district is not entitled to any retroactive payments for fiscal
6 years before 2006-2007 due to this subsection. A district receiving
7 an adjustment under this subsection shall not receive more than
8 \$800,000.00 for a fiscal year as a result of this adjustment.

9 (22) For a district that levied 2.23 mills in 1993 to finance
10 an operating deficit, the district's foundation allowance shall be
11 calculated as if those mills were included as operating mills in
12 the calculation of the district's 1994-1995 foundation allowance. A
13 district is not entitled to any retroactive payments for fiscal
14 years before 2006-2007 due to this subsection. A district receiving
15 an adjustment under this subsection shall not receive more than
16 \$500,000.00 for a fiscal year as a result of this adjustment.

17 (23) Payments to districts, university schools, or public
18 school academies shall not be made under this section. Rather, the
19 calculations under this section shall be used to determine the
20 amount of state payments under section 22b. **A DISTRICT OR PUBLIC**
21 **SCHOOL ACADEMY MAY USE FOUNDATION ALLOWANCE OR PER PUPIL AMOUNT**
22 **PAYMENTS AS CALCULATED UNDER THIS SECTION FOR PROGRAMS THAT PREPARE**
23 **CHILDREN FROM BIRTH TO 5 YEARS OF AGE FOR SUCCESS IN SCHOOL.**

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

1 be reduced.

2 (25) As used in this section:

3 (A) "CERTIFIED MILLS" MEANS THE LESSER OF 18 MILLS OR THE
4 NUMBER OF MILLS OF SCHOOL OPERATING TAXES LEVIED BY THE DISTRICT IN
5 1993-94.

6 (B) ~~(a)~~—"Combined state and local revenue" means the aggregate
7 of the district's state school aid received by or paid on behalf of
8 the district under this section and the district's local school
9 operating revenue.

10 (C) ~~(b)~~—"Combined state and local revenue per membership
11 pupil" means the district's combined state and local revenue
12 divided by the district's membership excluding special education
13 pupils.

14 (D) ~~(c)~~—"Current state fiscal year" means the state fiscal
15 year for which a particular calculation is made.

16 (E) ~~(d)~~—"Immediately preceding state fiscal year" means the
17 state fiscal year immediately preceding the current state fiscal
18 year.

19 (F) ~~(e)~~—"Local school operating revenue" means school
20 operating taxes levied under section 1211 of the revised school
21 code, MCL 380.1211.

22 (G) ~~(f)~~—"Local school operating revenue per membership pupil"
23 means a district's local school operating revenue divided by the
24 district's membership excluding special education pupils.

25 (H) ~~(g)~~—"Maximum public school academy allocation" means the
26 maximum per-pupil allocation as calculated by adding the highest
27 per-pupil allocation among all public school academies for the

1 immediately preceding state fiscal year plus the difference between
2 twice the dollar amount of the adjustment from the immediately
3 preceding state fiscal year to the current state fiscal year made
4 in the basic foundation allowance and [(the dollar amount of the
5 adjustment from the immediately preceding state fiscal year to the
6 current state fiscal year made in the basic foundation allowance
7 minus \$50.00) times (the difference between the highest per-pupil
8 allocation among all public school academies for the immediately
9 preceding state fiscal year and the sum of \$7,108.00 plus the total
10 dollar amount of all adjustments made from 2006-2007 to the
11 immediately preceding state fiscal year in the lowest per-pupil
12 allocation among all public school academies) divided by the
13 difference between the basic foundation allowance for the current
14 state fiscal year and the sum of \$7,108.00 plus the total dollar
15 amount of all adjustments made from 2006-2007 to the immediately
16 preceding state fiscal year in the lowest per-pupil allocation
17 among all public school academies].

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

21 (J) **"NONEXEMPT PROPERTY" MEANS PROPERTY THAT IS NOT A**
22 **PRINCIPAL RESIDENCE, QUALIFIED AGRICULTURAL PROPERTY, QUALIFIED**
23 **FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, OR COMMERCIAL**
24 **PERSONAL PROPERTY.**

25 (K) ~~(i)~~-"Principal residence", ~~and~~-"qualified agricultural
26 property", **"QUALIFIED FOREST PROPERTY", "INDUSTRIAL PERSONAL**
27 **PROPERTY", AND "COMMERCIAL PERSONAL PROPERTY"** mean those terms as

1 defined in section 7dd of the general property tax act, 1893 PA
 2 206, MCL 211.7dd, **AND SECTION 1211 OF THE REVISED SCHOOL CODE, MCL**
 3 **380.1211.**

4 (I) ~~(j)~~—"School operating purposes" means the purposes included
 5 in the operation costs of the district as prescribed in sections 7
 6 and 18.

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

10 (N) **"TAX INCREMENT FINANCING ACTS" MEANS 1975 PA 197, MCL**
 11 **125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980**
 12 **PA 450, MCL 125.1801 TO 125.1830, THE LOCAL DEVELOPMENT FINANCING**
 13 **ACT, 1986 PA 281, MCL 125.2151 TO 125.2174, THE BROWNFIELD**
 14 **REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672,**
 15 **OR THE CORRIDOR IMPROVEMENT AUTHORITY ACT, 2005 PA 280, MCL**
 16 **125.2871 TO 125.2899.**

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

22 Sec. 20d. In making the final determination required under
 23 former section 20a of a district's combined state and local revenue
 24 per membership pupil in 1993-94 and in making calculations under
 25 section 20 **FOR 2008-2009**, the department and the department of
 26 treasury shall comply with all of the following:

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

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

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

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

6 Sec. 20j. (1) Foundation allowance supplemental payments for
7 ~~2007-2008-2008-2009~~ to districts that in the 1994-95 state fiscal
8 year had a foundation allowance greater than \$6,500.00 shall be
9 calculated under this section.

10 (2) The per pupil allocation to each district under this
11 section shall be the difference between the basic foundation
12 allowance for the 1998-99 state fiscal year and ~~\$7,108.00~~ **\$7,204.00**
13 less \$223.00 minus the dollar amount of the adjustment from the
14 1998-99 state fiscal year to ~~2006-2007~~ **2007-2008** in the district's
15 foundation allowance.

16 (3) If a district's local revenue per pupil does not exceed
17 the sum of its foundation allowance under section 20 plus the per
18 pupil allocation under subsection (2), the total payment to the
19 district calculated under this section shall be the product of the
20 per pupil allocation under subsection (2) multiplied by the
21 district's membership excluding special education pupils. If a
22 district's local revenue per pupil exceeds the foundation allowance
23 under section 20 but does not exceed the sum of the foundation
24 allowance under section 20 plus the per pupil allocation under
25 subsection (2), the total payment to the district calculated under
26 this section shall be the product of the difference between the sum
27 of the foundation allowance under section 20 plus the per pupil

1 allocation under subsection (2) minus the local revenue per pupil
2 multiplied by the district's membership excluding special education
3 pupils. If a district's local revenue per pupil exceeds the sum of
4 the foundation allowance under section 20 plus the per pupil
5 allocation under subsection (2), there is no payment calculated
6 under this section for the district.

7 (4) Payments to districts shall not be made under this
8 section. Rather, the calculations under this section shall be made
9 and used to determine the amount of state payments under section
10 22b.

11 Sec. 22a. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed \$5,951,000,000.00 for 2007-2008
13 **AND AN AMOUNT NOT TO EXCEED \$6,092,000,000.00 FOR 2008-2009** for
14 payments to districts, qualifying university schools, and
15 qualifying public school academies to guarantee each district,
16 qualifying university school, and qualifying public school academy
17 an amount equal to its 1994-95 total state and local per pupil
18 revenue for school operating purposes under section 11 of article
19 IX of the state constitution of 1963. Pursuant to section 11 of
20 article IX of the state constitution of 1963, this guarantee does
21 not apply to a district in a year in which the district levies a
22 millage rate for school district operating purposes less than it
23 levied in 1994. However, subsection (2) applies to calculating the
24 payments under this section. Funds allocated under this section
25 that are not expended in the state fiscal year for which they were
26 allocated, as determined by the department, may be used to
27 supplement the allocations under sections 22b and 51c in order to

1 fully fund those calculated allocations for the same fiscal year.

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

7 (a) Except as otherwise provided in this subsection, the state
8 portion of a district's 1994-95 foundation allowance is an amount
9 equal to the district's 1994-95 foundation allowance or \$6,500.00,
10 whichever is less, minus the difference between the **SUM OF THE**
11 product of the taxable value per membership pupil of all property
12 in the district that is ~~not a homestead or qualified agricultural~~
13 **NONEXEMPT** property times the ~~lesser of 18 mills or the number of~~
14 ~~mills of school operating taxes levied by the district in 1993-94~~
15 **DISTRICT'S CERTIFIED MILLS AND, FOR A DISTRICT WITH CERTIFIED MILLS**
16 **EXCEEDING 12, THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL**
17 **OF PROPERTY IN THE DISTRICT THAT IS COMMERCIAL PERSONAL PROPERTY**
18 **TIMES THE CERTIFIED MILLS MINUS 12 MILLS** and the quotient of the ad
19 valorem property tax revenue of the district captured under ~~1975 PA~~
20 ~~197, MCL 125.1651 to 125.1681, the tax increment finance authority~~
21 ~~act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development~~
22 ~~financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the~~
23 ~~brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651~~
24 ~~to 125.2672, or the corridor improvement authority act, 2005 PA~~
25 ~~280, MCL 125.2871 to 125.2899, **TAX INCREMENT FINANCING ACTS**~~ divided
26 by the district's membership. For a district that has a millage
27 reduction required under section 31 of article IX of the state

1 constitution of 1963, the state portion of the district's
2 foundation allowance shall be calculated as if that reduction did
3 not occur.

4 (b) For a district that had a 1994-95 foundation allowance
5 greater than \$6,500.00, the state payment under this subsection
6 shall be the sum of the amount calculated under subdivision (a)
7 plus the amount calculated under this subdivision. The amount
8 calculated under this subdivision shall be equal to the difference
9 between the district's 1994-95 foundation allowance minus \$6,500.00
10 and the current year hold harmless school operating taxes per
11 pupil. If the result of the calculation under subdivision (a) is
12 negative, the negative amount shall be an offset against any state
13 payment calculated under this subdivision. If the result of a
14 calculation under this subdivision is negative, there shall not be
15 a state payment or a deduction under this subdivision. The taxable
16 values per membership pupil used in the calculations under this
17 subdivision are as adjusted by ad valorem property tax revenue
18 captured under ~~1975 PA 197, MCL 125.1651 to 125.1681, the tax~~
19 ~~increment finance authority act, 1980 PA 450, MCL 125.1801 to~~
20 ~~125.1830, the local development financing act, 1986 PA 281, MCL~~
21 ~~125.2151 to 125.2174, the brownfield redevelopment financing act,~~
22 ~~1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement~~
23 ~~authority act, 2005 PA 280, MCL 125.2871 to 125.2899, **TAX INCREMENT**~~
24 **FINANCING ACTS** divided by the district's membership.

25 (3) Beginning in 2003-2004, for pupils in membership in a
26 qualifying public school academy or qualifying university school,
27 there is allocated under this section to the authorizing body that

1 is the fiscal agent for the qualifying public school academy for
2 forwarding to the qualifying public school academy, or to the board
3 of the public university operating the qualifying university
4 school, an amount equal to the 1994-95 per pupil payment to the
5 qualifying public school academy or qualifying university school
6 under section 20.

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

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

27 (6) As used in this section:

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

5 (B) **"CERTIFIED MILLS" MEANS THE LESSER OF 18 MILLS OR THE**
6 **NUMBER OF MILLS OF SCHOOL OPERATING TAXES LEVIED BY THE DISTRICT IN**
7 **1993-94.**

8 (C) ~~(b)~~-"Current state fiscal year" means the state fiscal
9 year for which a particular calculation is made.

10 (D) ~~(e)~~-"Current year hold harmless school operating taxes per
11 pupil" means the per pupil revenue generated by multiplying a
12 district's 1994-95 hold harmless millage by the district's current
13 year taxable value per membership pupil.

14 (E) ~~(d)~~-"Hold harmless millage" means, for a district with a
15 1994-95 foundation allowance greater than \$6,500.00, the number of
16 mills by which the exemption from the levy of school operating
17 taxes on a homestead, ~~and~~ qualified agricultural property,
18 **QUALIFIED FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND**
19 **COMMERCIAL PERSONAL PROPERTY** could be reduced as provided in
20 section ~~1211(1)~~-1211 of the revised school code, MCL 380.1211, and
21 the number of mills of school operating taxes that could be levied
22 on all property as provided in section 1211(2) of the revised
23 school code, MCL 380.1211, as certified by the department of
24 treasury for the 1994 tax year.

25 (F) ~~(e)~~-"Homestead" means that term as defined in section 1211
26 of the revised school code, MCL 380.1211.

27 (G) ~~(f)~~-"Membership" means the definition of that term under

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

3 (H) **"NONEXEMPT PROPERTY" MEANS PROPERTY THAT IS NOT A**
4 **PRINCIPAL RESIDENCE, QUALIFIED AGRICULTURAL PROPERTY, QUALIFIED**
5 **FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, OR COMMERCIAL**
6 **PERSONAL PROPERTY.**

7 (I) ~~(g)~~—"Qualified agricultural property" means that term as
8 defined in section 1211 of the revised school code, MCL 380.1211.

9 (J) ~~(h)~~—"Qualifying public school academy" means a public
10 school academy that was in operation in the 1994-95 school year and
11 is in operation in the current state fiscal year.

12 (K) ~~(i)~~—"Qualifying university school" means a university
13 school that was in operation in the 1994-95 school year and is in
14 operation in the current fiscal year.

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

18 (M) **"TAX INCREMENT FINANCING ACTS" MEANS 1975 PA 197, MCL**
19 **125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980**
20 **PA 450, MCL 125.1801 TO 125.1830, THE LOCAL DEVELOPMENT FINANCING**
21 **ACT, 1986 PA 281, MCL 125.2151 TO 125.2174, THE BROWNFIELD**
22 **REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672,**
23 **OR THE CORRIDOR IMPROVEMENT AUTHORITY ACT, 2005 PA 280, MCL**
24 **125.2871 TO 125.2899.**

25 (N) ~~(k)~~—"Taxable value per membership pupil" means each of the
26 following divided by the district's membership:

27 (i) For the number of mills by which the exemption from the

1 levy of school operating taxes on a homestead, ~~and~~ qualified
2 agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL**
3 **PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** may be reduced
4 as provided in section ~~1211(1)~~ **1211** of the revised school code, MCL
5 380.1211, the taxable value of homestead, ~~and~~ qualified
6 agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL**
7 **PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** for the
8 calendar year ending in the current state fiscal year.

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

14 Sec. 22b. (1) From the appropriation in section 11, there is
15 allocated an amount not to exceed \$3,683,275,000.00 for 2007-2008
16 **AND AN AMOUNT NOT TO EXCEED \$3,799,025,000.00 FOR 2008-2009** for
17 discretionary nonmandated payments to districts under this section.
18 Funds allocated under this section that are not expended in the
19 state fiscal year for which they were allocated, as determined by
20 the department, may be used to supplement the allocations under
21 sections 22a and 51c in order to fully fund those calculated
22 allocations for the same fiscal year.

23 (2) Subject to subsection (3) and section 11, the allocation
24 to a district under this section shall be an amount equal to the
25 sum of the amounts calculated under sections 20, 20j, 51a(2),
26 51a(3), and 51a(12), minus the sum of the allocations to the
27 district under sections 22a and 51c.

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

3 (a) Administer in each grade level that it operates in grades
4 1 to 5 a standardized assessment approved by the department of
5 grade-appropriate basic educational skills. A district may use the
6 Michigan literacy progress profile to satisfy this requirement for
7 grades 1 to 3. Also, if the revised school code is amended to
8 require annual assessments at additional grade levels, in order to
9 receive an allocation under this section each district shall comply
10 with that requirement.

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

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

16 (d) Comply with section 1230g of the revised school code, MCL
17 380.1230g.

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

23 (5) From the allocation in subsection (1), the department
24 shall pay up to \$1,000,000.00 in litigation costs incurred by this
25 state associated with lawsuits filed by 1 or more districts or
26 intermediate districts against this state. If the allocation under
27 this section is insufficient to fully fund all payments required

1 under this section, the payments under this subsection shall be
2 made in full before any proration of remaining payments under this
3 section.

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

19 (7) If the local claims review board or a court of competent
20 jurisdiction makes a final determination that this state is in
21 violation of section 29 of article IX of the state constitution of
22 1963 regarding state payments to districts, the state budget
23 director shall use work project funds under subsection (6) or
24 allocate from the discretionary funds for nonmandated payments
25 under this section the amount as may be necessary to satisfy the
26 amount owed to districts before making any payments to districts
27 under subsection (2).

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

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

16 (10) If a lawsuit challenging payments made to districts
17 related to costs reimbursed by federal title XIX medicaid funds is
18 filed against this state, then, for the purpose of addressing
19 potential liability under such a lawsuit, the state budget director
20 may place funds allocated under this section in escrow or allocate
21 money from the funds otherwise allocated under this section, up to
22 a maximum of 50% of the amount allocated in subsection (1). If
23 funds are placed in escrow under this subsection, those funds are a
24 work project appropriation and the funds are carried forward into
25 the following fiscal year. The purpose of the work project is to
26 provide for any payments that may be awarded to districts as a
27 result of the litigation. The work project shall be completed upon

1 resolution of the litigation. In addition, this state reserves the
2 right to terminate future federal title XIX medicaid reimbursement
3 payments to districts if the amount or allocation of reimbursed
4 funds is challenged in the lawsuit. As used in this subsection,
5 "title XIX" means title XIX of the social security act, 42 USC 1396
6 to 1396v.

7 ~~—— (11) From the allocation in subsection (1), there is allocated~~
8 ~~for 2007-2008 only an amount not to exceed \$40,000.00 for payment~~
9 ~~to a district that meets all of the following:~~

10 ~~—— (a) Had a membership of less than 900 pupils for 2006-2007.~~

11 ~~—— (b) Is located in an intermediate district that had a taxable~~
12 ~~value per membership pupil, as defined in section 22a, of greater~~
13 ~~than \$290,000.00 for 2006-2007.~~

14 ~~—— (c) The school electors of the district voted in the~~
15 ~~affirmative on May 8, 2007 to restore a millage reduction required~~
16 ~~under section 31 of article IX of the state constitution of 1963,~~
17 ~~but the district was later found to have an incorrect millage~~
18 ~~reduction fraction as defined in section 34d of the general~~
19 ~~property tax act, 1893 PA 206, MCL 211.34d.~~

20 Sec. 22d. (1) From the amount allocated under section 22b, an
21 amount not to exceed \$2,025,000.00 is allocated for ~~2007-2008-2008-~~
22 **2009** for additional payments to small, geographically isolated
23 districts under this section.

24 (2) From the allocation under subsection (1), there is
25 allocated for ~~2007-2008-2008-2009~~ an amount not to exceed
26 \$750,000.00 for payments under this subsection to districts that
27 meet all of the following:

1 (a) Operates grades K to 12.

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

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

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

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

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

25 (4) Subject to subsection (6), from the allocation in
26 subsection (1), there is allocated for ~~2007-2008-2008-2009~~ an
27 amount not to exceed \$1,275,000.00 for payments under this

1 subsection to districts that meet all of the following:

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

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

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

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

12 **SEC. 22E. (1) BEGINNING IN 2008-2009, AN AMOUNT WILL BE**
13 **ALLOCATED EACH FISCAL YEAR FROM THE AMOUNT ALLOCATED UNDER SECTION**
14 **22B FOR ADDITIONAL PAYMENTS UNDER THIS SECTION TO DISTRICTS THAT**
15 **MEET THE ELIGIBILITY REQUIREMENTS UNDER SUBSECTION (2). FOR 2008-**
16 **2009, THERE IS ALLOCATED FOR THIS PURPOSE FROM THE AMOUNT ALLOCATED**
17 **UNDER SECTION 22B AN AMOUNT NOT TO EXCEED \$1,300,000.00.**

18 **(2) TO BE ELIGIBLE FOR A PAYMENT UNDER THIS SECTION, A**
19 **DISTRICT MUST BE DETERMINED BY THE DEPARTMENT AND THE DEPARTMENT OF**
20 **TREASURY TO MEET ALL OF THE FOLLOWING:**

21 **(A) THE DISTRICT LEVIES 1 OF THE FOLLOWING OPERATING MILLAGE**
22 **AMOUNTS:**

23 **(i) ALL OF THE OPERATING MILLAGE IT IS AUTHORIZED TO LEVY UNDER**
24 **SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211.**

25 **(ii) THE AMOUNT OF OPERATING MILLAGE IS AUTHORIZED TO LEVY**
26 **AFTER A VOLUNTARY REDUCTION OF ITS OPERATING MILLAGE RATE ADOPTED**
27 **BY THE BOARD OF THE DISTRICT.**

1 (iii) THE AMOUNT OF OPERATING MILLAGE IT IS AUTHORIZED TO LEVY
2 AFTER A MILLAGE REDUCTION REQUIRED UNDER THE LIMITATION OF SECTION
3 31 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963, IF A BALLOT
4 QUESTION ASKING FOR APPROVAL TO LEVY MILLAGE IN EXCESS OF THE
5 LIMITATION HAS BEEN REJECTED IN THE DISTRICT.

6 (B) THE DISTRICT RECEIVES A REDUCED AMOUNT OF LOCAL SCHOOL
7 OPERATING REVENUE UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,
8 MCL 380.1211, AS A RESULT OF THE EXEMPTIONS OF INDUSTRIAL PERSONAL
9 PROPERTY AND COMMERCIAL PERSONAL PROPERTY THAT WERE ENACTED IN 2007
10 PA 37.

11 (C) THE DISTRICT DOES NOT RECEIVE ANY STATE PORTION OF ITS
12 FOUNDATION ALLOWANCE, AS CALCULATED UNDER SECTION 20(4).

13 (3) THE AMOUNT OF THE ADDITIONAL FUNDING TO EACH ELIGIBLE
14 DISTRICT UNDER THIS SECTION IS THE SUM OF THE FOLLOWING AND SHALL
15 BE PAID TO THE ELIGIBLE DISTRICTS IN THE SAME MANNER AS PAYMENTS
16 UNDER SECTION 22B:

17 (A) THE PRODUCT OF THE TAXABLE VALUE OF THE DISTRICT'S
18 INDUSTRIAL PERSONAL PROPERTY FOR THE CALENDAR YEAR ENDING IN THE
19 FISCAL YEAR MULTIPLIED BY THE TOTAL NUMBER OF MILLS THE DISTRICT
20 LEVIES ON NONEXEMPT PROPERTY UNDER SECTION 1211 OF THE REVISED
21 SCHOOL CODE, MCL 380.1211, FOR THAT CALENDAR YEAR.

22 (B) THE PRODUCT OF THE TAXABLE VALUE OF THE DISTRICT'S
23 COMMERCIAL PERSONAL PROPERTY FOR THE CALENDAR YEAR ENDING IN THE
24 FISCAL YEAR MULTIPLIED BY THE LESSER OF 12 MILLS OR THE TOTAL
25 NUMBER OF MILLS THE DISTRICT LEVIES ON NONEXEMPT PROPERTY UNDER
26 SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211, FOR THAT
27 CALENDAR YEAR

1 Sec. 24. (1) From the appropriation in section 11, there is
2 allocated for ~~2007-2008-2008-2009~~ an amount not to exceed
3 \$8,000,000.00 for payments to the educating district or
4 intermediate district for educating pupils assigned by a court or
5 the department of human services to reside in or to attend a
6 juvenile detention facility or child caring institution licensed by
7 the department of human services and approved by the department to
8 provide an on-grounds education program. The amount of the payment
9 under this section to a district or intermediate district shall be
10 calculated as prescribed under subsection (2).

11 (2) ~~For 2007-2008, 90% 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 lesser of the~~
14 ~~district's or intermediate district's added cost or the~~
15 ~~department's approved per pupil allocation for the district or~~
16 ~~intermediate district, and 10% of the total amount allocated under~~
17 ~~this section shall be allocated by paying to the educating district~~
18 ~~or intermediate district an amount equal to the district's or~~
19 ~~intermediate district's added cost. Beginning with allocations for~~
20 ~~2008-2009, 100% of the~~ **THE** total amount allocated under this
21 section shall be allocated by paying to the educating district or
22 intermediate district an amount equal to the lesser of the
23 district's or intermediate district's added cost or the
24 department's approved per pupil allocation for the district or
25 intermediate district. For the purposes of this subsection:

26 (a) "Added cost" means 100% of the added cost each fiscal year
27 for educating all pupils assigned by a court or the department of

1 human services to reside in or to attend a juvenile detention
2 facility or child caring institution licensed by the department of
3 human services or the department of labor and economic growth and
4 approved by the department to provide an on-grounds education
5 program. Added cost shall be computed by deducting all other
6 revenue received under this act for pupils described in this
7 section from total costs, as approved by the department, in whole
8 or in part, for educating those pupils in the on-grounds education
9 program or in a program approved by the department that is located
10 on property adjacent to a juvenile detention facility or child
11 caring institution. Costs reimbursed by federal funds are not
12 included.

13 (b) "Department's approved per pupil allocation" for a
14 district or intermediate district shall be determined by dividing
15 the total amount allocated under this section for a fiscal year by
16 the full-time equated membership total for all pupils approved by
17 the department to be funded under this section for that fiscal year
18 for the district or intermediate district.

19 (3) A district or intermediate district educating pupils
20 described in this section at a residential child caring institution
21 may operate, and receive funding under this section for, a
22 department-approved on-grounds educational program for those pupils
23 that is longer than 181 days, but not longer than 233 days, if the
24 child caring institution was licensed as a child caring institution
25 and offered in 1991-92 an on-grounds educational program that was
26 longer than 181 days but not longer than 233 days and that was
27 operated by a district or intermediate district.

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

3 Sec. 24a. From the appropriation in section 11, there is
4 allocated an amount not to exceed ~~\$3,103,400.00~~ **\$2,828,500.00** for
5 ~~2007-2008~~ **2008-2009** for payments to intermediate districts for
6 pupils who are placed in juvenile justice service facilities
7 operated by the department of human services. Each intermediate
8 district shall receive an amount equal to the state share of those
9 costs that are clearly and directly attributable to the educational
10 programs for pupils placed in facilities described in this section
11 that are located within the intermediate district's boundaries. The
12 intermediate districts receiving payments under this section shall
13 cooperate with the department of human services to ensure that all
14 funding allocated under this section is utilized by the
15 intermediate district and department of human services for
16 educational programs for pupils described in this section. Pupils
17 described in this section are not eligible to be funded under
18 section 24. However, a program responsibility or other fiscal
19 responsibility associated with these pupils shall not be
20 transferred from the department of human services to a district or
21 intermediate district unless the district or intermediate district
22 consents to the transfer.

23 Sec. 24c. From the appropriation in section 11, there is
24 allocated an amount not to exceed ~~\$1,283,900.00~~ **\$1,284,600.00** for
25 ~~2007-2008~~ **2008-2009** for payments to districts for pupils who are
26 enrolled in a nationally administered community-based education and
27 youth mentoring program, known as the youth challenge program, that

1 is located within the district and is administered by the
2 department of military and veterans affairs. A district receiving
3 payments under this section shall contract with the department of
4 military and veterans affairs to ensure that all funding allocated
5 under this section is utilized by the district and the department
6 of military and veterans affairs for the youth challenge program.

7 Sec. 25b. (1) ~~Beginning in 2000-2001, this~~ **THIS** section
8 applies to an educating district's enrollment of a pupil if the
9 educating district is not a school district of the first class
10 ~~under the revised school code~~ and if all of the following apply:

11 (a) The pupil transfers from 1 of 3 other districts specified
12 by the educating district and enrolls in the educating district
13 after the pupil membership count day.

14 (b) Due to the pupil's enrollment status as of the pupil
15 membership count day, the pupil was counted in membership in the
16 district from which he or she transfers.

17 (c) The pupil was a resident of the educating district on the
18 pupil membership count day or met other eligibility criteria under
19 section 6(4) or (6) to be counted in membership in the educating
20 district if the pupil had been enrolled in the educating district
21 on the pupil membership count day.

22 (d) The total number of pupils enrolled in the district who
23 are described in subdivisions (a), (b), and (c) and who transfer
24 from 1 of the 3 other districts specified by the educating district
25 is at least equal to the greater of 25 or 1% of the educating
26 district's membership.

27 (2) If the conditions specified in subsection (1) are met, and

1 a pupil transfers from 1 of the 3 other specified districts
2 described in subsection (1)(d) and enrolls during a school year in
3 the educating district, the educating district shall report the
4 enrollment information to the department and to the district in
5 which the pupil is counted in membership, and the district in which
6 the pupil is counted in membership shall pay to the educating
7 district an amount equal to the amount of the foundation allowance
8 or per pupil payment as calculated under section 20 for the
9 district in which the pupil is counted in membership, prorated
10 according to the number of days of the school year ending in the
11 fiscal year the pupil is educated in the educating district
12 compared to the number of days of the school year ending in the
13 fiscal year the pupil was actually enrolled in the district in
14 which the pupil is counted in membership. The foundation allowance
15 or per pupil payment shall be adjusted by the pupil's full-time
16 equated status as affected by the membership definition under
17 section 6(4). If a district does not make the payment required
18 under this section within 30 days after receipt of the report, the
19 department shall calculate the amount owed, shall deduct that
20 amount from the remaining state school aid payments to the district
21 for that fiscal year under this act, and shall pay that amount to
22 the educating district. The district in which the pupil is counted
23 in membership and the educating district shall provide to the
24 department all information the department requires to enforce this
25 section.

26 (3) In determining the total amount a district owes to the
27 educating district under this section, regardless of whether that

1 district is otherwise eligible for payment from the educating
2 district under this section, the district may calculate and
3 subtract from the amount owed, using the calculation described in
4 subsection (1), any amount applicable to pupils who transfer to
5 that district from the educating district and meet the requirements
6 of subsection (1)(a) to (c).

7 (4) As used in this section, "educating district" means the
8 district in which a pupil enrolls after the pupil membership count
9 day as described in subsection (1).

10 Sec. 25c. (1) ~~Beginning in 2000-2001, this~~ **THIS** section
11 applies to an educating district's enrollment of a pupil if the
12 educating district is a school district of the first class ~~under~~
13 ~~the revised school code~~ and if all of the following apply:

14 (a) The pupil transfers from another district and enrolls in
15 the educating district after the pupil membership count day.

16 (b) Due to the pupil's enrollment status as of the pupil
17 membership count day, the pupil was counted in membership in the
18 district from which he or she transfers.

19 (c) The pupil was a resident of the educating district on the
20 pupil membership count day or met other eligibility criteria under
21 section 6(4) or (6) to be counted in membership in the educating
22 district if the pupil had been enrolled in the educating district
23 on the pupil membership count day.

24 (d) The total number of pupils enrolled in the district who
25 are described in subdivisions (a), (b), and (c) is at least equal
26 to 25.

27 (2) If the conditions specified in subsection (1) are met, and

1 a pupil transfers from another district and enrolls during a school
2 year in the educating district, the educating district shall report
3 the enrollment information to the department and to the district in
4 which the pupil is counted in membership, and the district in which
5 the pupil is counted in membership shall pay to the educating
6 district an amount equal to the amount of the foundation allowance
7 or per pupil payment as calculated under section 20 for the
8 district in which the pupil is counted in membership, prorated
9 according to the number of days of the school year ending in the
10 fiscal year the pupil is educated in the educating district
11 compared to the number of days of the school year ending in the
12 fiscal year the pupil was actually enrolled in the district in
13 which the pupil is counted in membership. The foundation allowance
14 or per pupil payment shall be adjusted by the pupil's full-time
15 equated status as affected by the membership definition under
16 section 6(4). If a district does not make the payment required
17 under this section within 30 days after receipt of the report, the
18 department shall calculate the amount owed, shall deduct that
19 amount from the remaining state school aid payments to the district
20 for that fiscal year under this act, and shall pay that amount to
21 the educating district. The district in which the pupil is counted
22 in membership and the educating district shall provide to the
23 department all information the department requires to enforce this
24 section.

25 (3) In determining the total amount a district owes to the
26 educating district under this section, regardless of whether that
27 district is otherwise eligible for payment from the educating

1 district under this section, the district may calculate and
2 subtract from the amount owed, using the calculation described in
3 subsection (1), any amount applicable to pupils who transfer to
4 that district from the educating district and meet the requirements
5 of subsection (1)(a) to (c).

6 (4) As used in this section, "educating district" means the
7 district in which a pupil enrolls after the pupil membership count
8 day as described in subsection (1).

9 Sec. 26a. From the state school aid fund appropriation in
10 section 11, there is allocated an amount not to exceed
11 ~~\$36,000,000.00~~ **\$41,400,000.00** for ~~2007-2008~~ **2008-2009**, and from the
12 general fund appropriation in section 11, there is allocated an
13 amount not to exceed ~~\$14,000,000.00~~ **\$16,100,000.00** for ~~2007-2008~~
14 **2008-2009** to reimburse districts, intermediate districts, and the
15 state school aid fund pursuant to section 12 of the Michigan
16 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
17 in ~~2007-2008~~. The allocations shall be made not later than 60 days
18 after the department of treasury certifies to the department and to
19 the state budget director that the department of treasury has
20 received all necessary information to properly determine the
21 amounts due to each eligible recipient.

22 Sec. 26b. (1) From the appropriation in section 11, there is
23 allocated for ~~2007-2008~~ **2008-2009** an amount not to exceed
24 \$3,400,000.00 for payments to districts, intermediate districts,
25 and community college districts for the portion of the payment in
26 lieu of taxes obligation that is attributable to districts,
27 intermediate districts, and community college districts pursuant to

1 section 2154 of the natural resources and environmental protection
2 act, 1994 PA 451, MCL 324.2154.

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

7 Sec. 29. (1) From the appropriation in section 11, there is
8 allocated an amount not to exceed \$20,000,000.00 **EACH FISCAL YEAR**
9 for 2007-2008 **AND FOR 2008-2009** for additional payments to eligible
10 districts for declining enrollment assistance.

11 (2) A district is eligible for a payment under this section if
12 all of the following apply:

13 (a) The district's pupil membership for the current fiscal
14 year is less than the district's pupil membership for the
15 immediately preceding fiscal year and the district's pupil
16 membership for the immediately preceding fiscal year is less than
17 the district's pupil membership for the previously preceding fiscal
18 year as calculated under section 6 for that fiscal year.

19 (b) The district's average pupil membership is greater than
20 the district's pupil membership for the current fiscal year as
21 calculated under section 6.

22 (c) The district is not eligible to receive funding under
23 ~~sections~~ **SECTION 6(4)(y) or 22d-22D(2)**.

24 (3) Payments to each eligible district shall be equal to the
25 difference between the district's average pupil membership and the
26 district's pupil membership as calculated under section 6 for the
27 current fiscal year multiplied by the district's foundation

1 allowance as calculated under section 20. If the total amount of
2 the payments calculated under this subsection exceeds the
3 allocation for this section, the payment to each district shall be
4 prorated on an equal percentage basis.

5 (4) For the purposes of this section, "average pupil
6 membership" means the average of the district's membership for the
7 3-fiscal-year period ending with the current fiscal year,
8 calculated by adding the district's actual membership for each of
9 those 3 fiscal years, as otherwise calculated under section 6, and
10 dividing the sum of those 3 membership figures by 3.

11 Sec. 31a. (1) From the state school aid fund money
12 appropriated in section 11, there is allocated for ~~2007-2008-2008-~~
13 ~~2009~~ an amount not to exceed ~~\$319,350,000.00~~ **\$321,350,000.00** for
14 payments to eligible districts and eligible public school academies
15 under this section. Subject to subsection (14), the amount of the
16 additional allowance under this section, other than funding under
17 subsection (6) or (7), shall be based on the number of actual
18 pupils in membership in the district or public school academy who
19 met the income eligibility criteria for free breakfast, lunch, or
20 milk in the immediately preceding state fiscal year, as determined
21 under the Richard B. Russell national school lunch act, 42 USC 1751
22 to 1769i, and reported to the department by October 31 of the
23 immediately preceding fiscal year and adjusted not later than
24 December 31 of the immediately preceding fiscal year. However, for
25 a public school academy that began operations as a public school
26 academy after the pupil membership count day of the immediately
27 preceding school year, the basis for the additional allowance under

1 this section shall be the number of actual pupils in membership in
2 the public school academy who met the income eligibility criteria
3 for free breakfast, lunch, or milk in the current state fiscal
4 year, as determined under the Richard B. Russell national school
5 lunch act.

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

12 (a) The sum of the district's or public school academy's
13 combined state and local revenue per membership pupil in the
14 current state fiscal year, as calculated under section 20, plus the
15 amount of the district's per pupil allocation under section 20j(2),
16 is less than or equal to the basic foundation allowance under
17 section 20 for the current state fiscal year.

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

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

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

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

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

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

1 district or public school academy that receives funds under this
2 section and that operates a school breakfast program under section
3 1272a of the revised school code, MCL 380.1272a, shall use from the
4 funds received under this section an amount, not to exceed \$10.00
5 per pupil for whom the district or public school academy receives
6 funds under this section, necessary to ~~operate~~ **PAY FOR COSTS**
7 **ASSOCIATED WITH THE OPERATION OF** the school breakfast program.

8 (6) From the funds allocated under subsection (1), there is
9 allocated for ~~2007-2008-2008-2009~~ an amount not to exceed
10 ~~\$3,743,000.00~~ **\$5,743,000.00** to support child and adolescent health
11 centers. These grants shall be awarded for 5 consecutive years
12 beginning with 2003-2004 in a form and manner approved jointly by
13 the department and the department of community health. Each grant
14 recipient shall remain in compliance with the terms of the grant
15 award or shall forfeit the grant award for the duration of the 5-
16 year period after the noncompliance. Beginning in 2004-2005, to
17 continue to receive funding for a child and adolescent health
18 center under this section a grant recipient shall ensure that the
19 child and adolescent health center has an advisory committee and
20 that at least one-third of the members of the advisory committee
21 are parents or legal guardians of school-aged children. A child and
22 adolescent health center program shall recognize the role of a
23 child's parents or legal guardian in the physical and emotional
24 well-being of the child. Funding under this subsection shall be
25 used to support child and adolescent health center services
26 provided to children up to age 21. If any funds allocated under
27 this subsection are not used for the purposes of this subsection

1 for the fiscal year in which they are allocated, those unused funds
2 shall be used that fiscal year to avoid or minimize any proration
3 that would otherwise be required under subsection (14) for that
4 fiscal year.

5 (7) From the funds allocated under subsection (1), there is
6 allocated for ~~2007-2008-2008-2009~~ an amount not to exceed
7 \$5,150,000.00 for the state portion of the hearing and vision
8 screenings as described in section 9301 of the public health code,
9 1978 PA 368, MCL 333.9301. A local public health department shall
10 pay at least 50% of the total cost of the screenings. The frequency
11 of the screenings shall be as required under R 325.13091 to R
12 325.13096 and R 325.3271 to R 325.3276 of the Michigan
13 administrative code. Funds shall be awarded in a form and manner
14 approved jointly by the department and the department of community
15 health. Notwithstanding section 17b, payments to eligible entities
16 under this subsection shall be paid on a schedule determined by the
17 department.

18 (8) Each district or public school academy receiving funds
19 under this section shall submit to the department by July 15 of
20 each fiscal year a report, not to exceed 10 pages, on the usage by
21 the district or public school academy of funds under this section,
22 which report shall include at least a brief description of each
23 program conducted by the district or public school academy using
24 funds under this section, the amount of funds under this section
25 allocated to each of those programs, the number of at-risk pupils
26 eligible for free or reduced price school lunch who were served by
27 each of those programs, and the total number of at-risk pupils

1 served by each of those programs. If a district or public school
2 academy does not comply with this subsection, the department shall
3 withhold an amount equal to the August payment due under this
4 section until the district or public school academy complies with
5 this subsection. If the district or public school academy does not
6 comply with this subsection by the end of the state fiscal year,
7 the withheld funds shall be forfeited to the school aid fund.

8 (9) In order to receive funds under this section, a district
9 or public school academy shall allow access for the department or
10 the department's designee to audit all records related to the
11 program for which it receives those funds. The district or public
12 school academy shall reimburse the state for all disallowances
13 found in the audit.

14 (10) Subject to subsections (5), (6), (7), (12), and (13), any
15 district may use up to 100% of the funds it receives under this
16 section to reduce the ratio of pupils to teachers in grades K-6, or
17 any combination of those grades, in school buildings in which the
18 percentage of pupils described in subsection (1) exceeds the
19 district's aggregate percentage of those pupils. Subject to
20 subsections (5), (6), (7), (12), and (13), if a district obtains a
21 waiver from the department, the district may use up to 100% of the
22 funds it receives under this section to reduce the ratio of pupils
23 to teachers in grades K-6, or any combination of those grades, in
24 school buildings in which the percentage of pupils described in
25 subsection (1) is at least 60% of the district's aggregate
26 percentage of those pupils and at least 30% of the total number of
27 pupils enrolled in the school building. To obtain a waiver, a

1 district must apply to the department and demonstrate to the
2 satisfaction of the department that the class size reductions would
3 be in the best interests of the district's at-risk pupils.

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

9 (12) For an individual school or schools operated by a
10 district or public school academy receiving funds under this
11 section that have been determined by the department to meet the
12 adequate yearly progress standards of the federal no child left
13 behind act of 2001, Public Law 107-110, in both mathematics and
14 English language arts at all applicable grade levels for all
15 applicable subgroups, the district or public school academy may
16 submit to the department an application for flexibility in using
17 the funds received under this section that are attributable to the
18 pupils in the school or schools. The application shall identify the
19 affected school or schools and the affected funds and shall contain
20 a plan for using the funds for specific purposes identified by the
21 district that are designed to benefit at-risk pupils in the school,
22 but that may be different from the purposes otherwise allowable
23 under this section. The department shall approve the application if
24 the department determines that the purposes identified in the plan
25 are reasonably designed to benefit at-risk pupils in the school. If
26 the department does not act to approve or disapprove an application
27 within 30 days after it is submitted to the department, the

1 application is considered to be approved. If an application for
2 flexibility in using the funds is approved, the district may use
3 the funds identified in the application for any purpose identified
4 in the plan.

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

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

20 (b) Provides early intervening strategies using school-wide
21 systems of academic and behavioral supports and is scientifically
22 research-based. The strategies to be provided shall include at
23 least pupil performance indicators based upon response to
24 intervention, instructional consultation for teachers, and ongoing
25 progress monitoring. A school-wide system of academic and
26 behavioral support should be based on a support team available to
27 the classroom teachers. The members of this team could include the

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

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

15 (15) If a district is formed by consolidation after June 1,
16 1995, and if 1 or more of the original districts was not eligible
17 before the consolidation for an additional allowance under this
18 section, the amount of the additional allowance under this section
19 for the consolidated district shall be based on the number of
20 pupils described in subsection (1) enrolled in the consolidated
21 district who reside in the territory of an original district that
22 was eligible before the consolidation for an additional allowance
23 under this section.

24 (16) A district or public school academy that does not meet
25 the eligibility requirement under subsection (2)(a) is eligible for
26 funding under this section if at least 1/4 of the pupils in
27 membership in the district or public school academy met the income

1 eligibility criteria for free breakfast, lunch, or milk in the
2 immediately preceding state fiscal year, as determined and reported
3 as described in subsection (1), and at least 4,500 of the pupils in
4 membership in the district or public school academy met the income
5 eligibility criteria for free breakfast, lunch, or milk in the
6 immediately preceding state fiscal year, as determined and reported
7 as described in subsection (1). A district or public school academy
8 that is eligible for funding under this section because the
9 district meets the requirements of this subsection shall receive
10 under this section for each membership pupil in the district or
11 public school academy who met the income eligibility criteria for
12 free breakfast, lunch, or milk in the immediately preceding fiscal
13 year, as determined and reported as described in subsection (1), an
14 amount per pupil equal to 11.5% of the sum of the district's
15 foundation allowance or public school academy's per pupil
16 allocation under section 20, plus the amount of the district's per
17 pupil allocation under section 20j(2), not to exceed the basic
18 foundation allowance under section 20 for the current state fiscal
19 year.

20 (17) A DISTRICT THAT DOES NOT MEET THE ELIGIBILITY REQUIREMENT
21 UNDER SUBSECTION (2) (A) IS ELIGIBLE FOR FUNDING UNDER THIS SECTION
22 IF AT LEAST 75% OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT MET THE
23 INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK IN
24 THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED AND
25 REPORTED AS DESCRIBED IN SUBSECTION (1), THE DISTRICT RECEIVES AN
26 ADJUSTMENT UNDER SECTION 20(19), AND THE DISTRICT DOES NOT RECEIVE
27 ANY STATE PORTION OF ITS FOUNDATION ALLOWANCE AS CALCULATED UNDER

1 SECTION 20. A DISTRICT THAT IS ELIGIBLE FOR FUNDING UNDER THIS
2 SECTION BECAUSE THE DISTRICT MEETS THE REQUIREMENTS OF THIS
3 SUBSECTION SHALL RECEIVE UNDER THIS SECTION FOR EACH MEMBERSHIP
4 PUPIL IN THE DISTRICT WHO MET THE INCOME ELIGIBILITY CRITERIA FOR
5 FREE BREAKFAST, LUNCH, OR MILK IN THE IMMEDIATELY PRECEDING FISCAL
6 YEAR, AS DETERMINED AND REPORTED AS DESCRIBED IN SUBSECTION (1), AN
7 AMOUNT PER PUPIL EQUAL TO 11.5% OF THE SUM OF THE DISTRICT'S
8 FOUNDATION ALLOWANCE UNDER SECTION 20, NOT TO EXCEED THE BASIC
9 FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL
10 YEAR.

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

1 achieve proficiency on the reading component of the most recent
2 Michigan merit examination for which results for the pupil have
3 been received, did not achieve proficiency on the mathematics
4 component of the most recent Michigan merit examination for which
5 results for the pupil have been received, or did not achieve basic
6 competency on the science component of the most recent Michigan
7 merit examination for which results for the pupil have been
8 received. For pupils in grades K-3, at-risk pupil also includes a
9 pupil who is at risk of not meeting the district's core academic
10 curricular objectives in English language arts or mathematics.

11 Sec. 31d. (1) From the appropriations in section 11, there is
12 allocated an amount not to exceed \$22,495,100.00 for ~~2007-2008~~
13 **2008-2009** for the purpose of making payments to districts and other
14 eligible entities under this section.

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

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

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

7 (5) From the federal funds appropriated in section 11, there
8 is allocated for ~~2007-2008-2008-2009~~ all available federal funding,
9 estimated at \$330,000,000.00, for the national school lunch program
10 and all available federal funding, estimated at \$2,506,000.00, for
11 the emergency food assistance program.

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

15 Sec. 31f. (1) From the appropriations in section 11, there is
16 allocated an amount not to exceed \$9,625,000.00 for ~~2007-2008-2008-~~
17 ~~2009~~ for the purpose of making payments to districts to reimburse
18 for the cost of providing breakfast.

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

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

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

27 (3) The payment for a district under this section is at a per

1 meal rate equal to the lesser of the district's actual cost or 100%
 2 of the **STATEWIDE AVERAGE** cost of a breakfast served, ~~by an~~
 3 ~~efficiently operated breakfast program as determined~~ **AND APPROVED**
 4 by the department, less federal reimbursement, participant
 5 payments, and other state reimbursement. ~~Determination of efficient~~
 6 ~~cost by the department shall be determined by using a statistical~~
 7 ~~sampling of statewide and regional cost~~ **THE STATEWIDE AVERAGE COST**
 8 **SHALL BE DETERMINED BY THE DEPARTMENT USING COSTS** as reported in a
 9 manner approved by the department for the preceding school year.

10 (4) **NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**
 11 **MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.**

12 **SEC. 31H. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
 13 **ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$100,000.00 FOR**
 14 **PAYMENT TO AN INTERMEDIATE DISTRICT THAT INCLUDES A DISTRICT THAT**
 15 **IS A SCHOOL DISTRICT OF THE FIRST CLASS TO SUPPORT AFTER-SCHOOL**
 16 **TUTORING FOR AT-RISK GIRLS IN GRADES 1 TO 8. FUNDS ALLOCATED UNDER**
 17 **THIS SECTION MAY BE USED TO CONTRACT WITH AN AGENCY OTHER THAN A**
 18 **DISTRICT FOR A PROGRAM OR SERVICES DESCRIBED IN THIS SECTION.**

19 Sec. 32b. (1) From the funds appropriated under section 11,
 20 there is allocated an amount not to exceed ~~\$1,750,000.00~~
 21 **\$6,750,000.00** for ~~2007-2008-2008-2009~~ for competitive grants to
 22 intermediate districts for the creation and continuance of great
 23 start communities or other community purposes as identified by the
 24 early childhood investment corporation. These dollars may not be
 25 expended until both of the following conditions have been met:

26 (a) The early childhood investment corporation has identified
 27 matching dollars of at least an ~~equal~~ amount **EQUAL TO THE AMOUNT OF**

1 **THE MATCHING DOLLARS FOR 2006-2007.**

2 (b) ~~The membership of the executive committee includes 1~~
3 ~~member appointed by the senate majority leader, 1 member appointed~~
4 ~~by the senate minority leader, 1 member appointed by the speaker of~~
5 ~~the house of representatives, and 1 member appointed by the~~
6 ~~minority leader of the house of representatives. Not later than 60~~
7 ~~days after the convening of each legislative session in each odd~~
8 ~~numbered year, each legislative leader shall appoint a member of~~
9 ~~the executive committee.~~ **SHALL CONSIST OF 4 MEMBERS APPOINTED BY**
10 **THE GOVERNOR. THE GOVERNOR SHALL APPOINT 1 MEMBER FROM AMONG**
11 **NOMINEES SUBMITTED BY THE SENATE MAJORITY LEADER, 1 MEMBER FROM**
12 **AMONG NOMINEES SUBMITTED BY THE SENATE MINORITY LEADER, 1 MEMBER**
13 **FROM AMONG NOMINEES SUBMITTED BY THE SPEAKER OF THE HOUSE OF**
14 **REPRESENTATIVES, AND 1 MEMBER FROM AMONG NOMINEES SUBMITTED BY THE**
15 **MINORITY LEADER OF THE HOUSE OR REPRESENTATIVES. THE GOVERNOR SHALL**
16 **APPOINT THESE MEMBERS NOT LATER THAN 60 DAYS AFTER THE CONVENING OF**
17 **THE LEGISLATIVE SESSION IN EACH ODD-NUMBERED YEAR.** A member
18 ~~appointed in this manner shall continue to~~ **SHALL** serve on the
19 executive committee through ~~the next~~ **THAT** regular legislative
20 session unless he or she voluntarily resigns or is otherwise unable
21 to serve. When a vacancy occurs as a result of a voluntary
22 resignation or inability to serve, the ~~legislative leader who had~~
23 ~~appointed the member~~ **GOVERNOR** shall make an appointment to fill
24 that vacancy **IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT** not
25 later than 60 days after the date the vacancy occurs.

26 (2) The early childhood investment corporation shall award
27 grants to eligible intermediate districts in an amount to be

1 determined by the corporation.

2 (3) In order to receive funding, each intermediate district
 3 applicant shall agree to convene local great start collaboratives
 4 to address the availability of the 6 components of a great start
 5 system in its communities: physical health, social-emotional
 6 health, family supports, basic needs, economic stability and
 7 safety, and parenting education and early education and care, to
 8 ensure that every child in the community is ready for kindergarten.
 9 Specifically, each grant will fund the following:

10 (a) ~~A~~ **THE COMPLETION OF A** community needs assessment and
 11 strategic plan for the ~~development~~ **CREATION** of a comprehensive
 12 system of early childhood services and supports, accessible to all
 13 children from birth to kindergarten and their families.

14 (b) Identification of local resources and services for
 15 children with disabilities, developmental delays, or special needs
 16 and their families.

17 (c) Coordination and expansion of high-quality early childhood
 18 and childcare programs.

19 (d) Evaluation of local programs.

20 (4) Not later than ~~December 1, 2007 for the 2006-2007 fiscal~~
 21 ~~year grants under this section, and not later than December 1 ,~~
 22 ~~2008 for the 2007-2008 grants under this section~~ **OF EACH FISCAL**
 23 **YEAR, FOR THE GRANTS AWARDED UNDER THIS SECTION FOR THE IMMEDIATELY**
 24 **PRECEDING FISCAL YEAR**, the department shall provide to the house
 25 and senate appropriations subcommittees on state school aid, the
 26 state budget director, and the house and senate fiscal agencies a
 27 report detailing the ~~amounts of grants~~ **AMOUNT OF EACH GRANT** awarded

1 under this section, the grant recipients, the activities funded by
2 each grant under this section, and an analysis of each grant
3 recipient's success in addressing the development of a
4 comprehensive system of early childhood services and supports.

5 (5) AN INTERMEDIATE DISTRICT RECEIVING FUNDS UNDER THIS
6 SECTION MAY CARRY OVER ANY UNEXPENDED FUNDS RECEIVED UNDER THIS
7 SECTION INTO THE NEXT FISCAL YEAR AND MAY EXPEND THOSE UNUSED FUNDS
8 IN THE NEXT FISCAL YEAR. A RECIPIENT OF A GRANT SHALL RETURN ANY
9 UNEXPENDED GRANT FUNDS TO THE DEPARTMENT IN THE MANNER PRESCRIBED
10 BY THE DEPARTMENT NOT LATER THAN SEPTEMBER 30 OF THE NEXT FISCAL
11 YEAR AFTER THE FISCAL YEAR IN WHICH THE FUNDS ARE RECEIVED.

12 (6) ~~(5)~~ Notwithstanding section 17b, payments under this
13 section may be made pursuant to an agreement with the department.

14 Sec. 32c. (1) From the general fund appropriation in section
15 11, there is allocated an amount not to exceed ~~\$2,125,000.00~~
16 **\$4,625,000.00** for ~~2007-2008-2008-2009~~ to the department for grants
17 for community-based collaborative prevention services designed to
18 foster positive parenting skills; improve parent/child interaction,
19 especially for children 0-3 years of age; promote access to needed
20 community services; increase local capacity to serve families at
21 risk; improve school readiness; and support healthy family
22 environments that discourage alcohol, tobacco, and other drug use.
23 The allocation under this section is to fund secondary prevention
24 programs as defined by the children's trust fund for the prevention
25 of child abuse and neglect.

26 (2) The funds allocated under subsection (1) shall be
27 distributed through a joint request for proposals process

1 established by the department in conjunction with the children's
2 trust fund and the interagency director's workgroup. Projects
3 funded with grants awarded under this section shall meet all of the
4 following:

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

9 (b) Demonstrate that the planned services are part of a
10 community's integrated comprehensive family support strategy
11 endorsed by the community collaborative **AND, WHERE THERE IS A GREAT**
12 **START COLLABORATIVE, DEMONSTRATE THAT THE PLANNED SERVICES ARE PART**
13 **OF THE COMMUNITY'S GREAT START STRATEGIC PLAN.**

14 (c) Provide a 25% local match, of which not more than 10% may
15 be in-kind services, unless this requirement is waived by the
16 interagency director's workgroup.

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

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

24 Sec. 32d. (1) From the state school aid fund money
25 appropriated under section 11, there is allocated an amount not to
26 exceed ~~\$80,900,000.00~~ **\$105,926,900.00** for ~~2007-2008~~ **2008-2009** for
27 ~~school~~ **GREAT START** readiness or preschool and parenting program

1 grants to enable eligible districts, as determined under section
2 37, to develop or expand, in conjunction with whatever federal
3 funds may be available **TO THE DISTRICT AND ITS COMMUNITY**,
4 including, but not limited to, federal funds under title I of the
5 elementary and secondary education act of 1965, 20 USC 6301 to
6 6578, chapter 1 of title I of the Hawkins-Stafford elementary and
7 secondary school improvement amendments of 1988, Public Law 100-
8 297, and the head start act, 42 USC 9831 to 9852, **PART-DAY OR FULL-**
9 **DAY** comprehensive compensatory programs designed to do 1 or both of
10 the following:

11 (a) Improve the readiness and subsequent achievement of
12 educationally disadvantaged children as defined by the department
13 who will be at least 4, but less than 5 years of age, as of
14 December 1 of the school year in which the programs are offered,
15 and who show evidence of 2 or more risk factors as defined in the
16 state board report entitled "children at risk" that was adopted by
17 the state board on April 5, 1988.

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

25 (2) A comprehensive free compensatory program funded under
26 this section shall include an age-appropriate educational
27 curriculum, as described in the early childhood standards of

1 quality for prekindergarten children adopted by the state board,
2 that prepares children for success in school, including language,
3 early literacy, and early mathematics. In addition, the
4 comprehensive program shall include nutritional services, health
5 **AND DEVELOPMENTAL** screening **AS DESCRIBED IN THE EARLY CHILDHOOD**
6 **STANDARDS OF QUALITY FOR PREKINDERGARTEN** for participating
7 children, a plan for parent and legal guardian involvement, and
8 provision of referral services for families eligible for community
9 social services.

10 (3) In addition to the allocation under subsection (1), from
11 the general fund money appropriated under section 11, there is
12 allocated an amount not to exceed \$279,100.00 for ~~2007-2008-2008-~~
13 **2009** for a competitive grant to continue a longitudinal evaluation
14 of children who have participated in the ~~Michigan school~~-**GREAT**
15 **START** readiness program.

16 (4) A district receiving a grant under this section may
17 contract with for-profit or nonprofit preschool center providers
18 that meet all provisions of the early childhood standards of
19 quality for prekindergarten children adopted by the state board for
20 the provision of the comprehensive compensatory program and retain
21 for administrative services an amount equal to not more than 5% of
22 the grant amount. A district may expend not more than 10% of the
23 total grant amount for administration of the program.

24 (5) A ~~grant recipient~~-**DISTRICT** receiving funds under this
25 section shall report to the department on the midyear report the
26 number of children participating in the program who meet the income
27 or other eligibility criteria specified under section 37(3)(g) and

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

10 **SEC. 32G. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**
11 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,000,000.00 FOR 2008-2009**
12 **FOR GRANTS TO ELIGIBLE DISTRICTS THAT PROVIDE A GREAT START**
13 **READINESS PROGRAM THAT RECEIVES FUNDING UNDER SECTION 32D TO**
14 **IMPLEMENT NEW FOREIGN LANGUAGE IMMERSION PROGRAMS AS PART OF THE**
15 **GREAT START READINESS PROGRAM CURRICULA.**

16 **(2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS ON A FIRST-**
17 **COME, FIRST-SERVED BASIS TO DISTRICTS THAT PROVIDE A GREAT START**
18 **READINESS PROGRAM THAT RECEIVES FUNDING UNDER SECTION 32D, THAT**
19 **APPLY TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE**
20 **DEPARTMENT, AND THAT THE DEPARTMENT DETERMINES ARE ABLE TO OPERATE**
21 **A NEW FOREIGN LANGUAGE IMMERSION PROGRAM IN 2008-2009.**

22 **(3) THE AMOUNT DISTRIBUTED TO EACH DISTRICT UNDER THIS SECTION**
23 **SHALL BE AN AMOUNT EQUAL TO THE NUMBER OF CHILDREN THE DISTRICT**
24 **SERVES UNDER SECTION 32D FOR 2008-2009 MULTIPLIED BY \$500.00.**

25 **(4) NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE**
26 **DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED**
27 **BY THE DEPARTMENT.**

1 SEC. 32H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
2 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2008-2009 FOR
3 GREAT START INNOVATION GRANTS TO INTERMEDIATE DISTRICTS FOR THE
4 PURPOSE OF IDENTIFYING EVIDENCE-BASED PRACTICES THAT PROVIDE
5 CHILDREN FROM BIRTH TO AGE 5 WITH QUALITY EARLY LEARNING
6 EXPERIENCES THAT PROMOTE SCHOOL READINESS.

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

11 (3) IN ORDER TO RECEIVE FUNDING, AN INTERMEDIATE DISTRICT
12 APPLICANT MUST DEMONSTRATE IT IS A MEMBER OF AN ESTABLISHED LOCAL
13 GREAT START COLLABORATIVE AND THAT THE FUNDS WILL BE USED IN
14 SUPPORT OF THE COMMUNITY'S GREAT START STRATEGIC PLAN.

15 (4) GREAT START INNOVATION GRANTS UNDER THIS SECTION SHALL BE
16 USED TO DEVELOP MODEL PROGRAMS THAT CAN BE IMPLEMENTED STATEWIDE
17 FOR 1 OR MORE OF THE FOLLOWING PURPOSES:

18 (A) TO PROVIDE PROFESSIONAL DEVELOPMENT FOR CHILD CARE
19 PROVIDERS THAT IDENTIFY EARLY LEARNING OPPORTUNITIES FOR CHILDREN
20 AT RISK OF NOT BEING PREPARED TO SUCCEED IN SCHOOL.

21 (B) TO CREATE A CHILD CARE QUALITY RATING IMPROVEMENT SYSTEM
22 THAT IDENTIFIES QUALITY EARLY LEARNING ENVIRONMENTS AND MAKES THAT
23 INFORMATION AVAILABLE TO PARENTS.

24 (C) TO EXPAND EARLY LEARNING OPPORTUNITIES FOR AT-RISK
25 CHILDREN USING CREATIVE COMMUNITY-BASED APPROACHES.

26 (D) TO IMPLEMENT AN EARLY DEVELOPMENTAL INVENTORY THAT
27 ASSESSES A BROAD RANGE OF COMPETENCIES, INCLUDING PHYSICAL HEALTH

1 AND WELL-BEING, SOCIAL COMPETENCE, EMOTIONAL MATURITY, AND LANGUAGE
2 AND COGNITIVE DEVELOPMENT, AND USES THAT INVENTORY TOOL TO TARGET
3 COMMUNITY RESOURCES TOWARD IMPROVING ACADEMIC OUTCOMES FOR AT-RISK
4 CHILDREN.

5 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
6 MAY BE PAID ON A SCHEDULE MADE PURSUANT TO AN AGREEMENT WITH THE
7 DEPARTMENT.

8 Sec. 32j. (1) From the appropriations in section 11, there is
9 allocated an amount not to exceed \$5,000,000.00 for ~~2007-2008-2008-~~
10 2009 for great parents, great start grants to intermediate
11 districts to provide programs for parents with ~~preschool-~~YOUNG
12 children. The purpose of these programs is to encourage early
13 mathematics and reading literacy, improve school readiness, reduce
14 the need for special education services, and foster the maintenance
15 of stable families by encouraging positive parenting skills.

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

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

22 (b) Providing parents with methods to enhance parent-child
23 interaction that promote social and emotional development ~~for~~
24 ~~infants and toddlers~~ and age-appropriate language, mathematics, and
25 early reading skills **FOR YOUNG CHILDREN**; including, but not limited
26 to, encouraging parents to read to their preschool children at
27 least 1/2 hour per day.

1 (c) Providing parents with examples of learning opportunities
2 to promote intellectual, physical, and social growth of
3 ~~preschoolers~~ **YOUNG CHILDREN**, including the acquisition of age-
4 appropriate language, mathematics, and early reading skills.

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

7 (3) To receive a grant under this section, an intermediate
8 district shall submit a plan to the department not later than
9 October ~~1, 2007~~ **15, 2008** in the form and manner prescribed by the
10 department. The plan shall do all of the following in a manner
11 prescribed by the department:

12 (a) Provide a plan for the delivery of the program components
13 described in subsection (2) that **TARGETS RESOURCES BASED ON FAMILY**
14 **NEED AND** provides for educators trained in child development to
15 help parents understand their role in their child's developmental
16 process, thereby promoting school readiness and mitigating the need
17 for special education services.

18 (b) Demonstrate an adequate collaboration of local entities
19 involved in providing programs and services for preschool children
20 and their parents **AND, WHERE THERE IS A GREAT START COLLABORATIVE,**
21 **DEMONSTRATE THAT THE PLANNED SERVICES ARE PART OF THE COMMUNITY'S**
22 **GREAT START STRATEGIC PLAN.**

23 (c) Provide a projected budget for the program to be funded.
24 The intermediate district shall provide at least a 20% local match
25 from local public or private resources for the funds received under
26 this section. Not more than 1/2 of this matching requirement, up to
27 a total of 10% of the total project budget, may be satisfied

1 through in-kind services provided by participating providers of
2 programs or services. In addition, not more than 10% of the grant
3 may be used for program administration.

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

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

13 (a) The superintendent shall approve or disapprove the plans
14 and notify the intermediate district of that decision not later
15 than November 15, ~~2007-2008~~. The amount allocated to each
16 intermediate district shall be at least an amount equal to 100% of
17 the intermediate district's ~~2006-2007-2007-2008~~ payment under this
18 section.

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

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

27 (6) An intermediate district receiving funds under this

1 section shall use the funds only for the program funded under this
 2 section. An intermediate district receiving funds under this
 3 section may carry over any unexpended funds received under this
 4 section into the next fiscal year and may expend those unused funds
 5 in the next fiscal year. A recipient of a grant shall return any
 6 unexpended grant funds to the department in the manner prescribed
 7 by the department not later than September 30 of the next fiscal
 8 year after the fiscal year in which the funds are received.

9 Sec. 32/. (1) From the general fund money appropriated in
 10 section 11, there is allocated for ~~2007-2008-2008-2009~~ an amount
 11 not to exceed ~~\$12,650,000.00~~ **\$15,081,000.00** for competitive ~~school~~
 12 **GREAT START** readiness program grants for the purposes of preparing
 13 children for success in school, ~~including~~ **THROUGH COMPREHENSIVE**
 14 **PART-DAY OR FULL-DAY PROGRAMS THAT INCLUDE** language, early
 15 literacy, ~~and~~ early mathematics, **NUTRITIONAL SERVICES, AND HEALTH**
 16 **AND DEVELOPMENTAL SCREENING, AS DESCRIBED IN THE EARLY CHILDHOOD**
 17 **STANDARDS OF QUALITY FOR PREKINDERGARTEN FOR PARTICIPATING**
 18 **CHILDREN; A PLAN FOR PARENT AND LEGAL GUARDIAN INVOLVEMENT; AND**
 19 **PROVISION OF REFERRAL SERVICES FOR FAMILIES ELIGIBLE FOR COMMUNITY**
 20 **SOCIAL SERVICES**. These grants shall be made available through a
 21 competitive application process as follows:

22 (a) Any public or private nonprofit legal entity or agency may
 23 apply for a grant under this section. However, a district or
 24 intermediate district may not apply for a grant under this section
 25 unless the district or intermediate district is acting as a ~~fiscal~~
 26 ~~agent for a child caring organization regulated under 1973 PA 116,~~
 27 ~~MCL 722.111 to 722.128~~ **LOCAL GRANTEE FOR THE FEDERAL HEAD START**

1 **PROGRAM OPERATING UNDER THE HEAD START ACT, 42 USC 9831 TO 9852.**

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

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

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

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

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

15 (iii) Employment of teachers possessing proper training,
16 including a valid Michigan teaching certificate with an early
17 childhood (ZA) endorsement, a valid Michigan teaching certificate
18 with a child development associate credential (CDA), **OR THE**
19 **EQUIVALENT FROM ANOTHER STATE**, or a bachelor's degree in child
20 development with a specialization in preschool teaching. However,
21 both of the following apply to this subparagraph:

22 (A) If an applicant demonstrates to the department that it is
23 unable to fully comply with this subparagraph after making
24 reasonable efforts to comply, the superintendent may still give
25 priority to the applicant if the applicant will employ teachers who
26 have significant but incomplete training in early childhood
27 education or child development if the applicant provides to the

1 department, and the department approves, a plan for each teacher to
2 come into compliance with the standards in this subparagraph. A
3 teacher's compliance plan must be completed within 4 years of the
4 date of employment. Progress toward completion of the compliance
5 plan shall consist of at least 2 courses per calendar year.

6 (B) For a subcontracted program, the department shall consider
7 a teacher with 90 credit hours and at least 4 years' teaching
8 experience in a qualified preschool program to meet the
9 requirements under this subparagraph.

10 (iv) Employment of paraprofessionals possessing proper training
11 in early childhood development, including an associate's degree in
12 early childhood education or child development or the equivalent,
13 or a child development associate (CDA) credential, or the
14 equivalent, as approved by the state board. If an applicant
15 demonstrates to the department that it is unable to fully comply
16 with this subparagraph, after making reasonable efforts to comply,
17 the superintendent of public instruction may still give priority to
18 an applicant if the applicant will employ paraprofessionals who
19 have completed at least 1 course in early childhood education or
20 child development if the applicant provides to the department, and
21 the department approves, a plan for each paraprofessional to come
22 into compliance with the standards in this subparagraph. A
23 paraprofessional's compliance plan must be completed within 2 years
24 of the date of employment. Progress toward completion of the
25 compliance plan shall consist of at least 2 courses or 60 clock
26 hours of training per calendar year.

27 (v) Evidence of collaboration with the community of child

1 development programs, including, but not limited to, Michigan
2 ~~school~~**GREAT START** readiness and head start providers, including
3 documentation of the total number of children in the community who
4 would meet the criteria established in subparagraph (vii), and who
5 are being served by other providers, and the number of children who
6 will remain unserved by other community early childhood programs if
7 this program is funded.

8 (vi) The extent to which these funds will supplement other
9 federal, state, local, or private funds.

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

16 (viii) The program offers **OR CONTRACTS WITH ANOTHER NONPROFIT**
17 **EARLY CHILDHOOD PROGRAM TO PROVIDE** supplementary day care and
18 thereby offers full-day programs as part of its early childhood
19 development program.

20 (ix) The application contains a plan approved by the department
21 to conduct and report annual school readiness program evaluations
22 and continuous improvement plans using criteria approved by the
23 department. At a minimum, the evaluations shall include a self-
24 assessment of program quality and assessment of the gains in
25 educational readiness and progress of the children participating in
26 the program.

27 (e) An application shall demonstrate that the program has

1 established or has joined a multidistrict, multiagency school
2 readiness advisory committee that is involved in the planning and
3 evaluation of the program and that provides for the involvement of
4 parents and appropriate community, volunteer, and social service
5 agencies and organizations. The advisory committee shall include at
6 least 1 parent or guardian of a program participant for every 18
7 children enrolled in the program, with a minimum of 2 parent or
8 guardian representatives. The advisory committee shall do all of
9 the following:

10 (i) Review the mechanisms and criteria used to determine
11 referrals for participation in the ~~school~~**GREAT START** readiness
12 program.

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

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

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

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

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

23 (vii) Review the agency's participation in a collaborative
24 recruitment and enrollment process with, at a minimum, all other
25 funded preschool programs that may serve children in the same
26 geographic area, including school district part-day programs
27 described under section 32d and head start programs, to assure that

1 each child is enrolled in the program most appropriate to his or
2 her needs and to maximize the use of federal, state, and local
3 funds. The collaborative recruitment and enrollment process should
4 be established to reflect the geographic service areas of the
5 collaborative partners. **AN EFFECTIVE PROCESS INCLUDES OPPORTUNITIES**
6 **FOR FAMILIES TO MEET WITH AND LEARN ABOUT EACH PROGRAM FOR WHICH**
7 **THEIR CHILD IS ELIGIBLE. A CHILD WHO IS INCOME-ELIGIBLE FOR HEAD**
8 **START MUST BE REFERRED TO HEAD START. IF, AFTER REFERRAL TO HEAD**
9 **START, A FAMILY CHOOSES TO ENROLL A HEAD-START-ELIGIBLE CHILD IN**
10 **THE GREAT START READINESS PROGRAM, A WAIVER INDICATING THAT THE**
11 **FAMILY HAS BEEN INFORMED OF THE CHILD'S ELIGIBILITY TO ATTEND HEAD**
12 **START MUST BE COMPLETED BY THE FAMILY IN A FORM AND MANNER**
13 **DETERMINED BY THE DEPARTMENT AND SUBMITTED TO THE GREAT START**
14 **READINESS PROGRAM BEFORE THE CHILD MAY BE ENROLLED IN THE GREAT**
15 **START READINESS PROGRAM. THE GREAT START READINESS PROGRAM SHALL**
16 **RETAIN THE WAIVER IN THE CHILD'S ENROLLMENT FILE.**

17 (2) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, THE AGENCY
18 MUST DEMONSTRATE PARTICIPATION IN A COLLABORATIVE RECRUITMENT AND
19 ENROLLMENT PROCESS WITH ALL OTHER FUNDED PRESCHOOL PROGRAMS SERVING
20 CHILDREN IN THE SAME GEOGRAPHIC AREA TO ASSURE THAT EACH CHILD IS
21 ENROLLED IN THE PROGRAM MOST APPROPRIATE TO HIS OR HER NEEDS.

22 (3) ~~(2)~~—To be eligible for a grant under this section, a
23 program shall demonstrate that more than 50% of the children
24 participating in the program live with families with a household
25 income that is less than or equal to ~~250%~~—300% of the federal
26 poverty level.

27 (4) ~~(3)~~—The superintendent may award grants under this section

1 at whatever level the superintendent determines appropriate.
2 However, the amount of a grant under this section, when combined
3 with other sources of state revenue for this program, shall not
4 exceed ~~\$3,400.00~~ **\$3,500.00** per participating child or the cost of
5 the program, whichever is less.

6 (5) ~~(4)~~—For a grant recipient that enrolls pupils in a full-
7 day program funded under this section, each child enrolled in the
8 full-day program shall be counted as 2 children served by the
9 program for purposes of determining the number of children to be
10 served and for determining the amount of the grant award. A grant
11 award shall not be increased solely on the basis of providing a
12 full-day program. As used in this subsection, "full-day program"
13 means a program that operates for at least the same length of day
14 as a district's first grade program for a minimum of 4 days per
15 week, 30 weeks per year. A classroom that offers a full-day program
16 must enroll all children for the full day to be considered a full-
17 day program.

18 (6) ~~(5)~~—Except as otherwise provided in this subsection, an
19 applicant that received a new grant under this section for ~~2006-~~
20 ~~2007-2007-2008~~ shall also receive priority for funding under this
21 section for ~~2007-2008 and 2008-2009~~ **AND 2009-2010**. However, after 3
22 fiscal years of continuous funding, an applicant is required to
23 compete openly with new programs and other programs completing
24 their third year. All grant awards under this section are
25 contingent on the availability of funds and documented evidence of
26 grantee compliance with early childhood standards of quality for
27 prekindergarten, as approved by the state board, and with all

1 operational, fiscal, administrative, and other program
2 requirements.

3 (7) ~~(6)~~ Notwithstanding section 17b, payments to eligible
4 entities under this section shall be paid on a schedule and in a
5 manner determined by the department.

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

9 (2) The district shall submit a preapplication, in a manner
10 and on forms prescribed by the department, by a date specified by
11 the department in the immediately preceding state fiscal year. The
12 preapplication shall include a comprehensive needs assessment and
13 community collaboration plan that includes, but is not limited to,
14 ~~Michigan school~~ **GREAT START** readiness **PROGRAM** and head start
15 providers, and shall identify all of the following:

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

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

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

26 (d) The estimated number of children who meet the criteria of
27 section 32d who will remain unserved after the district and

1 community early childhood programs have met their funded
2 enrollments. The school district shall maintain a waiting list of
3 identified unserved eligible children who would be served when
4 openings are available.

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

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

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

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

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

26 (A) If a district demonstrates to the department that it is
27 unable to fully comply with this subparagraph after making

1 reasonable efforts to comply, teachers who have significant but
2 incomplete training in early childhood education or child
3 development may be employed by the district if the district
4 provides to the department, and the department approves, a plan for
5 each teacher to come into compliance with the standards in this
6 subparagraph. A teacher's compliance plan must be completed within
7 4 years of the date of employment. Progress toward completion of
8 the compliance plan shall consist of at least 2 courses per
9 calendar year.

10 (B) For a subcontracted program, the department shall consider
11 a teacher with 90 credit hours and at least 4 years' teaching
12 experience in a qualified preschool program to meet the
13 requirements under this subparagraph.

14 (ii) Paraprofessionals possessing proper training in early
15 childhood development, including an associate's degree in early
16 childhood education or child development or the equivalent, or a
17 child development associate (CDA) credential, or the equivalent as
18 approved by the state board. However, if a district demonstrates to
19 the department that it is unable to fully comply with this
20 subparagraph after making reasonable efforts to comply, the
21 district may employ paraprofessionals who have completed at least 1
22 course in early childhood education or child development if the
23 district provides to the department, and the department approves, a
24 plan for each paraprofessional to come into compliance with the
25 standards in this subparagraph. A paraprofessional's compliance
26 plan must be completed within 2 years of the date of employment.
27 Progress toward completion of the compliance plan shall consist of

1 at least 2 courses or 60 clock hours of training per calendar year.

2 (d) The district has submitted for approval a program budget
3 that includes only those costs not reimbursed or reimbursable by
4 federal funding, that are clearly and directly attributable to the
5 ~~early childhood~~ **GREAT START** readiness program, and that would not
6 be incurred if the program were not being offered. If children
7 other than those determined to be educationally disadvantaged
8 participate in the program, state reimbursement under section 32d
9 shall be limited to the portion of approved costs attributable to
10 educationally disadvantaged children.

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

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

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

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

2 (iv) Review the nutritional services provided to program
3 participants.

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

6 (vi) Review the collaboration with and the involvement of
7 appropriate community, volunteer, and social service agencies and
8 organizations in addressing all aspects of educational
9 disadvantage. The district must participate in a collaborative
10 recruitment and enrollment process with, at a minimum, all other
11 funded preschool programs that may serve children in the same
12 geographic area, including the competitive programs described under
13 section 32/ and head start programs, to assure that each child is
14 enrolled in the program most appropriate to his or her needs and to
15 maximize the use of federal, state, and local funds. The
16 collaborative recruitment and enrollment process should be
17 established to reflect the geographic service areas of the
18 collaborative partners. **AN EFFECTIVE PROCESS INCLUDES OPPORTUNITIES**
19 **FOR FAMILIES TO MEET WITH AND LEARN ABOUT EACH PROGRAM FOR WHICH**
20 **THEIR CHILD IS ELIGIBLE. A CHILD WHO IS INCOME-ELIGIBLE FOR HEAD**
21 **START MUST BE REFERRED TO HEAD START. IF, AFTER REFERRAL TO HEAD**
22 **START, A FAMILY CHOOSES TO ENROLL A HEAD-START-ELIGIBLE CHILD IN**
23 **THE GREAT START READINESS PROGRAM, A WAIVER INDICATING THAT THE**
24 **FAMILY HAS BEEN INFORMED OF THE CHILD'S ELIGIBILITY TO ATTEND HEAD**
25 **START MUST BE COMPLETED BY THE FAMILY IN A FORM AND MANNER**
26 **DETERMINED BY THE DEPARTMENT AND SUBMITTED TO THE GREAT START**
27 **READINESS PROGRAM BEFORE THE CHILD MAY BE ENROLLED IN THE GREAT**

1 **START READINESS PROGRAM. THE GREAT START READINESS PROGRAM SHALL**
2 **RETAIN THE WAIVER IN THE CHILD'S ENROLLMENT FILE.**

3 (vii) Review, evaluate, and make recommendations to a local
4 school readiness program or programs for changes to the ~~school~~
5 **GREAT START** readiness program.

6 (f) The district has submitted for departmental approval a
7 plan to conduct and report annual ~~school~~**GREAT START** readiness
8 program evaluations and continuous improvement plans using criteria
9 approved by the department. At a minimum, the evaluations shall
10 include a self-assessment of program quality and assessment of the
11 gains in educational readiness and progress of the children
12 participating in the program.

13 (g) More than 50% of the children participating in the program
14 live with families with a household income that is equal to or less
15 than ~~250%~~**300%** of the federal poverty level.

16 **(H) THE DISTRICT MUST DEMONSTRATE PARTICIPATION IN A**
17 **COLLABORATIVE RECRUITMENT AND ENROLLMENT PROCESS WITH ALL OTHER**
18 **FUNDED PRESCHOOL PROGRAMS SERVING CHILDREN IN THE SAME GEOGRAPHIC**
19 **AREA TO ASSURE THAT EACH CHILD IS ENROLLED IN THE PROGRAM MOST**
20 **APPROPRIATE TO HIS OR HER NEEDS.**

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. **THE CONSORTIUM MAY**

1 DECIDE, WITH APPROVAL OF ALL CONSORTIUM MEMBERS, TO SERVE NUMBERS
2 OF CHILDREN BASED ON THE ALLOCATION TO EACH DISTRICT OR BASED ON
3 THE ALLOCATION TO THE ENTIRE CONSORTIUM, ALLOWING CHILDREN RESIDING
4 IN ANY DISTRICT IN THE CONSORTIUM TO BE SERVED BY THE CONSORTIUM AT
5 ANY LOCATION.

6 (5) IF AN INTERMEDIATE DISTRICT ADMINISTERS AND ACTS AS THE
7 FISCAL AGENT FOR A CONSORTIUM DESCRIBED IN SUBSECTION (4)
8 CONSISTING OF ALL OF ITS CONSTITUENT DISTRICTS, THE INTERMEDIATE
9 DISTRICT IS ELIGIBLE FOR ADDITIONAL FUNDING FROM THE FUNDS
10 ALLOCATED UNDER SECTION 32D IN AN AMOUNT EQUAL TO 5% OF THE TOTAL
11 ALLOCATION FOR WHICH THE CONSORTIUM IS OTHERWISE ELIGIBLE UNDER
12 SECTION 32D. AN INTERMEDIATE DISTRICT MAY USE FUNDS RECEIVED UNDER
13 THIS SUBSECTION FOR PROGRAM ADMINISTRATION AND PROFESSIONAL
14 DEVELOPMENT. AN INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER
15 THIS SUBSECTION SHALL HIRE AN EARLY CHILDHOOD SPECIALIST WHOSE
16 RESPONSIBILITIES SHALL INCLUDE, BUT NOT BE LIMITED TO, THE
17 FOLLOWING:

18 (A) TO PROVIDE SUPERVISION AND MONITORING OF THE PROGRAM.

19 (B) TO PROVIDE TRAINING AND PROFESSIONAL DEVELOPMENT FOR
20 PROGRAM STAFF.

21 (C) TO INCREASE LOCAL COLLABORATION.

22 (D) TO INCREASE ACCESS TO HIGH-QUALITY PROGRAMS FOR AT-RISK
23 CHILDREN.

24 (E) TO EVALUATE CHILD OUTCOMES MEASURED BY APPROVED CHILD
25 ASSESSMENT TOOLS.

26 (F) TO WORK WITH THE DEPARTMENT TO ENSURE THAT GREAT START
27 READINESS PROGRAMS MEET THE EARLY CHILDHOOD STANDARDS OF QUALITY

1 **FOR PREKINDERGARTEN.**

2 (6) ~~(5)~~—With the final application, an applicant district
 3 shall submit to the department a resolution adopted by its board
 4 certifying the number of 4-year-old children who show evidence of
 5 risk factors as described in section 32d who live with families
 6 with a household income that is less than or equal to ~~250%~~**300%** of
 7 the federal poverty level.

8 Sec. 38. The ~~maximum~~ number of prekindergarten children
 9 construed to be in need of special readiness assistance under
 10 section 32d shall be calculated for each district in the following
 11 manner: one-half of the percentage of the district's pupils in
 12 grades 1-5 who are eligible for free lunch, as determined by the
 13 district's October count in the school year 2 years before the
 14 fiscal year for which the calculation is made under the Richard B.
 15 Russell national school lunch act, chapter 281, 60 Stat. 230, 42
 16 ~~U.S.C.—USC~~ 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, 1769,
 17 1769b to 1769c, and 1769f to 1769h, as reported to the department
 18 not later than December 31 of the fiscal year 2 years before the
 19 fiscal year for which the calculation is made, shall be multiplied
 20 by the average kindergarten enrollment of the district on the pupil
 21 membership count day of the 2 immediately preceding years.

22 Sec. 39. (1) ~~The tentative~~**BEGINNING IN 2008-2009, THE INITIAL**
 23 allocation for each fiscal year to each eligible district under
 24 section 32d shall be determined by multiplying the number of
 25 children determined in section 38 or the number of children the
 26 district indicates it will be able to serve under section 37(2)(c),
 27 whichever is less, by ~~\$3,400.00~~**\$3,500.00** and shall be distributed

1 among districts in decreasing order of concentration of eligible
2 children as determined by section 38. ~~until the money allocated in~~
3 ~~section 32d is distributed.~~ If the number of children a district
4 indicates it will be able to serve under section 37(2)(c) includes
5 children able to be served in a full-day program, then the number
6 able to be served in a full-day program shall be doubled for the
7 purposes of making this calculation of the lesser of the number of
8 children determined in section 38 and the number of children the
9 district indicates it will be able to serve under section 37(2)(c)
10 and determining the amount of the ~~tentative~~ INITIAL allocation to
11 the district under section 32d. **A DISTRICT MAY CONTRACT WITH A HEAD**
12 **START AGENCY TO SERVE CHILDREN ENROLLED IN HEAD START WITH A FULL-**
13 **DAY PROGRAM BY BLENDING HEAD START FUNDS WITH A PART-DAY GREAT**
14 **START READINESS PROGRAM ALLOCATION. ALL HEAD START AND GREAT START**
15 **READINESS PROGRAM POLICIES AND REGULATIONS APPLY TO THE BLENDED**
16 **PROGRAM.**

17 (2) IF FUNDS APPROPRIATED IN SECTION 32D REMAIN AFTER THE
18 INITIAL ALLOCATION UNDER SUBSECTION (1), THE ALLOCATION UNDER THIS
19 SUBSECTION SHALL BE DISTRIBUTED TO EACH ELIGIBLE DISTRICT UNDER
20 SECTION 32D IN DECREASING ORDER OF CONCENTRATION OF ELIGIBLE
21 CHILDREN AS DETERMINED BY SECTION 38. THE ALLOCATION SHALL BE
22 DETERMINED BY MULTIPLYING THE NUMBER OF CHILDREN EACH ELIGIBLE
23 DISTRICT SERVED IN THE IMMEDIATELY PRECEDING FISCAL YEAR OR THE
24 NUMBER OF CHILDREN THE DISTRICT INDICATES IT WILL BE ABLE TO SERVE
25 UNDER SECTION 37(2)(C), WHICHEVER IS LESS, MINUS THE NUMBER OF
26 CHILDREN FOR WHICH THE DISTRICT RECEIVED FUNDING IN SUBSECTION (1)
27 BY \$3,500.00.

1 (3) IF FUNDS APPROPRIATED IN SECTION 32D REMAIN AFTER THE
2 ALLOCATIONS UNDER SUBSECTIONS (1) AND (2), REMAINING FUNDS SHALL BE
3 DISTRIBUTED TO EACH ELIGIBLE DISTRICT UNDER SECTION 32D IN
4 DECREASING ORDER OF CONCENTRATION OF ELIGIBLE CHILDREN AS
5 DETERMINED BY SECTION 38. IF THE NUMBER OF CHILDREN THE DISTRICT
6 INDICATES IT WILL BE ABLE TO SERVE UNDER SECTION 37(2)(C) EXCEEDS
7 THE NUMBER OF CHILDREN FOR WHICH FUNDS HAVE BEEN RECEIVED UNDER
8 SUBSECTIONS (1) AND (2), THE ALLOCATION UNDER THIS SUBSECTION SHALL
9 BE DETERMINED BY MULTIPLYING THE NUMBER OF CHILDREN THE DISTRICT
10 INDICATES IT WILL BE ABLE TO SERVE UNDER SECTION 37(2)(C) LESS THE
11 NUMBER OF CHILDREN FOR WHICH FUNDS HAVE BEEN RECEIVED UNDER
12 SUBSECTIONS (1) AND (2) BY \$3,500.00 UNTIL THE FUNDS ALLOCATED IN
13 SECTION 32D ARE DISTRIBUTED.

14 (4) IF A DISTRICT IS PARTICIPATING IN A PROGRAM UNDER SECTION
15 32D FOR THE FIRST YEAR, THE MAXIMUM ALLOCATION UNDER THIS SECTION
16 IS 32 MULTIPLIED BY \$3,500.00.

17 (5) ~~(2)~~—A district that received funds under this section in
18 at least 1 of the 2 immediately preceding fiscal years shall
19 receive priority in funding over other eligible districts. However,
20 funding beyond 3 state fiscal years is contingent upon the
21 availability of funds and documented evidence satisfactory to the
22 department of compliance with all operational, fiscal,
23 administrative, and other program requirements.

24 (6) ~~(3)~~—A district that offers supplementary day care funded
25 by funds other than those received under this section and therefore
26 offers full-day programs as part of its early childhood development
27 program shall receive priority in the allocation of funds under

1 this section over other eligible districts other than those
2 districts funded under subsection ~~(2)~~-(5).

3 (7) ~~(4)~~—For any district with 315 or more eligible pupils, the
4 number of eligible pupils shall be 65% of the number calculated
5 under section 38. However, none of these districts may have less
6 than 315 pupils for purposes of calculating the tentative
7 allocation under section 32d.

8 (8) ~~(5)~~—If, taking into account the total amount to be
9 allocated to the district as calculated under this section, a
10 district determines that it is able to include additional eligible
11 children in the ~~school~~-**GREAT START** readiness program without
12 additional funds under this section, the district may include
13 additional eligible children but shall not receive additional
14 funding under this section for those children.

15 (9) ~~(6)~~—For a district that enrolls pupils in a full-day
16 program under section 32d, each child enrolled in the full-day
17 program shall be counted as 2 children served by the program for
18 purposes of determining the number of children to be served and for
19 determining the allocation under section 32d. A district's
20 allocation shall not be increased solely on the basis of providing
21 a full-day program.

22 (10) ~~(7)~~—As used in this section, **"PART-DAY PROGRAM" MEANS A**
23 **PROGRAM THAT OPERATES AT LEAST 4 DAYS PER WEEK, 30 WEEKS PER YEAR,**
24 **WITH AT LEAST 300 HOURS OF TEACHER-CHILD CONTACT, AND "full-day**
25 **program"** means a program that operates for at least the same length
26 of day as the district's first grade program for a minimum of 4
27 days per week, 30 weeks per year. A classroom that offers a full-

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

3 Sec. 39a. (1) From the federal funds appropriated in section
4 11, there is allocated for ~~2007-2008~~ **2008-2009** to districts,
5 intermediate districts, and other eligible entities all available
6 federal funding, estimated at ~~\$669,660,100.00~~ **\$752,987,500.00**, for
7 the federal programs under the no child left behind act of 2001,
8 Public Law 107-110. These funds are allocated as follows:

9 (a) An amount estimated at ~~\$9,625,800.00~~ **\$8,033,600.00** to
10 provide students with drug- and violence-prevention programs and to
11 implement strategies to improve school safety, funded from DED-
12 OESE, drug-free schools and communities funds.

13 (b) An amount estimated at ~~\$6,405,500.00~~ **\$7,461,800.00** for the
14 purpose of improving teaching and learning through a more effective
15 use of technology, funded from DED-OESE, educational technology
16 state grant funds.

17 (c) An amount estimated at ~~\$106,249,200.00~~ **\$109,411,900.00** for
18 the purpose of preparing, training, and recruiting high-quality
19 teachers and class size reduction, funded from DED-OESE, improving
20 teacher quality funds.

21 (d) An amount estimated at ~~\$9,854,300.00~~ **\$10,322,300.00** for
22 programs to teach English to limited English proficient (LEP)
23 children, funded from DED-OESE, language acquisition state grant
24 funds.

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

1 (f) An amount estimated at ~~\$676,000.00~~ **\$898,300.00** for rural
2 and low income schools, funded from DED-OESE, rural and low income
3 school funds.

4 (g) An amount estimated at ~~\$3,115,900.00~~ **\$1,000.00** to help
5 schools develop and implement comprehensive school reform programs,
6 funded from DED-OESE, title I and title X, comprehensive school
7 reform funds.

8 (h) An amount estimated at ~~\$456,971,500.00~~ **\$517,479,800.00** to
9 provide supplemental programs to enable educationally disadvantaged
10 children to meet challenging academic standards, funded from DED-
11 OESE, title I, disadvantaged children funds.

12 (i) An amount estimated at ~~\$2,531,700.00~~ **\$2,152,700.00** for the
13 purpose of providing unified family literacy programs, funded from
14 DED-OESE, title I, even start funds.

15 (j) An amount estimated at ~~\$8,186,200.00~~ **\$7,797,700.00** for the
16 purpose of identifying and serving migrant children, funded from
17 DED-OESE, title I, migrant education funds.

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

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

25 (m) An amount estimated at ~~\$29,911,800.00~~ **\$35,710,100.00** for
26 the purpose of providing high-quality extended learning
27 opportunities, after school and during the summer, for children in

1 low-performing schools, funded from DED-OESE, twenty-first century
2 community learning center funds. Of these funds, \$50,000.00 may be
3 used to support the Michigan after-school partnership. All of the
4 following apply to the Michigan after-school partnership:

5 (i) The department shall collaborate with the department of
6 human services to extend the duration of the Michigan after-school
7 initiative, to be renamed the Michigan after-school partnership and
8 oversee its efforts to implement the policy recommendations and
9 strategic next steps identified in the Michigan after-school
10 initiative's report of December 15, 2003.

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

18 (iii) Participation in the Michigan after-school partnership
19 shall be expanded beyond the membership of the initial Michigan
20 after-school initiative to increase the representation of parents,
21 youth, foundations, employers, and others with experience in
22 education, child care, after-school and youth development services,
23 and crime and violence prevention, and to include representation
24 from the ~~Michigan~~ department of community health. Each year, on or
25 before December 31, the Michigan after-school partnership shall
26 report its progress in reaching the recommendations set forth in
27 the Michigan after-school initiative's report to the legislature

1 and the governor.

2 (N) AN AMOUNT ESTIMATED AT \$17,586,100.00 TO HELP SUPPORT
3 LOCAL SCHOOL IMPROVEMENT EFFORTS, FUNDED FROM DED-OESE, TITLE I,
4 LOCAL SCHOOL IMPROVEMENT GRANTS.

5 (2) From the federal funds appropriated in section 11, there
6 is allocated for ~~2007-2008-2008-2009~~ to districts, intermediate
7 districts, and other eligible entities all available federal
8 funding, estimated at ~~\$32,411,000.00~~ \$32,559,700.00, for the
9 following programs that are funded by federal grants:

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

13 (b) An amount estimated at ~~\$1,665,400.00~~ \$1,814,100.00 to
14 provide services to homeless children and youth, funded from DED-
15 OVAE, homeless children and youth funds.

16 (c) An amount estimated at \$200,000.00 for refugee children
17 school impact grants, funded from HHS-ACF, refugee children school
18 impact funds.

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

22 (e) An amount estimated at \$28,500,000.00 for providing career
23 and technical education services to pupils, funded from DED-OVAE,
24 basic grants to states.

25 (3) To the extent allowed under federal law, the funds
26 allocated under subsection (1) (h), (i), ~~and~~ (k), AND (N) may be
27 used for 1 or more reading improvement programs that meet at least

1 1 of the following:

2 (a) A research-based, validated, structured reading program
3 that aligns learning resources to state standards and includes
4 continuous assessment of pupils and individualized education plans
5 for pupils.

6 (b) A mentoring program that is a research-based, validated
7 program or a statewide 1-to-1 mentoring program and is designed to
8 enhance the independence and life quality of pupils who are
9 mentally impaired by providing opportunities for mentoring and
10 integrated employment.

11 (c) A cognitive development program that is a research-based,
12 validated educational service program focused on assessing and
13 building essential cognitive and perceptual learning abilities to
14 strengthen pupil concentration and learning.

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

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

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

1 (5) As used in this section:

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

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

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

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

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

11 Sec. 41. From the appropriation in section 11, there is
12 allocated an amount not to exceed \$2,800,000.00 for ~~2007-2008-2008-~~
13 ~~2009~~ to applicant districts and intermediate districts offering
14 programs of instruction for pupils of limited English-speaking
15 ability under section 1153 of the revised school code, MCL
16 380.1153. Reimbursement shall be on a per pupil basis and shall be
17 based on the number of pupils of limited English-speaking ability
18 in membership on the pupil membership count day. Funds allocated
19 under this section shall be used solely for instruction in
20 speaking, reading, writing, or comprehension of English. A pupil
21 shall not be counted under this section or instructed in a program
22 under this section for more than 3 years.

23 ~~Sec. 51a. (1) From the appropriation in section 11, there is~~
24 ~~allocated for 2007-2008 an amount not to exceed \$990,483,000.00~~
25 ~~from state sources and all available federal funding under sections~~
26 ~~611 to 619 of part B of the individuals with disabilities education~~
27 ~~act, 20 USC 1411 to 1419, estimated at \$350,700,000.00, plus any~~

1 ~~carryover federal funds from previous year appropriations. FROM THE~~
2 **APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2008-2009 AN**
3 **AMOUNT NOT TO EXCEED \$1,023,983,000.00 FROM STATE SOURCES AND ALL**
4 **AVAILABLE FEDERAL FUNDING UNDER SECTIONS 611 TO 619 OF PART B OF**
5 **THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, 20 USC 1411 TO**
6 **1419, ESTIMATED AT \$350,700,000.00, PLUS ANY CARRYOVER FEDERAL**
7 **FUNDS FROM PREVIOUS YEAR APPROPRIATIONS.** The allocations under this
8 subsection are for the purpose of reimbursing districts and
9 intermediate districts for special education programs, services,
10 and special education personnel as prescribed in article 3 of the
11 revised school code, MCL 380.1701 to 380.1766; net tuition payments
12 made by intermediate districts to the Michigan schools for the deaf
13 and blind; and special education programs and services for pupils
14 who are eligible for special education programs and services
15 according to statute or rule. For meeting the costs of special
16 education programs and services not reimbursed under this article,
17 a district or intermediate district may use money in general funds
18 or special education funds, not otherwise restricted, or
19 contributions from districts to intermediate districts, tuition
20 payments, gifts and contributions from individuals, or federal
21 funds that may be available for this purpose, as determined by the
22 intermediate district plan prepared pursuant to article 3 of the
23 revised school code, MCL 380.1701 to 380.1766. All federal funds
24 allocated under this section in excess of those allocated under
25 this section for 2002-2003 may be distributed in accordance with
26 the flexible funding provisions of the individuals with
27 disabilities education act, Public Law 108-446, including, but not

1 limited to, 34 CFR 300.206 and 300.208. Notwithstanding section
2 17b, payments of federal funds to districts, intermediate
3 districts, and other eligible entities under this section shall be
4 paid on a schedule determined by the department.

5 (2) From the funds allocated under subsection (1), there is
6 allocated ~~for 2007-2008~~ the amount necessary, estimated at
7 ~~\$216,500,000.00~~ **\$224,800,000.00 FOR 2008-2009**, for payments toward
8 reimbursing districts and intermediate districts for 28.6138% of
9 total approved costs of special education, excluding costs
10 reimbursed under section 53a, and 70.4165% of total approved costs
11 of special education transportation. Allocations under this
12 subsection shall be made as follows:

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

1 manner as for a district, using the foundation allowance under
2 section 20 of the pupil's district of residence, not to exceed the
3 basic foundation allowance under section 20 for the current fiscal
4 year, and that district's per pupil allocation under section
5 20j(2).

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

11 (3) From the funds allocated under subsection (1), there is
12 allocated for ~~2007-2008-2008-2009~~ the amount necessary, estimated
13 at ~~\$1,500,000.00~~ **\$1,600,000.00**, 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 for ~~2007-2008~~ **2008-2009** to
26 districts, intermediate districts, or other eligible entities on a
27 competitive grant basis for programs, equipment, and services that

1 the department determines to be designed to benefit or improve
2 special education on a statewide scale.

3 (6) From the amount allocated in subsection (1), there is
4 allocated an amount not to exceed \$2,200,000.00 for ~~2007-2008-2008-~~
5 ~~2009~~ to reimburse 100% of the net increase in necessary costs
6 incurred by a district or intermediate district in implementing the
7 revisions in the administrative rules for special education that
8 became effective on July 1, 1987. As used in this subsection, "net
9 increase in necessary costs" means the necessary additional costs
10 incurred solely because of new or revised requirements in the
11 administrative rules minus cost savings permitted in implementing
12 the revised rules. Net increase in necessary costs shall be
13 determined in a manner specified by the department.

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

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

1 utilized full time in the evaluation of students or in the delivery
2 of special education programs, ancillary, and other related
3 services shall be reimbursed under this section only for that
4 portion of time actually spent providing these programs and
5 services, with the exception of special education programs and
6 services provided to youth placed in child caring institutions or
7 juvenile detention programs approved by the department to provide
8 an on-grounds education program.

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

23 (c) If the department determines before bookclosing for ~~2006-~~
24 ~~2007-2007-2008~~ that the amounts allocated for ~~2006-2007-2007-2008~~
25 under subsections (2), (3), (6), (8), and (12) and sections 53a,
26 54, and 56 will exceed expenditures for ~~2006-2007-2007-2008~~ under
27 subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and

1 56, then for ~~2006-2007~~**2007-2008** only, for a district or
2 intermediate district whose reimbursement for ~~2006-2007~~**2007-2008**
3 would otherwise be affected by subdivision (b), subdivision (b)
4 does not apply to the calculation of the reimbursement for that
5 district or intermediate district and reimbursement for that
6 district or intermediate district shall be calculated in the same
7 manner as it was for 2003-2004. If the amount of the excess
8 allocations under subsections (2), (3), (6), (8), and (12) and
9 sections 53a, 54, and 56 is not sufficient to fully fund the
10 calculation of reimbursement to those districts and intermediate
11 districts under this subdivision, then the calculations and
12 resulting reimbursement under this subdivision shall be prorated on
13 an equal percentage basis.

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

26 (e) Beginning with calculations for 2004-2005, if an
27 intermediate district purchases a special education pupil

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

13 (8) From the allocation in subsection (1), there is allocated
14 for ~~2007-2008~~**2008-2009** an amount not to exceed \$15,313,900.00 to
15 intermediate districts. The payment under this subsection to each
16 intermediate district shall be equal to the amount of the 1996-97
17 allocation to the intermediate district under subsection (6) of
18 this section as in effect for 1996-97.

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

25 (10) Special education personnel transferred from 1 district
26 to another to implement the revised school code shall be entitled
27 to the rights, benefits, and tenure to which the person would

1 otherwise be entitled had that person been employed by the
2 receiving district originally.

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

9 (12) From the funds allocated in subsection (1), there is
10 allocated ~~for 2007-2008~~ the amount necessary, estimated at
11 ~~\$7,600,000.00~~ **\$7,100,000.00 FOR 2008-2009**, to pay the foundation
12 allowances for pupils described in this subsection. The allocation
13 to a district under this subsection shall be calculated by
14 multiplying the number of pupils described in this subsection who
15 are counted in membership in the district times the sum of the
16 foundation allowance under section 20 of the pupil's district of
17 residence plus the amount of the district's per pupil allocation
18 under section 20j(2), not to exceed the basic foundation allowance
19 under section 20 for the current fiscal year, or, for a pupil
20 described in this subsection who is counted in membership in a
21 district that is a public school academy or university school,
22 times an amount equal to the amount per membership pupil under
23 section 20(6). The allocation to an intermediate district under
24 this subsection shall be calculated in the same manner as for a
25 district, using the foundation allowance under section 20 of the
26 pupil's district of residence, not to exceed the basic foundation
27 allowance under section 20 for the current fiscal year, and that

1 district's per pupil allocation under section 20j(2). This
 2 subsection applies to all of the following pupils:

3 (a) Pupils described in section 53a.

4 (b) Pupils counted in membership in an intermediate district
 5 who are not special education pupils and are served by the
 6 intermediate district in a juvenile detention or child caring
 7 facility.

8 (c) Emotionally impaired pupils counted in membership by an
 9 intermediate district and provided educational services by the
 10 department of community health.

11 (13) **IF IT IS DETERMINED THAT FUNDS ALLOCATED UNDER SUBSECTION**
 12 **(2) OR (12) OR UNDER SECTION 51C WILL NOT BE EXPENDED, FUNDS UP TO**
 13 **THE AMOUNT NECESSARY AND AVAILABLE MAY BE USED TO SUPPLEMENT THE**
 14 **ALLOCATIONS UNDER SUBSECTION (2) OR (12) OR UNDER SECTION 51C IN**
 15 **ORDER TO FULLY FUND THOSE ALLOCATIONS.** After payments under
 16 subsections (2) and (12) and section 51c, the remaining
 17 expenditures from the allocation in subsection (1) shall be made in
 18 the following order:

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

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

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

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

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

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

25 (14) The allocations under ~~subsection~~ **SUBSECTIONS** (2),
 26 ~~subsection~~-(3), and ~~subsection~~-(12) shall be allocations to
 27 intermediate districts only and shall not be allocations to

1 districts, but instead shall be calculations used only to determine
2 the state payments under section 22b.

3 (15) IF A DISTRICT OR INTERMEDIATE DISTRICT ENROLLS PURSUANT
4 TO THIS SECTION A PUPIL FROM A PUBLIC SCHOOL ACADEMY WHO RESIDES
5 OUTSIDE OF THE INTERMEDIATE DISTRICT AND WHO IS ELIGIBLE FOR
6 SPECIAL EDUCATION PROGRAMS AND SERVICES ACCORDING TO STATUTE OR
7 RULE, OR WHO IS A CHILD WITH DISABILITIES, AS DEFINED UNDER THE
8 INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446,
9 THE PROVISION OF SPECIAL EDUCATION PROGRAMS AND SERVICES AND THE
10 PAYMENT OF THE ADDED COSTS OF SPECIAL EDUCATION PROGRAMS AND
11 SERVICES FOR THE PUPIL ARE THE RESPONSIBILITY OF THE DISTRICT AND
12 INTERMEDIATE DISTRICT IN WHICH THE PUPIL RESIDES UNLESS THE
13 ENROLLING DISTRICT OR INTERMEDIATE DISTRICT HAS A WRITTEN AGREEMENT
14 WITH THE DISTRICT OR INTERMEDIATE DISTRICT IN WHICH THE PUPIL
15 RESIDES OR THE PUBLIC SCHOOL ACADEMY FOR THE PURPOSE OF PROVIDING
16 THE PUPIL WITH A FREE APPROPRIATE PUBLIC EDUCATION AND THE WRITTEN
17 AGREEMENT INCLUDES AT LEAST AN AGREEMENT ON THE RESPONSIBILITY FOR
18 THE PAYMENT OF THE ADDED COSTS OF SPECIAL EDUCATION PROGRAMS AND
19 SERVICES FOR THE PUPIL.

20 Sec. 51c. As required by the court in the consolidated cases
21 known as Durant v State of Michigan, Michigan supreme court docket
22 no. 104458-104492, from the allocation under section 51a(1), there
23 is allocated for ~~2007-2008-2008-2009~~ the amount necessary,
24 estimated at ~~\$696,000,000.00~~-\$721,600,000.00, for payments to
25 reimburse districts for 28.6138% of total approved costs of special
26 education excluding costs reimbursed under section 53a, and
27 70.4165% of total approved costs of special education

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

6 Sec. 51d. (1) From the federal funds appropriated in section
7 11, there is allocated for ~~2007-2008~~**2008-2009** all available
8 federal funding, estimated at \$74,000,000.00, for special education
9 programs that are funded by federal grants. All federal funds
10 allocated under this section shall be distributed in accordance
11 with federal law. Notwithstanding section 17b, payments of federal
12 funds to districts, intermediate districts, and other eligible
13 entities under this section shall be paid on a schedule determined
14 by the department.

15 (2) From the federal funds allocated under subsection (1), the
16 following amounts are allocated for ~~2007-2008~~**2008-2009**:

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

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

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

26 (3) As used in this section, "DED-OSERS" means the United
27 States department of education office of special education and

1 rehabilitative services.

2 Sec. 53a. (1) For districts, reimbursement for pupils
3 described in subsection (2) shall be 100% of the total approved
4 costs of operating special education programs and services approved
5 by the department and included in the intermediate district plan
6 adopted pursuant to article 3 of the revised school code, MCL
7 380.1701 to 380.1766, minus the district's foundation allowance
8 calculated under section 20, and minus the amount calculated for
9 the district under section 20j. For intermediate districts,
10 reimbursement for pupils described in subsection (2) shall be
11 calculated in the same manner as for a district, using the
12 foundation allowance under section 20 of the pupil's district of
13 residence, not to exceed the basic foundation allowance under
14 section 20 for the current fiscal year, and under section 20j.

15 (2) Reimbursement under subsection (1) is for the following
16 special education pupils:

17 (a) Pupils assigned to a district or intermediate district
18 through the community placement program of the courts or a state
19 agency, if the pupil was a resident of another intermediate
20 district at the time the pupil came under the jurisdiction of the
21 court or a state agency.

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

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

27 (d) Pupils enrolled in a department-approved on-grounds

1 educational program longer than 180 days, but not longer than 233
2 days, at a residential child care institution, if the child care
3 institution offered in 1991-92 an on-grounds educational program
4 longer than 180 days but not longer than 233 days.

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

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

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

15 (5) Not more than \$12,800,000.00 of the allocation for ~~2007-~~
16 ~~2008-2009~~ in section 51a(1) shall be allocated under this
17 section.

18 Sec. 54. Each intermediate district shall receive an amount
19 per pupil for each pupil in attendance at the Michigan schools for
20 the deaf and blind. The amount shall be proportionate to the total
21 instructional cost at each school. Not more than \$1,688,000.00 of
22 the allocation for ~~2007-2008-2008-2009~~ in section 51a(1) shall be
23 allocated under this section.

24 Sec. 54a. (1) From the state school aid fund money
25 appropriated in section 11, there is allocated an amount not to
26 exceed ~~\$250,000.00 for 2007-2008~~ **\$100,000.00 FOR 2008-2009** to the
27 lending library located at central Michigan university from which

1 districts and intermediate districts can borrow assessment
2 materials designed specifically for children with severe loss of
3 vision or hearing, severe cognitive or motor disabilities, or
4 multiple disabilities and for children who require the most
5 specialized types of psychological and educational assessment. ~~It~~
6 ~~is the intent of the legislature to allocate an amount not to~~
7 ~~exceed \$100,000.00 for subsequent fiscal years for this purpose.~~

8 (2) The lending library shall make test assessment materials
9 available through borrowing to districts and intermediate
10 districts. The lending library shall also provide information about
11 the lending library at meetings and conferences for school
12 personnel and shall develop a website to describe the services
13 offered by the lending library. The lending library also shall mail
14 information about the services offered by the lending library to
15 all districts and intermediate districts.

16 Sec. 54c. From the general fund appropriation in section 11,
17 there is allocated to the department an amount not to exceed
18 \$80,000.00 **EACH FISCAL YEAR FOR 2007-2008 AND FOR 2008-2009** for the
19 department to make Newsline available electronically on a statewide
20 basis for persons who are visually impaired.

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

22 (a) "Membership" means for a particular fiscal year the total
23 membership for the immediately preceding fiscal year of the
24 intermediate district and the districts constituent to the
25 intermediate district.

26 (b) "Millage levied" means the millage levied for special
27 education pursuant to part 30 of the revised school code, MCL

1 380.1711 to 380.1743, including a levy for debt service
2 obligations.

3 (c) "Taxable value" means the total taxable value of the
4 districts constituent to an intermediate district, except that if a
5 district has elected not to come under part 30 of the revised
6 school code, MCL 380.1711 to 380.1743, membership and taxable value
7 of the district shall not be included in the membership and taxable
8 value of the intermediate district.

9 (2) From the allocation under section 51a(1), there is
10 allocated an amount not to exceed \$36,881,100.00 for ~~2007-2008~~
11 **2008-2009** to reimburse intermediate districts levying millages for
12 special education pursuant to part 30 of the revised school code,
13 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
14 reimbursement shall be limited as if the funds were generated by
15 these millages and governed by the intermediate district plan
16 adopted pursuant to article 3 of the revised school code, MCL
17 380.1701 to 380.1766. As a condition of receiving funds under this
18 section, an intermediate district distributing any portion of
19 special education millage funds to its constituent districts shall
20 submit for departmental approval and implement a distribution plan.

21 ~~(3) Reimbursement for those millages levied in 2006-2007 shall~~
22 ~~be made in 2007-2008 at an amount per 2006-2007 membership pupil~~
23 ~~computed by subtracting from \$161,800.00 the 2006-2007 taxable~~
24 ~~value behind each membership pupil and multiplying the resulting~~
25 ~~difference by the 2006-2007 millage levied. REIMBURSEMENT FOR THOSE~~
26 **MILLAGES LEVIED IN 2007-2008 SHALL BE MADE IN 2008-2009 AT AN**
27 **AMOUNT PER 2007-2008 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM**

1 \$172,800.00 THE 2007-2008 TAXABLE VALUE BEHIND EACH MEMBERSHIP
2 PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2007-2008
3 MILLAGE LEVIED.

4 Sec. 57. (1) From the appropriation in section 11, there is
5 allocated an amount not to exceed \$285,000.00 for ~~2007-2008-2008-~~
6 2009 for grants to intermediate districts for advanced and
7 accelerated students.

8 (2) To qualify for funding under this section, a grant
9 recipient shall support part of the cost of summer institutes for
10 advanced and accelerated students and, to the extent the funding
11 allows, provide comprehensive programs for advanced and accelerated
12 pupils.

13 (3) Except as otherwise provided in this subsection, the
14 amount of a single grant award under this section shall not exceed
15 \$5,000.00. Intermediate districts may form a consortium, and that
16 consortium may receive a maximum grant amount of \$5,000.00 for each
17 participant intermediate district. Each intermediate district or
18 consortium must apply for grant funding by April 1, ~~2008-2009~~ and
19 demonstrate compliance with subsection (2).

20 (4) A district, intermediate district, or consortium that
21 receives a grant under this section shall provide at least a 25%
22 match for grant money received under this section from local public
23 or private resources.

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

27 Sec. 61a. (1) From the appropriation in section 11, there is

1 allocated an amount not to exceed \$30,000,000.00 for ~~2007-2008~~
2 **2008-2009** to reimburse on an added cost basis districts, except for
3 a district that served as the fiscal agent for a vocational
4 education consortium in the 1993-94 school year, and secondary area
5 vocational-technical education centers for secondary-level
6 vocational-technical education programs, including parenthood
7 education programs, according to rules approved by the
8 superintendent. Applications for participation in the programs
9 shall be submitted in the form prescribed by the department. The
10 department shall determine the added cost for each vocational-
11 technical program area. The allocation of added cost funds shall be
12 based on the type of vocational-technical programs provided, the
13 number of pupils enrolled, and the length of the training period
14 provided, and shall not exceed 75% of the added cost of any
15 program. With the approval of the department, the board of a
16 district maintaining a secondary vocational-technical education
17 program may offer the program for the period from the close of the
18 school year until September 1. The program shall use existing
19 facilities and shall be operated as prescribed by rules promulgated
20 by the superintendent.

21 (2) Except for a district that served as the fiscal agent for
22 a vocational education consortium in the 1993-94 school year,
23 districts and intermediate districts shall be reimbursed for local
24 vocational administration, shared time vocational administration,
25 and career education planning district vocational-technical
26 administration. The definition of what constitutes administration
27 and reimbursement shall be pursuant to guidelines adopted by the

1 superintendent. Not more than \$800,000.00 of the allocation in
2 subsection (1) shall be distributed under this subsection.

3 (3) From the allocation in subsection (1), there is allocated
4 an amount not to exceed \$388,700.00 for ~~2007-2008~~ **2008-2009** to
5 intermediate districts with constituent districts that had combined
6 state and local revenue per membership pupil in the 1994-95 state
7 fiscal year of \$6,500.00 or more, served as a fiscal agent for a
8 state board designated area vocational education center in the
9 1993-94 school year, and had an adjustment made to their 1994-95
10 combined state and local revenue per membership pupil pursuant to
11 section 20d. The payment under this subsection to the intermediate
12 district shall equal the amount of the allocation to the
13 intermediate district for 1996-97 under this subsection.

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

15 (a) "Membership" means for a particular fiscal year the total
16 membership for the immediately preceding fiscal year of the
17 intermediate district and the districts constituent to the
18 intermediate district or the total membership for the immediately
19 preceding fiscal year of the area vocational-technical program.

20 (b) "Millage levied" means the millage levied for area
21 vocational-technical education pursuant to sections 681 to 690 of
22 the revised school code, MCL 380.681 to 380.690, including a levy
23 for debt service obligations incurred as the result of borrowing
24 for capital outlay projects and in meeting capital projects fund
25 requirements of area vocational-technical education.

26 (c) "Taxable value" means the total taxable value of the
27 districts constituent to an intermediate district or area

1 vocational-technical education program, except that if a district
2 has elected not to come under sections 681 to 690 of the revised
3 school code, MCL 380.681 to 380.690, the membership and taxable
4 value of that district shall not be included in the membership and
5 taxable value of the intermediate district. However, the membership
6 and taxable value of a district that has elected not to come under
7 sections 681 to 690 of the revised school code, MCL 380.681 to
8 380.690, shall be included in the membership and taxable value of
9 the intermediate district if the district meets both of the
10 following:

11 (i) The district operates the area vocational-technical
12 education program pursuant to a contract with the intermediate
13 district.

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

19 (2) From the appropriation in section 11, there is allocated
20 an amount not to exceed \$9,000,000.00 for ~~2007-2008~~ **2008-2009** to
21 reimburse intermediate districts and area vocational-technical
22 education programs established under section 690(3) of the revised
23 school code, MCL 380.690, levying millages for area vocational-
24 technical education pursuant to sections 681 to 690 of the revised
25 school code, MCL 380.681 to 380.690. The purpose, use, and
26 expenditure of the reimbursement shall be limited as if the funds
27 were generated by those millages.

1 ~~(3) Reimbursement for the millages levied in 2006-2007 shall~~
2 ~~be made in 2007-2008 at an amount per 2006-2007 membership pupil~~
3 ~~computed by subtracting from \$171,300.00 the 2006-2007 taxable~~
4 ~~value behind each membership pupil and multiplying the resulting~~
5 ~~difference by the 2006-2007 millage levied.~~ **REIMBURSEMENT FOR THE**
6 **MILLAGES LEVIED IN 2007-2008 SHALL BE MADE IN 2008-2009 AT AN**
7 **AMOUNT PER 2007-2008 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM**
8 **\$181,900.00 THE 2007-2008 TAXABLE VALUE BEHIND EACH MEMBERSHIP**
9 **PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2008-2009**
10 **MILLAGE LEVIED.**

11 Sec. 64. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed \$2,000,000.00 for ~~2007-2008-2008-~~
13 ~~2009~~ for grants to intermediate districts or a district of the
14 first class that are in consortium with a community college or
15 state public university and a hospital to create and implement a
16 middle college focused on the field of health sciences.

17 (2) Awards shall be made in a manner and form as determined by
18 the department; however, at a minimum, eligible consortia funded
19 under this section shall ensure the middle college provides all of
20 the following:

21 (a) Outreach programs to provide information to middle school
22 and high school students about career opportunities in the health
23 sciences field.

24 (b) An individualized education plan for each pupil enrolled
25 in the program.

26 (c) Curriculum that includes entry-level college courses.

27 (d) Clinical rotations that provide opportunities for pupils

1 to observe careers in the health sciences.

2 (3) For the purposes of this section, "middle college" means a
3 series of courses and other requirements and conditions established
4 by the consortium that allow a pupil to graduate with a high school
5 diploma and a certificate or degree from a community college or
6 state public university.

7 ~~(4) A district or intermediate district that received a grant~~
8 ~~under this section in 2006-2007 shall receive 100% of that amount~~
9 ~~in 2007-2008, 50% of the 2007-2008 amount in 2008-2009, and 50% of~~
10 ~~the 2008-2009 amount in 2009-2010. BEGINNING IN 2006-2007, A~~
11 **DISTRICT OR INTERMEDIATE DISTRICT MAY RECEIVE A GRANT UNDER THIS**
12 **SECTION FOR UP TO 4 CONSECUTIVE FISCAL YEARS. FOR THE FIRST 2**
13 **FISCAL YEARS OF THE GRANT PERIOD, THE GRANT AMOUNT SHALL BE 100% OF**
14 **THE AWARD DETERMINED BY THE DEPARTMENT. FOR EACH OF THE REMAINING 2**
15 **FISCAL YEARS OF THE GRANT PERIOD, THE GRANT AMOUNT SHALL BE AN**
16 **AMOUNT EQUAL TO 50% OF THE RECIPIENT'S GRANT AMOUNT FOR THE**
17 **PREVIOUS FISCAL YEAR.**

18 Sec. 65. (1) From the amount appropriated in section 11, there
19 is allocated an amount not to exceed ~~\$680,100.00~~ **\$1,300,000.00** for
20 ~~2007-2008-2008-2009~~ for grants to districts or intermediate
21 districts, as determined by the department, for eligible precollege
22 programs in engineering and the sciences.

23 (2) From the funds allocated under subsection (1), the
24 department shall award ~~\$680,100.00 for 2007-2008~~ **\$500,000.00 FOR**
25 **EACH PROGRAM FOR 2008-2009** to the 2 eligible existing programs that
26 received funds appropriated for these purposes in the
27 appropriations act containing the department of labor and economic

1 growth budget for 2005-2006.

2 (3) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE
3 DEPARTMENT SHALL AWARD \$300,000.00 FOR 2008-2009 TO ELIGIBLE
4 INTERMEDIATE DISTRICTS FOR PROGRAMS TO TRAIN PUPILS IN ALTERNATIVE
5 ENERGY. THE DEPARTMENT SHALL AWARD \$100,000.00 TO EACH ELIGIBLE
6 INTERMEDIATE DISTRICT. THE INTERMEDIATE DISTRICT SHALL USE THE
7 FUNDS FOR ENGINEERING AND SCIENCES PROGRAMS WITH INDUSTRY LEVEL
8 PARTNERSHIPS THAT ARE IN PROXIMITY TO RENEWABLE ENERGY FACILITIES.
9 TO BE ELIGIBLE FOR FUNDS UNDER THIS SUBSECTION, AN INTERMEDIATE
10 DISTRICT MUST MEET ALL OF THE FOLLOWING REQUIREMENTS:

11 (A) THE COMBINED TOTAL 2007-2008 PUPIL MEMBERSHIP FOR ALL OF
12 ITS CONSTITUENT DISTRICTS WAS LESS THAN 20,000 PUPILS.

13 (B) LEVIED AT LEAST .11 BUT NOT MORE THAN .19 OPERATING MILLS
14 IN 2007-2008.

15 (C) HAD A 2007 TAXABLE VALUE GREATER THAN \$1,500,000,000.00.

16 (D) AT LEAST 28% OF THE COMBINED TOTAL NUMBER OF PUPILS IN
17 MEMBERSHIP FOR ALL OF ITS CONSTITUENT DISTRICTS WERE ELIGIBLE FOR
18 FREE OR REDUCED-PRICE LUNCH FOR 2007-2008.

19 (E) IS CONTIGUOUS TO AT LEAST 1 OTHER INTERMEDIATE DISTRICT
20 THAT MEETS THE REQUIREMENTS OF SUBDIVISIONS (A) TO (D).

21 (4) ~~(3)~~—The department shall submit a report to the
22 appropriations subcommittees responsible for this act, **TO THE STATE**
23 **BUDGET DIRECTOR**, and to the house and senate fiscal agencies by
24 February 1, ~~2008~~—2009 regarding dropout rates, grade point
25 averages, enrollment in science, engineering, and math-based
26 curricula, and employment in science, engineering, and mathematics-
27 based fields for pupils who were enrolled in the programs awarded

1 funds under this section or under preceding legislation. The report
2 shall continue to evaluate the effectiveness of the precollege
3 programs in engineering and sciences funded under this section.

4 (5) ~~(4)~~ Notwithstanding section 17b, payments under this
5 section ~~may be made pursuant to an agreement with~~ **SHALL BE PAID ON**
6 **A SCHEDULE AND IN A MANNER DETERMINED BY** the department.

7 Sec. 74. (1) From the amount appropriated in section 11, there
8 is allocated an amount not to exceed ~~\$3,025,800.00~~ **\$3,028,500.00**
9 for ~~2007-2008~~ **2008-2009** for the purposes of this section.

10 (2) From the allocation in subsection (1), there is allocated
11 for ~~2007-2008~~ **2008-2009** the amount necessary for payments to state
12 supported colleges or universities and intermediate districts
13 providing school bus driver safety instruction or driver skills
14 road tests pursuant to sections 51 and 52 of the pupil
15 transportation act, 1990 PA 187, MCL 257.1851 and 257.1852. The
16 payments shall be in an amount determined by the department not to
17 exceed 75% of the actual cost of instruction and driver
18 compensation for each public or nonpublic school bus driver
19 attending a course of instruction. For the purpose of computing
20 compensation, the hourly rate allowed each school bus driver shall
21 not exceed the hourly rate received for driving a school bus.
22 Reimbursement compensating the driver during the course of
23 instruction or driver skills road tests shall be made by the
24 department to the college or university or intermediate district
25 providing the course of instruction.

26 (3) From the allocation in subsection (1), there is allocated
27 each fiscal year the amount necessary to pay the reasonable costs

1 of nonspecial education auxiliary services transportation provided
2 pursuant to section 1323 of the revised school code, MCL 380.1323.
3 Districts funded under this subsection shall not receive funding
4 under any other section of this act for nonspecial education
5 auxiliary services transportation.

6 (4) From the funds allocated in subsection (1), there is
7 allocated an amount not to exceed ~~\$1,400,800.00~~ **\$1,403,500.00** for
8 ~~2007-2008~~ **2008-2009** for reimbursement to districts and intermediate
9 districts for costs associated with the inspection of school buses
10 and pupil transportation vehicles by the department of state police
11 as required under section 715a of the Michigan vehicle code, 1949
12 PA 300, MCL 257.715a, and section 39 of the pupil transportation
13 act, 1990 PA 187, MCL 257.1839. The department of state police
14 shall prepare a statement of costs attributable to each district
15 for which bus inspections are provided and submit it to the
16 department and to each affected district in a time and manner
17 determined jointly by the department and the department of state
18 police. The department shall reimburse each district and
19 intermediate district for costs detailed on the statement within 30
20 days after receipt of the statement. Districts for which services
21 are provided shall make payment in the amount specified on the
22 statement to the department of state police within 45 days after
23 receipt of the statement. The total reimbursement of costs under
24 this subsection shall not exceed the amount allocated under this
25 subsection. Notwithstanding section 17b, payments to eligible
26 entities under this subsection shall be paid on a schedule
27 prescribed by the department.

1 Sec. 81. (1) Except as otherwise provided in this section,
2 from the appropriation in section 11, there is allocated for ~~2007-~~
3 ~~2008-2009~~ to the intermediate districts the sum necessary, but
4 not to exceed ~~\$80,912,000.00~~ **\$81,721,120.00**, to provide state aid
5 to intermediate districts under this section. Except as otherwise
6 provided in this section, there shall be allocated to each
7 intermediate district for ~~2007-2008-2008-2009~~ an amount equal to
8 101.0% of the amount appropriated under this subsection for ~~2006-~~
9 ~~2007-2007-2008~~. Funding provided under this section shall be used
10 to comply with requirements of this act and the revised school code
11 that are applicable to intermediate districts, and for which
12 funding is not provided elsewhere in this act, and to provide
13 technical assistance to districts as authorized by the intermediate
14 school board.

15 (2) Intermediate districts receiving funds under this section
16 shall collaborate with the department to develop expanded
17 professional development opportunities for teachers to update and
18 expand their knowledge and skills needed to support the Michigan
19 merit curriculum.

20 (3) From the allocation in subsection (1), there is allocated
21 to an intermediate district, formed by the consolidation or
22 annexation of 2 or more intermediate districts or the attachment of
23 a total intermediate district to another intermediate school
24 district or the annexation of all of the constituent K-12 districts
25 of a previously existing intermediate school district which has
26 disorganized, an additional allotment of \$3,500.00 each fiscal year
27 for each intermediate district included in the new intermediate

1 district for 3 years following consolidation, annexation, or
2 attachment.

3 (4) During a fiscal year, the department shall not increase an
4 intermediate district's allocation under subsection (1) because of
5 an adjustment made by the department during the fiscal year in the
6 intermediate district's taxable value for a prior year. Instead,
7 the department shall report the adjustment and the estimated amount
8 of the increase to the house and senate fiscal agencies and the
9 state budget director not later than June 1 of the fiscal year, and
10 the legislature shall appropriate money for the adjustment in the
11 next succeeding fiscal year.

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

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

17 (b) Demonstrate to the satisfaction of the department that the
18 intermediate district employs at least 1 person who is trained in
19 rules, regulations, and district reporting procedures for the
20 individual-level student data that serves as the basis for the
21 calculation of the district and high school graduation and dropout
22 rates.

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

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

1 (e) Comply with section 1230g of the revised school code, MCL
2 380.1230g.

3 (f) Comply with section 761 of the revised school code, MCL
4 380.761.

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

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

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

13 (c) Establish procedures to ensure the reasonable validity and
14 reliability of the data and the collection process.

15 (d) Develop state and model local data collection policies,
16 including, but not limited to, policies that ensure the privacy of
17 individual student data. State privacy policies shall ensure that
18 student social security numbers are not released to the public for
19 any purpose.

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

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

25 (g) Assist all entities receiving funds under this act in
26 complying with audits performed according to generally accepted
27 accounting procedures.

1 (H) COORDINATE THE ELECTRONIC EXCHANGE OF STUDENT RECORDS
2 USING A UNIQUE IDENTIFICATION NUMBERING SYSTEM AMONG ENTITIES
3 RECEIVING FUNDS UNDER THIS ACT AND POSTSECONDARY INSTITUTIONS FOR
4 STUDENTS PARTICIPATING IN PUBLIC EDUCATION PROGRAMS FROM PRESCHOOL
5 THROUGH POSTSECONDARY EDUCATION.

6 (I) ~~(h)~~—Other functions as assigned by the state budget
7 director.

8 (2) Each state department, officer, or agency that collects
9 information from districts or intermediate districts as required
10 under state or federal law shall make arrangements with the center,
11 and with the districts or intermediate districts, to have the
12 center collect the information and to provide it to the department,
13 officer, or agency as necessary. To the extent that it does not
14 cause financial hardship, the center shall arrange to collect the
15 information in a manner that allows electronic submission of the
16 information to the center. Each affected state department, officer,
17 or agency shall provide the center with any details necessary for
18 the center to collect information as provided under this
19 subsection. This subsection does not apply to information collected
20 by the department of treasury under the uniform budgeting and
21 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised
22 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the
23 school bond qualification, approval, and loan act, 2005 PA 92, MCL
24 388.1921 to 388.1939; or section 1351a of the revised school code,
25 MCL 380.1351a.

26 (3) The state budget director shall appoint a CEPI advisory
27 committee, consisting of the following members:

1 (a) One representative from the house fiscal agency.

2 (b) One representative from the senate fiscal agency.

3 (c) One representative from the office of the state budget
4 director.

5 (d) One representative from the state education agency.

6 (e) One representative each from the department of labor and
7 economic growth and the department of treasury.

8 (f) Three representatives from intermediate school districts.

9 (g) One representative from each of the following educational
10 organizations:

11 (i) Michigan association of school boards.

12 (ii) Michigan association of school administrators.

13 (iii) Michigan school business officials.

14 (h) One representative representing private sector firms
15 responsible for auditing school records.

16 (i) Other representatives as the state budget director
17 determines are necessary.

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

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

25 (b) Defining the roles of all stakeholders in the data
26 collection system.

27 (c) Recommending timelines for the implementation and ongoing

1 collection of data.

2 (d) Establishing and maintaining data definitions, data
3 transmission protocols, and system specifications and procedures
4 for the efficient and accurate transmission and collection of data.

5 (e) Establishing and maintaining a process for ensuring the
6 reasonable accuracy of the data.

7 (f) Establishing and maintaining state and model local
8 policies related to data collection, including, but not limited to,
9 privacy policies related to individual student data.

10 (g) Ensuring the data is made available to state and local
11 policymakers and citizens of this state in the most useful format
12 possible.

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

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

17 (6) From the general fund appropriation in section 11, there
18 is allocated an amount not to exceed ~~\$2,435,400.00~~ **\$6,755,400.00**
19 for ~~2007-2008~~ **2008-2009** to the department of management and budget
20 to support the operations of the center and the development and
21 implementation of a comprehensive **LONGITUDINAL** data **COLLECTION**
22 management and ~~student tracking~~ **REPORTING** system **THAT INCLUDES**
23 **STUDENT-LEVEL DATA**. The center shall cooperate with the state
24 education agency to ensure that this state is in compliance with
25 federal law and is maximizing opportunities for increased federal
26 funding to improve education in this state. In addition, from the
27 federal funds appropriated in section 11 for ~~2007-2008~~ **2008-2009**,

1 there is allocated the amount necessary, estimated at ~~\$3,543,200.00~~
2 **\$2,793,200.00**, in order to fulfill federal reporting requirements.

3 (7) From ~~the allocation under subsection (6), there is~~
4 ~~allocated for 2007-2008 an amount to support the development and~~
5 ~~implementation of a comprehensive longitudinal educational data~~
6 ~~management and student tracking system. In addition, from the~~
7 federal funds allocated in subsection (6), there is allocated for
8 ~~2007-2008-2008-2009~~ an amount not to exceed ~~\$1,500,000.00~~
9 **\$750,000.00** funded from the competitive grants of DED-OESE, title
10 II, educational technology funds for the purposes of this
11 subsection. Not later than November 30, ~~2007-2008~~, the department
12 shall award a single grant to an eligible partnership that includes
13 an intermediate district with at least 1 high-need local school
14 district and the center.

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

18 (9) Funds allocated under this section that are not expended
19 in the fiscal year in which they were allocated may be carried
20 forward to a subsequent fiscal year.

21 (10) The center may bill departments as necessary in order to
22 fulfill reporting requirements of state and federal law. The center
23 may also enter into agreements to supply custom data, analysis, and
24 reporting to other principal executive departments, state agencies,
25 local units of government, and other individuals and organizations.
26 The center may receive and expend funds in addition to those
27 authorized in subsection (6) to cover the costs associated with

1 salaries, benefits, supplies, materials, and equipment necessary to
2 provide such data, analysis, and reporting services.

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

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

11 Sec. 98. (1) From the state school aid fund money appropriated
12 in section 11, there is allocated an amount not to exceed
13 \$500,000.00 for ~~2007-2008-2008-2009~~ and from the general fund money
14 appropriated in section 11, there is allocated an amount not to
15 exceed \$1,750,000.00 for ~~2007-2008-2008-2009~~ to provide a grant to
16 the Michigan virtual university for the development,
17 implementation, and operation of the Michigan virtual high school;
18 to provide professional development opportunities for educators;
19 and to fund other purposes described in this section. In addition,
20 from the federal funds appropriated in section 11, there is
21 allocated for ~~2007-2008-2008-2009~~ an amount estimated at
22 ~~\$3,250,000.00~~ **\$2,700,000.00**.

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

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

1 shall explore options for providing rigorous civics curricula
2 online.

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

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

9 (d) Grant high school diplomas through a dual enrollment
10 method with districts.

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

15 **(F) MAINTAIN THE ACCREDITATION STATUS OF THE MICHIGAN VIRTUAL**
16 **HIGH SCHOOL FROM RECOGNIZED NATIONAL AND INTERNATIONAL ACCREDITING**
17 **ENTITIES.**

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

20 (a) Information technology courses.

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

23 (c) Courses and dual enrollment opportunities.

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

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

27 (f) Special interest courses.

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

3 (4) From the federal funds allocated in subsection (1), there
4 is allocated for ~~2007-2008-2008-2009~~ an amount estimated at
5 ~~\$2,250,000.00~~ **\$1,700,000.00** from DED-OESE, title II, improving
6 teacher quality funds for a grant to the Michigan virtual
7 university for the purpose of this subsection. The state education
8 agency shall sign a memorandum of understanding with the Michigan
9 virtual university regarding the DED-OESE, title II, improving
10 teacher quality funds as provided under this subsection. The
11 memorandum of understanding under this subsection shall require
12 that the Michigan virtual university coordinate the following
13 activities related to DED-OESE, title II, improving teacher quality
14 funds in accordance with federal law:

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

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

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

27 (d) Offer teachers opportunities to learn new skills and

1 strategies for developing and delivering instructional services.

2 (e) Provide online professional development opportunities for
3 educators to update and expand knowledge and skills needed to
4 support the Michigan merit curriculum core content standards and
5 credit requirements.

6 (5) The Michigan virtual university shall offer at least 200
7 hours of online professional development for classroom teachers
8 under this section each fiscal year beginning in 2006-2007 without
9 charge to the teachers or to districts or intermediate districts. A
10 district or intermediate district may require a full-time teacher
11 to participate in at least 5 hours of online professional
12 development provided by the Michigan virtual university under
13 subsection (4). Five hours of this professional development shall
14 be considered to be part of the 38 hours allowed to be counted as
15 hours of pupil instruction under section 101(10).

16 (6) From the federal funds appropriated in subsection (1),
17 there is allocated for ~~2007-2008-2008-2009~~ an amount estimated at
18 \$1,000,000.00 from the DED-OESE, title II, educational technology
19 grant funds to support e-learning and virtual school initiatives
20 consistent with the goals contained in the United States national
21 educational technology plan issued in January 2005. **THESE FUNDS**
22 **SHALL BE USED TO SUPPORT ACTIVITIES DESIGNED TO BUILD THE CAPACITY**
23 **OF THE MICHIGAN VIRTUAL UNIVERSITY AND SHALL NOT BE USED TO**
24 **SUPPLANT OTHER FUNDING.** Not later than November 30, ~~2007-2008~~, from
25 the funds allocated in this subsection, the department shall award
26 a single grant of \$1,000,000.00 to a consortium or partnership
27 established by the Michigan virtual university that meets the

1 requirements of this subsection. To be eligible for this funding, a
2 consortium or partnership established by the Michigan virtual
3 university shall include at least 1 intermediate district and at
4 least 1 high-need local district. All of the following apply to
5 this funding:

6 (a) An eligible consortium or partnership must demonstrate the
7 following:

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

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

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

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

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

18 (vi) Demonstrated technical expertise and capacity in managing
19 complex technology systems.

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

22 (b) The Michigan virtual university, which operates the
23 Michigan virtual high school, shall perform the following tasks
24 related to this funding:

25 (i) **STRENGTHEN ITS CAPACITY BY PURSUING ACTIVITIES, POLICIES,**
26 **AND PRACTICES THAT INCREASE THE OVERALL NUMBER OF MICHIGAN VIRTUAL**
27 **HIGH SCHOOL COURSE ENROLLMENTS AND COURSE COMPLETIONS BY AT-RISK**

1 **STUDENTS.**

2 (ii) ~~(i)~~—Examine the curricular and specific course content
3 needs of middle and high school students in the areas of
4 mathematics and science.

5 (iii) ~~(ii)~~—Design, develop, and acquire online courses and
6 related supplemental resources aligned to state standards to create
7 a comprehensive and rigorous statewide catalog of online courses
8 and instructional services.

9 (iv) ~~(iii)~~—Conduct a demonstration pilot to promote new and
10 innovative online courses and instructional services.

11 (v) ~~(iv)~~—Evaluate existing online teaching and learning
12 practices and develop continuous improvement strategies to enhance
13 student achievement.

14 (vi) ~~(v)~~—Develop, support, and maintain the technology
15 infrastructure and related software required to deliver online
16 courses and instructional services to students statewide.

17 (7) From the state school aid fund allocation in subsection
18 (1), an amount not to exceed \$500,000.00 for ~~2007-2008-2008-2009~~
19 shall be awarded as a single grant to an intermediate district
20 working in partnership with the Michigan virtual high school for a
21 statewide license for "my dream explorer", a career exploration and
22 planning tool, to be made available to all pupils at no cost. **THE**
23 **MICHIGAN VIRTUAL HIGH SCHOOL SHALL WORK COLLABORATIVELY WITH THE**
24 **DEPARTMENT, THE PRESIDENTS COUNCIL OF STATE UNIVERSITIES OF**
25 **MICHIGAN, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, THE**
26 **ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES OF MICHIGAN,**
27 **AND THE APPROPRIATE K-12 EDUCATION ORGANIZATIONS TO DEVELOP A**

1 COMPREHENSIVE OUTREACH AND COMMUNICATIONS PLAN THAT PROVIDES
2 PARENTS AND STUDENTS WITH ACCESS TO ONLINE RESOURCES DESIGNED TO
3 INCREASE POSTSECONDARY ENROLLMENTS AND PROVIDE CURRENT INFORMATION
4 RELATED TO CAREER PLANNING, COLLEGE SELECTION, FINANCIAL AID, AND
5 DUAL ENROLLMENT OPPORTUNITIES.

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

12 (9) NOT LATER THAN DECEMBER 1, 2008, THE MICHIGAN VIRTUAL
13 UNIVERSITY SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE
14 APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET
15 DIRECTOR, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE DEPARTMENT
16 THAT INCLUDES AT LEAST ALL OF THE FOLLOWING INFORMATION RELATED TO
17 THE MICHIGAN VIRTUAL HIGH SCHOOL FOR THE PRECEDING STATE FISCAL
18 YEAR:

19 (A) A LIST OF THE MICHIGAN SCHOOLS SERVED BY THE MICHIGAN
20 VIRTUAL HIGH SCHOOL.

21 (B) A LIST OF ONLINE COURSE TITLES AVAILABLE TO MICHIGAN
22 SCHOOLS.

23 (C) THE TOTAL NUMBER OF ONLINE COURSE ENROLLMENTS AND
24 INFORMATION ON REGISTRATIONS AND COMPLETIONS BY COURSE.

25 (D) THE OVERALL COURSE COMPLETION RATE PERCENTAGE.

26 (E) A SUMMARY OF DED-OESE TITLE IIA, TEACHER QUALITY GRANT AND
27 DED-OESE TITLE IID, EDUCATION TECHNOLOGY GRANT EXPENDITURES.

1 (F) IDENTIFICATION OF UNMET EDUCATIONAL NEEDS THAT COULD BE
2 ADDRESSED BY THE MICHIGAN VIRTUAL HIGH SCHOOL.

3 (G) THE TOTAL NUMBER OF ACTIVE USERS OF "MY DREAM EXPLORER"
4 FUNDED UNDER SUBSECTION (7).

5 (10) ~~(9)~~—As used in this section:

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

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

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

12 SEC. 98D. FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION
13 11, THERE IS ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED
14 \$100.00 FOR WEB-BASED PRACTICE ASSESSMENTS. THE DEPARTMENT SHALL
15 CONTRACT FOR A WEB-BASED PRACTICE ASSESSMENT AND CLASSROOM
16 REMEDIATION PROGRAM THAT INCLUDES READING, MATHEMATICS, SOCIAL
17 STUDIES, AND SCIENCE AND MAY BE USED BY UP TO 250,000 PUPILS IN
18 GRADES 6, 7, AND 8. ADDITIONALLY, THE PROGRAM SHALL INCLUDE A PILOT
19 WRITING PRACTICE ASSESSMENT. THE CONTRACT SHALL ENSURE THAT THE
20 PROGRAM MEETS ALL OF THE FOLLOWING:

21 (A) HAS THE ABILITY TO REGISTER PUPILS ONLINE.

22 (B) IS ACCESSIBLE OVER THE INTERNET.

23 (C) PROVIDES TEST RESULTS IMMEDIATELY UPON COMPLETION OF THE
24 TEST.

25 (D) PROVIDES REMEDIAL SERVICE BY LINKING TO TEXTBOOKS IN THE
26 CLASSROOM.

27 (E) SUBJECT TO FEDERAL PRIVACY LAW, PROVIDES RESULTS THAT ARE

1 REPORTED TO THE DISTRICT SUPERINTENDENT, THE SCHOOL PRINCIPAL,
2 PARENTS, PUPILS, THE DEPARTMENT, AND THE TEACHER TRAINING
3 INSTITUTIONS OF THIS STATE AND THAT ARE TRACKED BY PUPIL,
4 CLASSROOM, SCHOOL, AND DISTRICT.

5 Sec. 99. (1) From the state school aid fund money appropriated
6 in section 11, there is allocated an amount not to exceed
7 \$3,390,000.00 for ~~2007-2008-2008-2009~~ and from the general fund
8 appropriation in section 11, there is allocated an amount not to
9 exceed \$110,000.00 for ~~2007-2008-2008-2009~~ for implementing the
10 comprehensive master plan for mathematics and science centers
11 developed by the department and approved by the state board, and
12 for other purposes as described in this section. In addition, from
13 the federal funds appropriated in section 11, there is allocated
14 for ~~2007-2008-2008-2009~~ an amount estimated at ~~\$4,456,000.00~~
15 \$5,249,300.00 from DED-OESE, title II, mathematics and science
16 partnership grants.

17 (2) Within a service area designated locally, approved by the
18 department, and consistent with the master plan described in
19 subsection (1), an established mathematics and science center shall
20 address 2 or more of the following 6 basic services, as described
21 in the master plan, to constituent districts and communities:
22 leadership, pupil services, curriculum support, community
23 involvement, professional development, and resource clearinghouse
24 services.

25 (3) The department shall not award a state grant under this
26 section to more than 1 mathematics and science center located in a
27 designated region as prescribed in the 2007 master plan unless each

1 of the grants serves a distinct target population or provides a
2 service that does not duplicate another program in the designated
3 region.

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

9 (5) Allocations under this section to support the activities
10 and programs of mathematics and science centers shall be continuing
11 support grants to all 33 established mathematics and science
12 centers. Each established mathematics and science center that was
13 funded in ~~2006-2007~~**2007-2008** shall receive state funding in an
14 amount equal to 100% of the amount it was allocated under this
15 subsection for ~~2006-2007~~**2007-2008**. If a center declines state
16 funding or a center closes, the remaining money available under
17 this section shall be distributed ~~on a pro-rata basis~~ to the
18 remaining centers, as determined by the department.

19 (6) From the funds allocated in subsection (1), there is
20 allocated for ~~2007-2008~~**2008-2009** an amount not to exceed
21 \$1,000,000.00 in a form and manner determined by the department to
22 those centers able to provide curriculum and professional
23 development support to assist districts in implementing the
24 Michigan merit curriculum components for mathematics and science.
25 Funding under this subsection is in addition to funding allocated
26 under subsection (5).

27 (7) In order to receive state funds under this section, a

1 grant recipient shall allow access for the department or the
2 department's designee to audit all records related to the program
3 for which it receives such funds. The grant recipient shall
4 reimburse the state for all disallowances found in the audit.

5 (8) Not later than September 30, ~~2008~~2013, the department
6 shall reevaluate and update the comprehensive master plan described
7 in subsection (1).

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

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

15 (11) As used in this section:

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

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

19 Sec. 99c. (1) From the state school aid fund money
20 appropriated in section 11, there is allocated an amount not to
21 exceed ~~\$0.00 for 2007-2008~~ \$3,725,000.00 FOR 2008-2009 for payments
22 to districts under this section for the middle school mathematics
23 initiative **GRANTS UNDER THIS SECTION.**

24 **(2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS**
25 **ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR GRANTS TO**
26 **INTERMEDIATE DISTRICTS FOR ALGEBRA I RECOVERY PILOT PROGRAMS. A**
27 **PILOT PROGRAM UNDER THIS SECTION SHALL BE DESIGNED to achieve the**

1 ~~middle school~~ **ALGEBRA I** mathematics standards and benchmarks
2 adopted by the state board **AND TO ASSIST PUPILS TO MEET THE STATE**
3 **HIGH SCHOOL GRADUATION REQUIREMENTS FOR MATHEMATICS.**

4 (3) ~~(2)~~ The amount of the **GRANT** payment to each **INTERMEDIATE**
5 district **THAT RECEIVES A GRANT UNDER SUBSECTION (2)** for ~~2006-2007~~
6 ~~2008-2009~~ shall be an ~~equal~~ amount **EQUAL TO \$5.00** per pupil for
7 each pupil actually enrolled and attending school in ~~the district~~
8 ~~in grades 6 to 8. Payments to a district under this section for~~
9 ~~subsequent fiscal years shall be as described in subsection (4)~~ **A**
10 **DISTRICT LOCATED WITHIN THE INTERMEDIATE DISTRICT, UP TO A MAXIMUM**
11 **TOTAL GRANT OF \$1,000,000.00. THE DEPARTMENT SHALL AWARD GRANTS FOR**
12 **PILOT PROGRAMS UNDER SUBSECTION (2) TO INTERMEDIATE DISTRICTS ON A**
13 **FIRST-COME, FIRST-SERVED BASIS. TO BE ELIGIBLE FOR A GRANT UNDER**
14 **SUBSECTION (2), A PILOT PROGRAM SHALL MEET ALL OF THE FOLLOWING:**

15 (A) SHALL PROVIDE LOCAL FUNDING FOR THE PILOT PROGRAM IN AN
16 AMOUNT AT LEAST EQUAL TO 1/3 OF THE AMOUNT OF THE GRANT. AN
17 INTERMEDIATE DISTRICT MAY COUNT THE VALUE OF IN-KIND SERVICES
18 TOWARD MEETING THIS LOCAL MATCH REQUIREMENT.

19 (B) SHALL BE CONDUCTED BY THE INTERMEDIATE DISTRICT IN
20 COOPERATION WITH AT LEAST 1 OTHER ENTITY, WHICH MAY INCLUDE, BUT IS
21 NOT LIMITED TO, ANOTHER INTERMEDIATE DISTRICT, A DISTRICT, A
22 COMMUNITY COLLEGE, A STATE UNIVERSITY, A MATHEMATICS AND SCIENCE
23 CENTER, OR THE MICHIGAN VIRTUAL UNIVERSITY.

24 (C) SHALL BE DESIGNED TO ACHIEVE THE ALGEBRA I MATHEMATICS
25 STANDARDS AND BENCHMARKS ADOPTED BY THE STATE BOARD AND TO ASSIST
26 PUPILS TO MEET THE STATE HIGH SCHOOL GRADUATION REQUIREMENTS FOR
27 MATHEMATICS.

1 (4) AN INTERMEDIATE DISTRICT RECEIVING A GRANT UNDER
2 SUBSECTION (2) SHALL SUBMIT AN ANNUAL EVALUATION REPORT TO THE
3 DEPARTMENT, IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.
4 THE REPORT SHALL INCLUDE AT LEAST A DETAILED DESCRIPTION OF EACH OF
5 THE PROGRAMS OPERATED UNDER THE PILOT PROGRAM AND ON THE OUTCOMES
6 ACHIEVED BY PUPILS IN THE PILOT PROGRAMS.

7 (5) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS
8 ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$725,000.00 FOR
9 PILOT GRANTS TO MATHEMATICS AND SCIENCE CENTERS FUNDED UNDER
10 SECTION 99 THAT ARE SELECTED BY THE MATHEMATICS AND SCIENCE NETWORK
11 IN CONJUNCTION WITH THE MICHIGAN VIRTUAL UNIVERSITY TO DEVELOP AND
12 IMPLEMENT PILOT PROGRAMS FOR AFTER-SCHOOL AND SUMMER MATHEMATICS
13 FOR EIGHTH GRADE STUDENTS, TO BE MADE AVAILABLE TO UP TO 5,000
14 EIGHTH GRADE STUDENTS IN THIS STATE WHO HAVE EXPERIENCED ACADEMIC
15 DIFFICULTY IN MATHEMATICS. THE PILOT PROGRAMS SHALL MAKE USE OF
16 HIGHLY QUALIFIED ONLINE MATHEMATICS COACHES AND TUTORS, ALONG WITH
17 A ROBUST ONLINE DIAGNOSTIC TOOL AND SHALL PRESENT ENGAGING,
18 RESEARCH-BASED PRESCRIPTIVE MULTIMEDIA CONTENT. THE GOALS OF THE
19 PILOT PROGRAMS SHALL BE TO DO AT LEAST ALL OF THE FOLLOWING:

20 (A) EXPAND ACCESS TO ENGAGING ONLINE TEACHING AND LEARNING
21 RESOURCES IN MATHEMATICS.

22 (B) PROVIDE STUDENTS WITH ALTERNATIVE LEARNING OPTIONS THAT
23 ARE RELEVANT AND ENGAGING.

24 (C) IMPROVE THE LIKELIHOOD OF STUDENT SUCCESS WITH THE
25 MICHIGAN HIGH SCHOOL GRADUATION REQUIREMENTS IN MATHEMATICS.

26 (6) GRANT FUNDS AWARDED UNDER THIS SECTION ARE INTENDED TO BE
27 FOR THE FIRST YEAR OF 3 YEARS OF FUNDING.

1 (7) **NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**
2 **MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.**

3 (8) ~~(3)~~—A district shall use funds received under this section
4 **BEFORE 2007-2008** for activities and efforts designed to improve
5 pupil performance in mathematics. However, if a district has
6 carried forward unexpended funds received under this section into
7 ~~2007-2008-2008-2009~~, the district may use those unexpended funds
8 for any purpose.

9 Sec. 99e. (1) From the funds appropriated in section 11, there
10 is allocated the amount of ~~\$125,000.00 for 2007-2008~~ **\$250,000.00**
11 **FOR 2008-2009** to a district that meets all of the following
12 requirements:

13 (a) The district's membership increased by at least 20%
14 between 2004-2005 and 2005-2006.

15 (b) At least 60% of the pupils in the district were eligible
16 for free or reduced lunch for 2005-2006.

17 (c) The district levies at least 10 mills for the purpose of
18 debt retirement.

19 (d) The district had an emergency financial manager in place
20 during 2004-2005.

21 (2) The funds allocated under subsection (1) shall be used to
22 supplement the district's operational funds as compensation for
23 having received a reduced foundation allowance due to proration
24 while having had an emergency financial manager in place.

25 (3) The funds appropriated in this section shall be awarded
26 for 3 consecutive years beginning with 2006-2007 in a form and
27 manner approved by the department.

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

3 SEC. 99H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
4 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2008-2009 FOR
5 COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS IN HIGH SCHOOL
6 WITH EXPANDED OPPORTUNITIES TO IMPROVE MATHEMATICS, SCIENCE, AND
7 TECHNOLOGY SKILLS BY PARTICIPATING IN EVENTS HOSTED BY A SCIENCE
8 AND TECHNOLOGY DEVELOPMENT PROGRAM KNOWN AS FIRST (FOR INSPIRATION
9 AND RECOGNITION OF SCIENCE AND TECHNOLOGY) ROBOTICS COMPETITION.

10 (2) A DISTRICT APPLYING FOR A GRANT SHALL SUBMIT AN
11 APPLICATION TO THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY
12 THE DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL
13 DEMONSTRATE IN ITS APPLICATION THAT THE DISTRICT HAS ESTABLISHED A
14 PARTNERSHIP FOR THE PURPOSES OF THE PROGRAM WITH AT LEAST 1
15 SPONSOR, BUSINESS ENTITY, HIGHER EDUCATION INSTITUTION, OR
16 TECHNICAL SCHOOL.

17 (3) EACH GRANT RECIPIENT SHALL PROVIDE A LOCAL MATCH FROM
18 PRIVATE OR LOCAL FUNDS FOR THE FUNDS RECEIVED UNDER THIS SECTION.
19 THE AMOUNT OF THE LOCAL MATCH SHALL BE AT LEAST EQUAL TO 50% OF THE
20 COSTS OF PARTICIPATING IN AN EVENT.

21 (4) GRANT AWARDS SHALL BE MADE IN A MANNER DETERMINED BY THE
22 DEPARTMENT. HOWEVER, THE DEPARTMENT SHALL SET MAXIMUM GRANT AMOUNTS
23 IN A MANNER THAT MAXIMIZES THE NUMBER OF HIGH SCHOOLS THAT WILL BE
24 ABLE TO PARTICIPATE.

25 (5) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED FOR EVENT
26 REGISTRATIONS, MATERIALS, TRAVEL COSTS, AND OTHER EXPENSES
27 ASSOCIATED WITH THE PREPARATION FOR AND ATTENDANCE AT FIRST

1 **ROBOTICS COMPETITIONS.**

2 **(6) NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE**
3 **DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED**
4 **BY THE DEPARTMENT.**

5 Sec. 99i. (1) From the funds appropriated in section 11, there
6 is allocated the amount of \$300,000.00 for ~~2007-2008~~**2008-2009** to a
7 district that meets all of the following requirements:

8 (a) The district's membership is greater than 9,000 pupils.

9 (b) At least 60% of the pupils in the district were eligible
10 for free or reduced lunch for 2005-2006.

11 (c) The district's foundation allowance for 2006-2007 was less
12 than \$7,310.00.

13 (2) Funds allocated to a district under this section shall be
14 used to expand the school-based crisis intervention project that
15 received funds in 2005-2006 under section 304 of 2005 PA 147.

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

18 Sec. 99j. (1) From the funds appropriated in section 11, there
19 is allocated an amount not to exceed ~~\$500,000.00~~**\$1,500,000.00 FOR**
20 **2008-2009** for pilot programs as provided for under this section.

21 (2) From the funds allocated under subsection (1), the
22 department shall award ~~\$350,000.00~~**\$1,050,000.00 FOR 2008-2009** for
23 demonstration projects in science and math instruction. The
24 projects shall showcase differentiated instruction and the
25 integration of technology as a learning tool. These funds shall be
26 allocated to a district that meets all of the following:

27 (a) The district is located in a county that includes a

1 district that is a school district of the first class.

2 (b) The district had a 2006 taxable value per pupil for
3 property that is not a principal residence or qualified
4 agricultural property of less than \$100,000.00.

5 (c) The district had a 2006-2007 pupil membership greater than
6 8,500 and less than 9,000.

7 (3) From the funds allocated under subsection (1), the
8 department shall award ~~\$150,000.00~~ **\$450,000.00 FOR 2008-2009** for
9 initiatives to increase opportunities for academically talented
10 students, to implement a districtwide improvement initiative, and
11 to implement positive behavior support programs. These funds shall
12 be allocated to a district that meets all of the following:

13 (a) The district is located in a county that includes a
14 district that is a school district of the first class.

15 (b) The district had a 2006 taxable value per pupil for
16 property that is not a principal residence or qualified
17 agricultural property of less than \$100,000.00.

18 (c) The district had a 2006-2007 pupil membership greater than
19 1,000 and less than 1,500.

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

22 (5) As used in this section, "principal residence" and
23 "qualified agricultural property" mean those terms as defined in
24 section 1211 of the revised school code, MCL 380.1211.

25 Sec. 99k. (1) From the funds appropriated in section 11, there
26 is allocated an amount not to exceed ~~\$1,950,000.00 for 2007-2008~~
27 **\$2,150,000.00 FOR 2008-2009** for payments to districts under this

1 section.

2 (2) From the allocation under subsection (1), there is
3 allocated the amount of \$250,000.00 for ~~2007-2008 only~~ **2008-2009** to
4 a district that levied 4.87 mills in 1993 to finance an operating
5 deficit.

6 (3) From the allocation under subsection (1), there is
7 allocated the amount of \$400,000.00 for ~~2007-2008 only~~ **2008-2009** to
8 a district in which 4.91 mills levied in 1992 for school operating
9 purposes in the 1992-1993 school year were not renewed in 1993 for
10 school operating purposes in the 1993-1994 school year.

11 (4) From the allocation under subsection (1), there is
12 allocated the amount of \$400,000.00 for ~~2007-2008 only~~ **2008-2009** to
13 a district that levied 1.8 mills in 1993 to finance an operating
14 deficit.

15 (5) From the allocation under subsection (1), there is
16 allocated the amount of \$900,000.00 for 2007-2008 only to a
17 district that meets all of the following:

18 (a) The district is located in a county that includes a
19 district that is a school district of the first class.

20 (b) The district had a 2006 taxable value per pupil for
21 property that is not a principal residence or qualified
22 agricultural property of less than \$100,000.00.

23 (c) The district had a 2006-2007 pupil membership greater than
24 3,500 and less than 4,500.

25 (d) The district had a 2005-2006 operating deficit, as
26 determined by the department, greater than 10%.

27 **(6) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS**

1 ALLOCATED AN AMOUNT NOT TO EXCEED \$200,000.00 FOR 2008-2009 FOR A
2 DISTRICT THAT IS LOCATED IN THE UPPER PENINSULA AND HAS HAD AN
3 OPERATING DEFICIT FOR AT LEAST 8 OF THE LAST 10 YEARS.

4 (7) ~~(6)~~ Notwithstanding section 17b, payments under this
5 section may be made pursuant to an agreement with the department.

6 (8) ~~(7)~~ As used in this section, "principal residence" and
7 "qualified agricultural property" mean those terms as defined in
8 section 1211 of the revised school code, MCL 380.1211.

9 SEC. 99M. FROM THE APPROPRIATION IN SECTION 11, THERE IS
10 ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 FOR 2008-2009 TO
11 WAYNE STATE UNIVERSITY FOR THE SCIENCE, ENGINEERING, MATHEMATICS,
12 AEROSPACE ACADEMY (SEMAA) PROGRAM. THE UNIVERSITY SHALL MAKE THIS
13 PROGRAM AVAILABLE AT NO COST TO ALL PUPILS IN KINDERGARTEN TO GRADE
14 12.

15 Sec. 99n. (1) ~~It is the intent of the legislature to fund for~~
16 ~~2008-2009~~ FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED
17 AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2008-2009 FOR competitive
18 grants to districts or intermediate districts that enter into
19 cooperative arrangements with a community college to establish
20 programs to allow pupils to earn community college credit while
21 enrolled in middle school or high school.

22 (2) It is the intent of the legislature that a district that
23 formerly operated a community college program and that ceased to
24 operate that program after 1995 shall be merged with a community
25 college district located in a city with a population of more than
26 750,000.

27 (3) A DISTRICT OR INTERMEDIATE DISTRICT APPLYING FOR A GRANT

1 SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT IN A FORM AND MANNER
2 DETERMINED BY THE DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A
3 DISTRICT OR INTERMEDIATE DISTRICT SHALL DEMONSTRATE IN ITS
4 APPLICATION THAT THE DISTRICT OR INTERMEDIATE DISTRICT HAS ENTERED
5 INTO A COOPERATIVE ARRANGEMENT WITH A COMMUNITY COLLEGE TO
6 ESTABLISH A PROGRAM TO ALLOW PUPILS TO COMPLETE, AT NO COST TO THE
7 PUPILS, COMMUNITY COLLEGE COURSES AND EARN COMMUNITY COLLEGE CREDIT
8 WHILE ENROLLED IN MIDDLE SCHOOL OR HIGH SCHOOL. A PROGRAM MAY
9 INCLUDE, BUT IS NOT LIMITED TO, ARRANGEMENTS FOR PUPILS TO COMPLETE
10 COURSES AT THE COMMUNITY COLLEGE, AT THE DISTRICT DURING REGULAR
11 SCHOOL HOURS, OR AT THE DISTRICT OUTSIDE REGULAR SCHOOL HOURS.

12 (4) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), GRANT
13 AWARDS SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT.
14 HOWEVER, THE AMOUNT OF A GRANT TO A DISTRICT OR INTERMEDIATE
15 DISTRICT SHALL NOT EXCEED \$250,000.00 AND THE DEPARTMENT MAY SET
16 GRANT AMOUNTS IN A MANNER THAT MAXIMIZES THE NUMBER OF DISTRICTS
17 AND INTERMEDIATE DISTRICTS THAT WILL BE ABLE TO EFFECTIVELY
18 PARTICIPATE. THE DEPARTMENT SHALL AWARD GRANTS BASED ON THE
19 PROGRAM'S POTENTIAL TO BENEFIT THE MOST PUPILS.

20 (5) FROM THE MONEY ALLOCATED UNDER THIS SECTION, THE
21 DEPARTMENT SHALL AWARD A GRANT OF \$250,000.00 TO A DISTRICT THAT
22 FORMERLY OPERATED A COMMUNITY COLLEGE PROGRAM AND THAT CEASED TO
23 OPERATE THAT PROGRAM AFTER 1995.

24 (6) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED FOR PROGRAM
25 DEVELOPMENT, TUITION COSTS, OR OTHER EXPENSES ASSOCIATED WITH THE
26 DELIVERY AND COMPLETION OF COMMUNITY COLLEGE COURSES.

27 (7) NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE

1 DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED
2 BY THE DEPARTMENT.

3 SEC. 99o. FROM THE APPROPRIATION IN SECTION 11, THERE IS
4 ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$300,000.00 FOR
5 GRANTS TO DISTRICTS FOR THE COMMUNITIES IN SCHOOLS PROGRAM.

6 Sec. 99p. (1) From the appropriation in section 11, there is
7 allocated an amount not to exceed ~~\$100,000.00 for 2007-2008~~
8 \$800,000.00 FOR 2008-2009 for competitive grants to districts for
9 programs that provide pupils with access to cultural, art, or music
10 resources and experiences that are available in the community and
11 that may promote reading, literacy, and communications skills among
12 pupils.

13 (2) A district applying for a grant shall submit an
14 application to the department in a form and manner determined by
15 the department. To be eligible for a grant, a district shall
16 demonstrate in its application that at least 50% of the pupils in
17 membership in the district met the income eligibility criteria for
18 free breakfast, lunch, or milk, as determined under the Richard B.
19 Russell national school lunch act and as reported to the department
20 by October 31 of the immediately preceding fiscal year and adjusted
21 not later than December 31 of the immediately preceding fiscal
22 year.

23 (3) Grant awards shall be made in a manner determined by the
24 department. However, the department may set maximum grant amounts
25 in a manner that maximizes the number of pupils that will be able
26 to participate.

27 (4) Notwithstanding section 17b, payments to eligible

1 districts under this section shall be paid on a schedule determined
2 by the department.

3 SEC. 99Q. FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION
4 11, THE DEPARTMENT SHALL AWARD A GRANT OF \$100.00 TO A FOUNDATION
5 THAT HAS ALREADY RECEIVED A PLANNING GRANT FROM THE DEPARTMENT FOR
6 A PUBLIC SCHOOL ACADEMY THAT IS A BOARDING SCHOOL WITH A MARITIME
7 FOCUS AND IS LOCATED IN A DISTRICT OF THE FIRST CLASS.

8 SEC. 99R. FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION
9 11, THERE IS ALLOCATED \$100.00 FOR JUNIOR ACHIEVEMENT PROGRAMS. TO
10 RECEIVE FUNDS ALLOCATED UNDER THIS SECTION, A LOCAL PROGRAM MUST
11 MATCH THE AMOUNT OF THOSE FUNDS WITH FUNDS RAISED LOCALLY BY JUNIOR
12 ACHIEVEMENT. THIS FUNDING SHALL BE USED TO PROVIDE A SCHOOL-BASED
13 CURRICULUM AND YOUTH PROGRAMS FOCUSING ON ENTREPRENEURSHIP, WORK-
14 READINESS SKILLS, AND FINANCIAL LITERACY FOR ELEMENTARY, MIDDLE,
15 AND HIGH SCHOOL. THE INTENT OF THIS FUNDING IS TO MAKE THESE
16 PROGRAMS AVAILABLE TO 1,000 CLASSROOMS OR UP TO 22,000 PUPILS.

17 Sec. 104. (1) From the state school aid fund money
18 appropriated in section 11, there is allocated for ~~2007-2008-2008-~~
19 ~~2009~~ an amount not to exceed ~~\$29,322,400.00~~ **\$28,872,800.00** for
20 payments on behalf of districts for costs associated with complying
21 with sections 104a and 104b, sections **1278A, 1278B**, 1279, 1279g,
22 and 1280b of the revised school code, MCL **380.1278A, 380.1278B**,
23 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to
24 388.1086. In addition, from the federal funds appropriated in
25 section 11, there is allocated for ~~2007-2008-2008-2009~~ an amount
26 estimated at ~~\$5,477,600.00~~ **\$8,512,900.00**, funded from DED-OESE,
27 title VI, state assessments funds and DED-OSERS, section 504 of

1 part B of the individuals with disabilities education act, Public
2 Law 94-142, plus any carryover federal funds from previous year
3 appropriations, for the purposes of complying with the federal no
4 child left behind act of 2001, Public Law 107-110.

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

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

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

19 (5) **AS USED IN THIS SECTION:**

20 (A) **"DED" MEANS THE UNITED STATES DEPARTMENT OF EDUCATION.**

21 (B) **"DED-OESE" MEANS THE DED OFFICE OF ELEMENTARY AND
22 SECONDARY EDUCATION.**

23 (C) **"DED-OSERS" MEANS THE DED OFFICE OF SPECIAL EDUCATION AND
24 REHABILITATIVE SERVICES.**

25 Sec. 104b. (1) ~~Beginning in the 2006 calendar year, in~~ **IN**
26 order to receive state aid under this act, a district shall comply
27 with this section and shall administer the ~~state assessments under~~

1 ~~section 1279 or the Michigan merit examination to pupils in grade~~
2 ~~11, AND TO PUPILS IN GRADE 12 WHO DID NOT TAKE THE COMPLETE~~
3 ~~MICHIGAN MERIT EXAMINATION IN GRADE 11, as provided in this~~
4 ~~section. , as follows:~~

5 ~~—— (a) For pupils in grade 11 in the 2005-2006 school year, the~~
6 ~~provisions concerning state assessments under section 104a apply to~~
7 ~~all pupils in grade 11 and the Michigan merit examination shall be~~
8 ~~administered to a sample of pupils in grade 11 statewide, as~~
9 ~~identified by the department. The pupils to be included in this~~
10 ~~sample shall be determined by the department as the department~~
11 ~~determines necessary to seek the approval of the United States~~
12 ~~department of education to use the Michigan merit examination for~~
13 ~~the purposes of the federal no child left behind act of 2001,~~
14 ~~Public Law 107-110.~~

15 ~~—— (b) Subject to subdivision (c), for pupils in grade 11 in the~~
16 ~~2006-2007 school year and subsequent school years, the Michigan~~
17 ~~merit examination shall be offered to all pupils in grade 11.~~

18 ~~—— (c) If the United States department of education has not~~
19 ~~approved the use of the Michigan merit examination for the purposes~~
20 ~~of the federal no child left behind act of 2001, Public Law 107-~~
21 ~~110, by December 31, 2006, all of the following apply:~~

22 ~~—— (i) The provisions concerning state assessments under section~~
23 ~~104a shall continue to apply to all pupils in grade 11 until the~~
24 ~~next calendar year that begins after that approval occurs.~~

25 ~~—— (ii) The Michigan merit examination shall be offered to all~~
26 ~~pupils in grade 11 beginning in the next calendar year that begins~~
27 ~~after that approval occurs.~~

1 ~~—— (iii) If it is necessary as part of the process of continuing to~~
2 ~~seek the approval of the United States department of education to~~
3 ~~use the Michigan merit examination for the purposes of the federal~~
4 ~~no child left behind act of 2001, Public Law 107 110, the~~
5 ~~department may again provide for the administration of both the~~
6 ~~state assessments under section 104a and the Michigan merit~~
7 ~~examination to a sample of pupils in grade 11 statewide as~~
8 ~~described in subdivision (a).~~

9 ~~—— (2) The department shall take all steps necessary, including,~~
10 ~~but not limited to, conducting a content alignment study and~~
11 ~~statistical analyses, to obtain the approval of the United States~~
12 ~~department of education to use the Michigan merit examination for~~
13 ~~the purposes of the federal no child left behind act of 2001,~~
14 ~~Public Law 107 110, by not later than December 31, 2006 or as soon~~
15 ~~thereafter as possible.~~

16 (2) ~~(3)~~ For the purposes of this section, the department of
17 management and budget shall contract with 1 or more providers to
18 develop, supply, and score the Michigan merit examination. The
19 Michigan merit examination shall consist of all of the following:

20 (a) Assessment instruments that measure English language arts,
21 mathematics, reading, and science and are used by colleges and
22 universities in this state for entrance or placement purposes. **THIS**
23 **SHALL INCLUDE A WRITING COMPONENT IN WHICH THE PUPIL PRODUCES AN**
24 **EXTENDED WRITING SAMPLE. THE MICHIGAN MERIT EXAMINATION SHALL NOT**
25 **REQUIRE ANY OTHER EXTENDED WRITING SAMPLE.**

26 (b) One or more tests from 1 or more test developers that
27 assess a pupil's ability to apply **AT LEAST** reading and mathematics

1 skills in a manner that is intended to allow employers to use the
2 results in making employment decisions. **THE DEPARTMENT OF**
3 **MANAGEMENT AND BUDGET AND THE SUPERINTENDENT SHALL ENSURE THAT ANY**
4 **TEST OR TESTS SELECTED UNDER THIS SUBDIVISION HAVE ALL THE**
5 **COMPONENTS NECESSARY TO ALLOW A PUPIL TO BE ELIGIBLE TO RECEIVE THE**
6 **RESULTS OF A NATIONALLY RECOGNIZED EVALUATION OF WORKFORCE**
7 **READINESS IF THE PUPIL'S TEST PERFORMANCE IS ADEQUATE.**

8 (c) A social studies component.

9 (d) Any other component that is necessary to obtain the
10 approval of the United States department of education to use the
11 Michigan merit examination for the purposes of the federal no child
12 left behind act of 2001, Public Law 107-110.

13 (3) ~~(4)~~—In addition to all other requirements of this section,
14 all of the following apply to the Michigan merit examination:

15 (a) The department of management and budget and the
16 superintendent shall ensure that any contractor used for scoring
17 the Michigan merit examination supplies an individual report for
18 each pupil that will identify for the pupil's parents and teachers
19 whether the pupil met expectations or failed to meet expectations
20 for each standard, to allow the pupil's parents and teachers to
21 assess and remedy problems before the pupil moves to the next
22 grade.

23 (b) The department of management and budget and the
24 superintendent shall ensure that any contractor used for scoring,
25 developing, or processing the Michigan merit examination meets
26 quality management standards commonly used in the assessment
27 industry, including at least meeting level 2 of the capability

1 maturity model developed by the software engineering institute of
2 Carnegie Mellon university for the first year the Michigan merit
3 examination is offered to all grade 11 pupils and at least meeting
4 level 3 of the capability maturity model for subsequent years.

5 (c) The department of management and budget and the
6 superintendent shall ensure that any contract for scoring,
7 administering, or developing the Michigan merit examination
8 includes specific deadlines for all steps of the assessment
9 process, including, but not limited to, deadlines for the correct
10 testing materials to be supplied to schools and for the correct
11 results to be returned to schools, and includes penalties for
12 noncompliance with these deadlines.

13 (d) The superintendent shall ensure that the Michigan merit
14 examination meets all of the following:

15 (i) Is designed to test pupils on grade level content
16 expectations or course content expectations, as appropriate, in all
17 subjects tested.

18 (ii) Complies with requirements of the no child left behind act
19 of 2001, Public Law 107-110.

20 (iii) Is consistent with the code of fair testing practices in
21 education prepared by the joint committee on testing practices of
22 the American psychological association.

23 (iv) Is factually accurate. If the superintendent determines
24 that a question is not factually accurate and should be ~~removed~~
25 **EXCLUDED** from ~~an assessment instrument~~ **SCORING**, the state board and
26 the superintendent shall ensure that the question is ~~removed~~
27 **EXCLUDED** from ~~the assessment instrument~~ **SCORING**.

1 (4) ~~(5) Beginning with pupils completing grade 11 in 2006, a A~~
2 district shall include on each pupil's high school transcript all
3 of the following:

4 (a) For each high school graduate who has completed the
5 Michigan merit examination under this section, the pupil's scaled
6 score on each subject area component of the Michigan merit
7 examination.

8 (b) The number of school days the pupil was in attendance at
9 school each school year during high school and the total number of
10 school days in session for each of those school years.

11 (5) ~~(6)~~—The superintendent shall work with the provider or
12 providers of the Michigan merit examination to produce Michigan
13 merit examination subject area scores for each pupil participating
14 in the Michigan merit examination, including scaling and merging of
15 test items for the different subject area components. The
16 superintendent shall design and distribute to districts,
17 intermediate districts, and nonpublic schools a simple and concise
18 document that describes the scoring for each subject area and
19 indicates the scaled score ranges for each subject area.

20 (6) ~~(7)~~—The Michigan merit examination shall be administered
21 each year after March 1 and before June 1 to pupils in grade 11.
22 The superintendent shall ensure that the Michigan merit examination
23 is scored and the scores are returned to pupils, their parents or
24 legal guardians, and districts not later than the beginning of the
25 pupil's first semester of grade 12. The returned scores shall
26 indicate at least the pupil's scaled score for each subject area
27 component and the range of scaled scores for each subject area. In

1 reporting the scores to pupils, parents, and schools, the
2 superintendent shall provide standards-specific, meaningful, and
3 timely feedback on the pupil's performance on the Michigan merit
4 examination.

5 ~~—— (8) A pupil who does not qualify for a Michigan merit award
6 scholarship under the Michigan merit award scholarship act, 1999 PA
7 94, MCL 390.1451 to 390.1459, and who wants to repeat the Michigan
8 merit examination may repeat the Michigan merit examination in the
9 next school year on a designated testing date. The first time a
10 pupil repeats the Michigan merit examination under this subsection
11 shall be without charge to the pupil, but the pupil is responsible
12 for paying the cost of any subsequent repeat.~~

13 (7) A DISTRICT SHALL ADMINISTER THE COMPLETE MICHIGAN MERIT
14 EXAMINATION TO A PUPIL ONLY ONCE AND SHALL NOT ADMINISTER THE
15 COMPLETE MICHIGAN MERIT EXAMINATION TO THE SAME PUPIL MORE THAN
16 ONCE. IF A PUPIL DOES NOT TAKE THE COMPLETE MICHIGAN MERIT
17 EXAMINATION IN GRADE 11, THE DISTRICT SHALL ADMINISTER THE COMPLETE
18 MICHIGAN MERIT EXAMINATION TO THE PUPIL IN GRADE 12. IF A PUPIL
19 CHOOSES TO RETAKE THE COLLEGE ENTRANCE EXAMINATION COMPONENT OF THE
20 MICHIGAN MERIT EXAMINATION, THE PUPIL MAY DO SO THROUGH THE
21 PROVIDER AND THE COST OF THE RETAKE IS THE RESPONSIBILITY OF THE
22 PUPIL UNLESS ALL OF THE FOLLOWING ARE MET:

23 (A) THE PUPIL HAS TAKEN THE COMPLETE MICHIGAN MERIT
24 EXAMINATION.

25 (B) THE PUPIL DID NOT QUALIFY FOR A MICHIGAN PROMISE GRANT
26 UNDER SECTION 6 OF THE MICHIGAN PROMISE GRANT ACT, 2006 PA 479, MCL
27 390.1626, BASED ON THE PUPIL'S PERFORMANCE ON THE COMPLETE MICHIGAN

1 **MERIT EXAMINATION.**

2 (C) THE PUPIL MEETS THE INCOME ELIGIBILITY CRITERIA FOR FREE
3 BREAKFAST, LUNCH, OR MILK, AS DETERMINED UNDER THE RICHARD B.
4 RUSSELL NATIONAL SCHOOL LUNCH ACT.

5 (D) THE PUPIL HAS APPLIED TO THE PROVIDER OF THE COLLEGE
6 ENTRANCE EXAMINATION COMPONENT FOR A SCHOLARSHIP OR FEE WAIVER TO
7 COVER THE COST OF THE RETAKE AND THAT APPLICATION HAS BEEN DENIED.

8 (E) AFTER TAKING THE COMPLETE MICHIGAN MERIT EXAMINATION, THE
9 PUPIL HAS NOT ALREADY RECEIVED A FREE RETAKE OF THE COLLEGE
10 ENTRANCE EXAMINATION COMPONENT PAID FOR EITHER BY THIS STATE OR
11 THROUGH A SCHOLARSHIP OR FEE WAIVER BY THE PROVIDER.

12 (8) ~~(9)~~—The superintendent shall ensure that the length of the
13 Michigan merit examination and the combined total time necessary to
14 administer all of the components of the Michigan merit examination
15 are the shortest possible that will still maintain the degree of
16 reliability and validity of the Michigan merit examination results
17 determined necessary by the superintendent. The superintendent
18 shall ensure that the maximum total combined length of time that
19 schools are required to set aside for ~~administration of all of the~~
20 ~~components of~~ **PUPILS TO ANSWER ALL TEST QUESTIONS ON** the Michigan
21 merit examination does not exceed 8 hours **IF THE SUPERINTENDENT**
22 **DETERMINES THAT SUFFICIENT ALIGNMENT TO APPLICABLE MICHIGAN MERIT**
23 **CURRICULUM CONTENT STANDARDS CAN BE ACHIEVED WITHIN THAT TIME**
24 **LIMIT.**

25 (9) ~~(10)~~—A district shall provide accommodations to a pupil
26 with disabilities for the Michigan merit examination, as provided
27 under section 504 of title V of the rehabilitation act of 1973, 29

1 USC 794; subtitle A of title II of the Americans with disabilities
2 act of 1990, 42 USC 12131 to 12134; the individuals with
3 disabilities education act amendments of 1997, Public Law 105-17;
4 and the implementing regulations for those statutes. The provider
5 or providers of the Michigan merit examination and the
6 superintendent shall mutually agree upon the accommodations to be
7 provided under this subsection.

8 (10) ~~(11)~~—To the greatest extent possible, the Michigan merit
9 examination shall be based on grade level content expectations or
10 course content expectations, as appropriate. **NOT LATER THAN JULY 1,**
11 **2008, THE DEPARTMENT SHALL IDENTIFY SPECIFIC GRADE LEVEL CONTENT**
12 **EXPECTATIONS TO BE TAUGHT BEFORE AND AFTER THE MIDDLE OF GRADE 11,**
13 **SO THAT TEACHERS WILL KNOW WHAT CONTENT WILL BE COVERED WITHIN THE**
14 **MICHIGAN MERIT EXAMINATION.**

15 (11) ~~(12)~~—A child who is a student in a nonpublic school or
16 home school may take the Michigan merit examination under this
17 section. To take the Michigan merit examination, a child who is a
18 student in a home school shall contact the district in which the
19 child resides, and that district shall administer the Michigan
20 merit examination, or the child may take the Michigan merit
21 examination at a nonpublic school if allowed by the nonpublic
22 school. Upon request from a nonpublic school, the superintendent
23 shall direct the provider or providers to supply the Michigan merit
24 examination to the nonpublic school and the nonpublic school may
25 administer the Michigan merit examination. If a district
26 administers the Michigan merit examination under this subsection to
27 a child who is not enrolled in the district, the scores for that

1 child are not considered for any purpose to be scores of a pupil of
2 the district.

3 (12) ~~(13)~~—In contracting under subsection ~~(3)~~—(2), the
4 department of management and budget shall consider a contractor
5 that provides electronically-scored essays with the ability to
6 score constructed response feedback in multiple languages and
7 provide ongoing instruction and feedback.

8 (13) ~~(14)~~—The purpose of the Michigan merit examination is to
9 assess pupil performance in mathematics, science, social studies,
10 and English language arts for the purpose of improving academic
11 achievement and establishing a statewide standard of competency.
12 The assessment under this section provides a common measure of data
13 that will contribute to the improvement of Michigan schools'
14 curriculum and instruction by encouraging alignment with Michigan's
15 curriculum framework standards and promotes pupil participation in
16 higher level mathematics, science, social studies, and English
17 language arts courses. These standards are based upon the
18 expectations of what pupils should learn through high school and
19 are aligned with national standards.

20 (14) ~~(15)~~—As used in this section:

21 (a) "English language arts" means reading and writing.

22 (b) "Social studies" means United States history, world
23 history, world geography, economics, and American government.

24 Sec. 105. (1) In order to avoid a penalty under this section,
25 and in order to count a nonresident pupil residing within the same
26 intermediate district in membership without the approval of the
27 pupil's district of residence, a district shall comply with this

1 section.

2 (2) Except as otherwise provided in this section, a district
3 shall determine whether or not it will accept applications for
4 enrollment by nonresident applicants residing within the same
5 intermediate district for the next school year. If the district
6 determines to accept applications for enrollment of a number of
7 nonresidents, beyond those entitled to preference under this
8 section, the district shall use the following procedures for
9 accepting applications from and enrolling nonresidents:

10 (a) The district shall publish the grades, schools, and
11 special programs, if any, for which enrollment may be available to,
12 and for which applications will be accepted from, nonresident
13 applicants residing within the same intermediate district.

14 (b) If the district has a limited number of positions
15 available for nonresidents residing within the same intermediate
16 district in a grade, school, or program, all of the following apply
17 to accepting applications for and enrollment of nonresidents in
18 that grade, school, or program:

19 (i) The district shall do all of the following not later than
20 the second Friday in August:

21 (A) Provide notice to the general public that applications
22 will be taken for a ~~15-day~~ period **OF AT LEAST 15 CALENDAR DAYS BUT**
23 **NOT MORE THAN 30 CALENDAR DAYS** from nonresidents residing within
24 the same intermediate district for enrollment in that grade,
25 school, or program. The notice shall identify the ~~15-day~~ **DATES OF**
26 **THE APPLICATION** period and the place and manner for submitting
27 applications.

1 (B) During the application period under sub-subparagraph (A),
2 accept applications from nonresidents residing within the same
3 intermediate district for enrollment in that grade, school, or
4 program.

5 (C) Within 15 **CALENDAR** days after the end of the application
6 period under sub-subparagraph (A), using the procedures and
7 preferences required under this section, determine which
8 nonresident applicants will be allowed to enroll in that grade,
9 school, or program, using the random draw system required under
10 subsection (14) as necessary, and notify the parent or legal
11 guardian of each nonresident applicant of whether or not the
12 applicant may enroll in the district. The notification to parents
13 or legal guardians of nonresident applicants accepted for
14 enrollment shall contain notification of the date by which the
15 applicant must enroll in the district and procedures for
16 enrollment. **THE DATE FOR ENROLLMENT SHALL BE NO LATER THAN THE END**
17 **OF THE FIRST WEEK OF SCHOOL.**

18 (ii) Beginning on the third Monday in August and not later than
19 the end of the first week of school, if any positions become
20 available in a grade, school, or program due to accepted applicants
21 failing to enroll or to more positions being added, the district
22 may enroll nonresident applicants from the waiting list maintained
23 under subsection (14), offering enrollment in the order that
24 applicants appear on the waiting list. If there are still positions
25 available after enrolling all applicants from the waiting list who
26 desire to enroll, the district may not fill those positions until
27 the second semester **OR TRIMESTER** enrollment under subsection (3),

1 as provided under that subsection, or until the next school year.

2 (c) For a grade, school, or program that has an unlimited
3 number of positions available for nonresidents residing within the
4 same intermediate district, all of the following apply to
5 enrollment of nonresidents in that grade, school, or program:

6 (i) The district may accept applications for enrollment in that
7 grade, school, or program, and may enroll nonresidents residing
8 within the same intermediate district in that grade, school, or
9 program, until the end of the first week of school. The district
10 shall provide notice to the general public of the place and manner
11 for submitting applications and, if the district has a limited
12 application period, the notice shall include the dates of the
13 application period. The application period shall be at least a ~~15-~~
14 ~~day~~ **15-CALENDAR-DAY** period.

15 (ii) Not later than the end of the first week of school, the
16 district shall notify the parent or legal guardian of each
17 nonresident applicant who is accepted for enrollment that the
18 applicant has been accepted for enrollment in the grade, school, or
19 program and of ~~the date by which the applicant must enroll in the~~
20 ~~district and the~~ procedures for enrollment. **THE DATE FOR ENROLLMENT**
21 **SHALL BE NO LATER THAN THE END OF THE FIRST WEEK OF SCHOOL.**

22 (3) If a district determines during the first semester **OR**
23 **TRIMESTER** of a school year that it has positions available for
24 enrollment of a number of nonresidents residing within the same
25 intermediate district, beyond those entitled to preference under
26 this section, for the second semester **OR TRIMESTER** of the school
27 year, the district may accept applications from and enroll

1 nonresidents residing within the same intermediate district for the
2 second semester **OR TRIMESTER** using the following procedures:

3 (a) Not later than 2 weeks before the end of the first
4 semester **OR TRIMESTER**, the district shall publish the grades,
5 schools, and special programs, if any, for which enrollment for the
6 second semester **OR TRIMESTER** may be available to, and for which
7 applications will be accepted from, nonresident applicants residing
8 within the same intermediate district.

9 (b) During the last 2 weeks of the first semester **OR**
10 **TRIMESTER**, the district shall accept applications from nonresidents
11 residing within the same intermediate district for enrollment for
12 the second semester **OR TRIMESTER** in the available grades, schools,
13 and programs.

14 (c) By the beginning of the second semester **OR TRIMESTER**,
15 using the procedures and preferences required under this section,
16 the district shall determine which nonresident applicants will be
17 allowed to enroll in the district for the second semester **OR**
18 **TRIMESTER** and notify the parent or legal guardian of each
19 nonresident applicant residing within the same intermediate
20 district of whether or not the applicant may enroll in the
21 district. The notification to parents or legal guardians of
22 nonresident applicants accepted for enrollment shall contain
23 notification of the date by which the applicant must enroll in the
24 district and procedures for enrollment. **THE DATE FOR ENROLLMENT**
25 **SHALL BE NO LATER THAN THE END OF THE FIRST WEEK OF SCHOOL.**

26 (4) If deadlines similar to those described in subsection (2)
27 or (3) have been established in an intermediate district, and if

1 those deadlines are not later than the deadlines under subsection
2 (2) or (3), the districts within the intermediate district may use
3 those deadlines.

4 (5) A district offering to enroll nonresident applicants
5 residing within the same intermediate district may limit the number
6 of nonresident pupils it accepts in a grade, school, or program, at
7 its discretion, and may use that limit as the reason for refusal to
8 enroll an applicant.

9 (6) A nonresident applicant residing within the same
10 intermediate district shall not be granted or refused enrollment
11 based on intellectual, academic, artistic, or other ability,
12 talent, or accomplishment, or lack thereof, or based on a mental or
13 physical disability, except that a district may refuse to admit a
14 nonresident applicant if the applicant does not meet the same
15 criteria, other than residence, that an applicant who is a resident
16 of the district must meet to be accepted for enrollment in a grade
17 or a specialized, magnet, or intra-district choice school or
18 program to which the applicant applies.

19 (7) A nonresident applicant residing within the same
20 intermediate district shall not be granted or refused enrollment
21 based on age, except that a district may refuse to admit a
22 nonresident applicant applying for a program that is not
23 appropriate for the age of the applicant.

24 (8) A nonresident applicant residing within the same
25 intermediate district shall not be granted or refused enrollment
26 based upon religion, race, color, national origin, sex, height,
27 weight, marital status, or athletic ability, or, generally, in

1 violation of any state or federal law prohibiting discrimination.

2 (9) Subject to subsection (10), a district may refuse to
3 enroll a nonresident applicant if any of the following are met:

4 (a) The applicant is, or has been within the preceding 2
5 years, suspended from another school.

6 (b) The applicant, at any time before enrolling under this
7 section, has been expelled from another school.

8 (c) The applicant, at any time before enrolling under this
9 section, has been convicted of a felony.

10 (10) If a district has counted a pupil in membership on either
11 the pupil membership count day or the supplemental count day, the
12 district shall not refuse to enroll or refuse to continue to enroll
13 that pupil for a reason specified in subsection (9). This
14 subsection does not prohibit a district from expelling a pupil
15 described in this subsection for disciplinary reasons.

16 (11) A district shall continue to allow a pupil who was
17 enrolled in and attended the district under this section in the
18 school year or semester **OR TRIMESTER** immediately preceding the
19 school year or semester **OR TRIMESTER** in question to enroll in the
20 district until the pupil graduates from high school. This
21 subsection does not prohibit a district from expelling a pupil
22 described in this subsection for disciplinary reasons.

23 (12) A district shall give preference for enrollment under
24 this section over all other nonresident applicants residing within
25 the same intermediate district to other school-age children who
26 reside in the same household as a pupil described in subsection
27 (11).

1 (13) If a nonresident pupil was enrolled in and attending
2 school in a district as a nonresident pupil in the 1995-96 school
3 year and continues to be enrolled continuously each school year in
4 that district, the district shall allow that nonresident pupil to
5 continue to enroll in and attend school in the district until high
6 school graduation, without requiring the nonresident pupil to apply
7 for enrollment under this section. This subsection does not
8 prohibit a district from expelling a pupil described in this
9 subsection for disciplinary reasons.

10 (14) If the number of qualified nonresident applicants
11 eligible for acceptance in a school, grade, or program does not
12 exceed the positions available for nonresident pupils in the
13 school, grade, or program, the school district shall accept for
14 enrollment all of the qualified nonresident applicants eligible for
15 acceptance. If the number of qualified nonresident applicants
16 residing within the same intermediate district eligible for
17 acceptance exceeds the positions available in a grade, school, or
18 program in a district for nonresident pupils, the district shall
19 use a random draw system, subject to the need to abide by state and
20 federal antidiscrimination laws and court orders and subject to
21 preferences allowed by this section. The district shall develop and
22 maintain a waiting list based on the order in which nonresident
23 applicants were drawn under this random draw system.

24 (15) If a district, or the nonresident applicant, requests the
25 district in which a nonresident applicant resides to supply
26 information needed by the district for evaluating the applicant's
27 application for enrollment or for enrolling the applicant, the

1 district of residence shall provide that information on a timely
2 basis.

3 (16) If a district is subject to a court-ordered desegregation
4 plan, and if the court issues an order prohibiting pupils residing
5 in that district from enrolling in another district or prohibiting
6 pupils residing in another district from enrolling in that
7 district, this section is subject to the court order.

8 (17) This section does not require a district to provide
9 transportation for a nonresident pupil enrolled in the district
10 under this section or for a resident pupil enrolled in another
11 district under this section. However, at the time a nonresident
12 pupil enrolls in the district, a district shall provide to the
13 pupil's parent or legal guardian information on available
14 transportation to and from the school in which the pupil enrolls.

15 (18) A district may participate in a cooperative education
16 program with 1 or more other districts or intermediate districts
17 whether or not the district enrolls any nonresidents pursuant to
18 this section.

19 (19) A district that, pursuant to this section, enrolls a
20 nonresident pupil who is eligible for special education programs
21 and services according to statute or rule, or who is a child with
22 disabilities, as defined under the individuals with disabilities
23 education act, Public Law 108-446, shall be considered to be the
24 resident district of the pupil for the purpose of providing the
25 pupil with a free appropriate public education. Consistent with
26 state and federal law, that district is responsible for developing
27 and implementing an individualized education plan annually for a

1 nonresident pupil described in this subsection.

2 (20) If a district does not comply with this section, the
3 district forfeits 5% of the total state school aid allocation to
4 the district under this act.

5 (21) Upon application by a district, the superintendent may
6 grant a waiver for the district from a specific requirement under
7 this section for not more than 1 year.

8 Sec. 105c. (1) In order to avoid a penalty under this section,
9 and in order to count a nonresident pupil residing in a district
10 located in a contiguous intermediate district in membership without
11 the approval of the pupil's district of residence, a district shall
12 comply with this section.

13 (2) Except as otherwise provided in this section, a district
14 shall determine whether or not it will accept applications for
15 enrollment by nonresident applicants residing in a district located
16 in a contiguous intermediate district for the next school year. If
17 the district determines to accept applications for enrollment of a
18 number of nonresidents under this section, beyond those entitled to
19 preference under this section, the district shall use the following
20 procedures for accepting applications from and enrolling
21 nonresidents under this section:

22 (a) The district shall publish the grades, schools, and
23 special programs, if any, for which enrollment may be available to,
24 and for which applications will be accepted from, nonresident
25 applicants residing in a district located in a contiguous
26 intermediate district.

27 (b) If the district has a limited number of positions

1 available for nonresidents residing in a district located in a
2 contiguous intermediate district in a grade, school, or program,
3 all of the following apply to accepting applications for and
4 enrollment of nonresidents under this section in that grade,
5 school, or program:

6 (i) The district shall do all of the following not later than
7 the second Friday in August:

8 (A) Provide notice to the general public that applications
9 will be taken for a ~~15-day~~ period **OF AT LEAST 15 CALENDAR DAYS BUT**
10 **NOT MORE THAN 30 CALENDAR DAYS** from nonresidents residing in a
11 district located in a contiguous intermediate district for
12 enrollment in that grade, school, or program. The notice shall
13 identify the ~~15-day~~ **DATES OF THE APPLICATION** period and the place
14 and manner for submitting applications.

15 (B) During the application period under sub-subparagraph (A),
16 accept applications from nonresidents residing in a district
17 located in a contiguous intermediate district for enrollment in
18 that grade, school, or program.

19 (C) Within 15 **CALENDAR** days after the end of the application
20 period under sub-subparagraph (A), using the procedures and
21 preferences required under this section, determine which
22 nonresident applicants will be allowed to enroll under this section
23 in that grade, school, or program, using the random draw system
24 required under subsection (14) as necessary, and notify the parent
25 or legal guardian of each nonresident applicant of whether or not
26 the applicant may enroll in the district. The notification to
27 parents or legal guardians of nonresident applicants accepted for

1 enrollment under this section shall contain notification of the
2 date by which the applicant must enroll in the district and
3 procedures for enrollment. **THE DATE FOR ENROLLMENT SHALL BE NO**
4 **LATER THAN THE END OF THE FIRST WEEK OF SCHOOL.**

5 (ii) Beginning on the third Monday in August and not later than
6 the end of the first week of school, if any positions become
7 available in a grade, school, or program due to accepted applicants
8 failing to enroll or to more positions being added, the district
9 may enroll nonresident applicants from the waiting list maintained
10 under subsection (14), offering enrollment in the order that
11 applicants appear on the waiting list. If there are still positions
12 available after enrolling all applicants from the waiting list who
13 desire to enroll, the district may not fill those positions until
14 the second semester **OR TRIMESTER** enrollment under subsection (3),
15 as provided under that subsection, or until the next school year.

16 (c) For a grade, school, or program that has an unlimited
17 number of positions available for nonresidents residing in a
18 district located in a contiguous intermediate district, all of the
19 following apply to enrollment of nonresidents in that grade,
20 school, or program under this section:

21 (i) The district may accept applications for enrollment in that
22 grade, school, or program, and may enroll nonresidents residing in
23 a district located in a contiguous intermediate district in that
24 grade, school, or program, until the end of the first week of
25 school. The district shall provide notice to the general public of
26 the place and manner for submitting applications and, if the
27 district has a limited application period, the notice shall include

1 the dates of the application period. The application period shall
2 be at least a ~~15-day~~ **15-CALENDAR-DAY** period.

3 (ii) Not later than the end of the first week of school, the
4 district shall notify the parent or legal guardian of each
5 nonresident applicant who is accepted for enrollment under this
6 section that the applicant has been accepted for enrollment in the
7 grade, school, or program and of the date by which the applicant
8 must enroll in the district and the procedures for enrollment. **THE**
9 **DATE FOR ENROLLMENT SHALL BE NO LATER THAN THE END OF THE FIRST**
10 **WEEK OF SCHOOL.**

11 (3) If a district determines during the first semester **OR**
12 **TRIMESTER** of a school year that it has positions available for
13 enrollment of a number of nonresidents residing in a district
14 located in a contiguous intermediate district, beyond those
15 entitled to preference under this section, for the second semester
16 **OR TRIMESTER** of the school year, the district may accept
17 applications from and enroll nonresidents residing in a district
18 located in a contiguous intermediate district for the second
19 semester **OR TRIMESTER** using the following procedures:

20 (a) Not later than 2 weeks before the end of the first
21 semester **OR TRIMESTER**, the district shall publish the grades,
22 schools, and special programs, if any, for which enrollment for the
23 second semester **OR TRIMESTER** may be available to, and for which
24 applications will be accepted from, nonresident applicants residing
25 in a district located in a contiguous intermediate district.

26 (b) During the last 2 weeks of the first semester **OR**
27 **TRIMESTER**, the district shall accept applications from nonresidents

1 residing in a district located in a contiguous intermediate
2 district for enrollment for the second semester **OR TRIMESTER** in the
3 available grades, schools, and programs.

4 (c) By the beginning of the second semester **OR TRIMESTER**,
5 using the procedures and preferences required under this section,
6 the district shall determine which nonresident applicants will be
7 allowed to enroll under this section in the district for the second
8 semester **OR TRIMESTER** and notify the parent or legal guardian of
9 each nonresident applicant residing in a district located in a
10 contiguous intermediate district of whether or not the applicant
11 may enroll in the district. The notification to parents or legal
12 guardians of nonresident applicants accepted for enrollment shall
13 contain notification of the date by which the applicant must enroll
14 in the district and procedures for enrollment. **THE DATE FOR**
15 **ENROLLMENT SHALL BE NO LATER THAN THE END OF THE FIRST WEEK OF**
16 **SCHOOL.**

17 (4) If deadlines similar to those described in subsection (2)
18 or (3) have been established in an intermediate district, and if
19 those deadlines are not later than the deadlines under subsection
20 (2) or (3), the districts within the intermediate district may use
21 those deadlines.

22 (5) A district offering to enroll nonresident applicants
23 residing in a district located in a contiguous intermediate
24 district may limit the number of those nonresident pupils it
25 accepts in a grade, school, or program, at its discretion, and may
26 use that limit as the reason for refusal to enroll an applicant
27 under this section.

1 (6) A nonresident applicant residing in a district located in
2 a contiguous intermediate district shall not be granted or refused
3 enrollment based on intellectual, academic, artistic, or other
4 ability, talent, or accomplishment, or lack thereof, or based on a
5 mental or physical disability, except that a district may refuse to
6 admit a nonresident applicant under this section if the applicant
7 does not meet the same criteria, other than residence, that an
8 applicant who is a resident of the district must meet to be
9 accepted for enrollment in a grade or a specialized, magnet, or
10 intra-district choice school or program to which the applicant
11 applies.

12 (7) A nonresident applicant residing in a district located in
13 a contiguous intermediate district shall not be granted or refused
14 enrollment under this section based on age, except that a district
15 may refuse to admit a nonresident applicant applying for a program
16 that is not appropriate for the age of the applicant.

17 (8) A nonresident applicant residing in a district located in
18 a contiguous intermediate district shall not be granted or refused
19 enrollment under this section based upon religion, race, color,
20 national origin, sex, height, weight, marital status, or athletic
21 ability, or, generally, in violation of any state or federal law
22 prohibiting discrimination.

23 (9) Subject to subsection (10), a district may refuse to
24 enroll a nonresident applicant under this section if any of the
25 following are met:

26 (a) The applicant is, or has been within the preceding 2
27 years, suspended from another school.

1 (b) The applicant, at any time before enrolling under this
2 section, has been expelled from another school.

3 (c) The applicant, at any time before enrolling under this
4 section, has been convicted of a felony.

5 (10) If a district has counted a pupil in membership on either
6 the pupil membership count day or the supplemental count day, the
7 district shall not refuse to enroll or refuse to continue to enroll
8 that pupil for a reason specified in subsection (9). This
9 subsection does not prohibit a district from expelling a pupil
10 described in this subsection for disciplinary reasons.

11 (11) A district shall continue to allow a pupil who was
12 enrolled in and attended the district under this section in the
13 school year or semester **OR TRIMESTER** immediately preceding the
14 school year or semester **OR TRIMESTER** in question to enroll in the
15 district until the pupil graduates from high school. This
16 subsection does not prohibit a district from expelling a pupil
17 described in this subsection for disciplinary reasons.

18 (12) A district shall give preference for enrollment under
19 this section over all other nonresident applicants residing in a
20 district located in a contiguous intermediate district to other
21 school-age children who reside in the same household as a pupil
22 described in subsection (11).

23 (13) If a nonresident pupil was enrolled in and attending
24 school in a district as a nonresident pupil in the 1995-96 school
25 year and continues to be enrolled continuously each school year in
26 that district, the district shall allow that nonresident pupil to
27 continue to enroll in and attend school in the district until high

1 school graduation, without requiring the nonresident pupil to apply
2 for enrollment under this section. This subsection does not
3 prohibit a district from expelling a pupil described in this
4 subsection for disciplinary reasons.

5 (14) If the number of qualified nonresident applicants
6 eligible for acceptance under this section in a school, grade, or
7 program does not exceed the positions available for nonresident
8 pupils under this section in the school, grade, or program, the
9 school district shall accept for enrollment all of the qualified
10 nonresident applicants eligible for acceptance. If the number of
11 qualified nonresident applicants residing in a district located in
12 a contiguous intermediate district eligible for acceptance under
13 this section exceeds the positions available in a grade, school, or
14 program in a district for nonresident pupils, the district shall
15 use a random draw system, subject to the need to abide by state and
16 federal antidiscrimination laws and court orders and subject to
17 preferences allowed by this section. The district shall develop and
18 maintain a waiting list based on the order in which nonresident
19 applicants were drawn under this random draw system.

20 (15) If a district, or the nonresident applicant, requests the
21 district in which a nonresident applicant resides to supply
22 information needed by the district for evaluating the applicant's
23 application for enrollment or for enrolling the applicant under
24 this section, the district of residence shall provide that
25 information on a timely basis.

26 (16) If a district is subject to a court-ordered desegregation
27 plan, and if the court issues an order prohibiting pupils residing

1 in that district from enrolling in another district or prohibiting
2 pupils residing in another district from enrolling in that
3 district, this section is subject to the court order.

4 (17) This section does not require a district to provide
5 transportation for a nonresident pupil enrolled in the district
6 under this section or for a resident pupil enrolled in another
7 district under this section. However, at the time a nonresident
8 pupil enrolls in the district, a district shall provide to the
9 pupil's parent or legal guardian information on available
10 transportation to and from the school in which the pupil enrolls.

11 (18) A district may participate in a cooperative education
12 program with 1 or more other districts or intermediate districts
13 whether or not the district enrolls any nonresidents pursuant to
14 this section.

15 (19) In order for a district or intermediate district to
16 enroll pursuant to this section a nonresident pupil who resides in
17 a district located in a contiguous intermediate district and who is
18 eligible for special education programs and services according to
19 statute or rule, or who is a child with disabilities, as defined
20 under the individuals with disabilities education act, Public Law
21 108-446, the enrolling district shall have a written agreement with
22 the resident district of the pupil for the purpose of providing the
23 pupil with a free appropriate public education. The written
24 agreement shall include, but is not limited to, an agreement on the
25 responsibility for the payment of the added costs of special
26 education programs and services for the pupil. **THE WRITTEN**
27 **AGREEMENT SHALL ADDRESS HOW THE AGREEMENT SHALL BE AMENDED IN THE**

1 **EVENT OF SIGNIFICANT CHANGES IN THE COSTS OR LEVEL OF SPECIAL**
2 **EDUCATION PROGRAMS OR SERVICES REQUIRED BY THE PUPIL.**

3 (20) If a district does not comply with this section, the
4 district forfeits 5% of the total state school aid allocation to
5 the district under this act.

6 (21) Upon application by a district, the superintendent may
7 grant a waiver for the district from a specific requirement under
8 this section for not more than 1 year.

9 (22) This section is repealed if the final decision of a court
10 of competent jurisdiction holds that any portion of this section is
11 unconstitutional, ineffective, invalid, or in violation of federal
12 law.

13 (23) As used in this section, "district located in a
14 contiguous intermediate district" means a district located in an
15 intermediate district that is contiguous to the intermediate
16 district in which a pupil's district of residence is located.

17 Sec. 107. (1) From the appropriation in section 11, there is
18 allocated an amount not to exceed \$24,000,000.00 for ~~2007-2008~~
19 **2008-2009** for adult education programs authorized under this
20 section.

21 (2) To be eligible to be a participant funded under this
22 section, a person shall be enrolled in an adult basic education
23 program, an adult English as a second language program, a general
24 educational development (G.E.D.) test preparation program, a job or
25 employment related program, or a high school completion program,
26 that meets the requirements of this section, and shall meet either
27 of the following, as applicable:

1 (a) If the individual has obtained a high school diploma or a
2 general educational development (G.E.D.) certificate, the
3 individual meets 1 of the following:

4 (i) Is less than 20 years of age on September 1 of the school
5 year and is enrolled in the Michigan career and technical
6 institute.

7 (ii) Is less than 20 years of age on September 1 of the school
8 year, is not attending an institution of higher education, and is
9 enrolled in a job or employment-related program through a referral
10 by an employer.

11 (iii) Is enrolled in an English as a second language program.

12 (iv) Is enrolled in a high school completion program.

13 (b) If the individual has not obtained a high school diploma
14 or G.E.D. certificate, the individual meets 1 of the following:

15 (i) Is at least 20 years of age on September 1 of the school
16 year.

17 (ii) Is at least 16 years of age on September 1 of the school
18 year, has been permanently expelled from school under section
19 1311(2) or 1311a of the revised school code, MCL 380.1311 and
20 380.1311a, and has no appropriate alternative education program
21 available through his or her district of residence.

22 (3) Except as otherwise provided in subsection (4), from the
23 amount allocated under subsection (1), \$23,800,000.00 shall be
24 distributed as follows:

25 (a) For districts and consortia that received payments for
26 ~~2006-2007-2007-2008~~ under this section, the amount allocated to
27 each for ~~2007-2008-2008-2009~~ shall be based on the number of

1 participants served by the district or consortium for ~~2007-2008~~
2 ~~2008-2009~~, using the amount allocated per full-time equated
3 participant under subsection (6), up to a maximum total allocation
4 under this subsection in an amount equal to ~~104.3%~~ of the amount
5 the district or consortium received for ~~2006-2007-2007-2008~~ under
6 this section before any reallocations made for ~~2006-2007-2007-2008~~
7 under subsection (4).

8 (b) A district or consortium that received funding in ~~2003-~~
9 ~~2004-2007-2008~~ under this section may operate independently of a
10 consortium or join or form a consortium for ~~2007-2008-2008-2009~~.
11 The allocation for ~~2007-2008-2008-2009~~ to the district or the newly
12 formed consortium under this subsection shall be determined by the
13 department ~~of labor and economic growth~~ and shall be based on the
14 proportion of the amounts that are attributable to the district or
15 consortium that received funding in ~~2006-2007-2007-2008~~. A district
16 or consortium described in this subdivision shall notify the
17 department ~~of labor and economic growth~~ of its intention with
18 regard to ~~2007-2008-2008-2009~~ by October 1, ~~2007-2008~~.

19 (4) A district that operated an adult education program in
20 ~~2006-2007-2007-2008~~ and does not intend to operate a program in
21 ~~2007-2008-2008-2009~~ shall notify the department ~~of labor and~~
22 ~~economic growth~~ by October 1, ~~2007-2008~~ of its intention. The funds
23 intended to be allocated under this section to a district that does
24 not operate a program in ~~2007-2008-2008-2009~~ and the unspent funds
25 originally allocated under this section to a district or consortium
26 that subsequently operates a program at less than the level of
27 funding allocated under subsection (3) shall instead be

1 proportionately reallocated to the other districts described in
2 subsection (3)(a) that are operating an adult education program in
3 ~~2007-2008-2008-2009~~ under this section.

4 (5) From the amount allocated under subsection (1), up to a
5 maximum of \$200,000.00 shall be allocated for not more than 1 grant
6 not to exceed \$200,000.00 for expansion of an existing innovative
7 community college program that focuses on educating adults. Grants
8 may be used for program operating expenses such as staffing, rent,
9 equipment, and other expenses. To be eligible for this grant
10 funding, a program must meet the following criteria:

11 (a) Collaborates with local districts and businesses to
12 determine area academic needs and to promote the learning
13 opportunities.

14 (b) Is located off-campus in an urban residential setting with
15 documented high poverty and low high school graduation rates.

16 (c) Provides general educational development (G.E.D.) test
17 preparation courses and workshops.

18 (d) Provides developmental courses taught by college faculty
19 that prepare students to be successful in college-level courses.

20 (e) Uses learning communities to allow for shared, rather than
21 isolated, learning experiences.

22 (f) Provides on-site tutoring.

23 (g) Provides access to up-to-date technology, including
24 personal computers.

25 (h) Partners with a financial institution to provide financial
26 literacy education.

27 (i) Assists students in gaining access to financial aid.

1 (j) Provides on-site academic advising to students.

2 (k) Provides vouchers for reduced G.E.D. testing costs.

3 (l) Partners with local agencies to provide referrals for
4 social services as needed.

5 (m) Enrolls participants as students of the community college.

6 (n) Partners with philanthropic and business entities to
7 provide capital funding.

8 (6) The amount allocated under this section per full-time
9 equated participant is \$2,850.00 for a 450-hour program. The amount
10 shall be proportionately reduced for a program offering less than
11 450 hours of instruction.

12 (7) An adult basic education program or an adult English as a
13 second language program operated on a year-round or school year
14 basis may be funded under this section, subject to all of the
15 following:

16 (a) The program enrolls adults who are determined by an
17 appropriate assessment, in a form and manner prescribed by the
18 department, to be below ninth grade level in reading or
19 mathematics, or both, or to lack basic English proficiency.

20 (b) The program tests individuals for eligibility under
21 subdivision (a) before enrollment and tests participants to
22 determine progress after every 90 hours of attendance, using
23 assessment instruments approved by the department of labor and
24 economic growth.

25 (c) A participant in an adult basic education program is
26 eligible for reimbursement until 1 of the following occurs:

27 (i) The participant's reading and mathematics proficiency are

1 assessed at or above the ninth grade level.

2 (ii) The participant fails to show progress on 2 successive
3 assessments after having completed at least 450 hours of
4 instruction.

5 (d) A funding recipient enrolling a participant in an English
6 as a second language program is eligible for funding according to
7 subsection (11) until the participant meets 1 of the following:

8 (i) The participant is assessed as having attained basic
9 English proficiency **AS DEFINED BY THE DEPARTMENT.**

10 (ii) The participant fails to show progress on 2 successive
11 assessments after having completed at least 450 hours of
12 instruction. The department ~~of labor and economic growth~~ shall
13 provide information to a funding recipient regarding appropriate
14 assessment instruments for this program.

15 (8) A general educational development (G.E.D.) test
16 preparation program operated on a year-round or school year basis
17 may be funded under this section, subject to all of the following:

18 (a) The program enrolls adults who do not have a high school
19 diploma.

20 (b) The program shall administer a G.E.D. pre-test approved by
21 the department ~~of labor and economic growth~~ before enrolling an
22 individual to determine the individual's potential for success on
23 the G.E.D. test, and shall administer other tests after every 90
24 hours of attendance to determine a participant's readiness to take
25 the G.E.D. test.

26 (c) A funding recipient shall receive funding according to
27 subsection (11) for a participant, and a participant may be

1 enrolled in the program until 1 of the following occurs:

2 (i) The participant passes the G.E.D. test.

3 (ii) The participant fails to show progress on 2 successive
4 tests used to determine readiness to take the G.E.D. test after
5 having completed at least 450 hours of instruction.

6 (9) A high school completion program operated on a year-round
7 or school year basis may be funded under this section, subject to
8 all of the following:

9 (a) The program enrolls adults who do not have a high school
10 diploma.

11 (b) A funding recipient shall receive funding according to
12 subsection (11) for a participant in a course offered under this
13 subsection until 1 of the following occurs:

14 (i) The participant passes the course and earns a high school
15 diploma.

16 (ii) The participant fails to earn credit in 2 successive
17 semesters or terms in which the participant is enrolled after
18 having completed at least 900 hours of instruction.

19 (10) A job or employment-related adult education program
20 operated on a year-round or school year basis may be funded under
21 this section, subject to all of the following:

22 (a) The program enrolls adults referred by their employer who
23 are less than 20 years of age, have a high school diploma, are
24 determined to be in need of remedial mathematics or communication
25 arts skills and are not attending an institution of higher
26 education.

27 (b) An individual may be enrolled in this program and the

1 grant recipient shall receive funding according to subsection (11)
2 until 1 of the following occurs:

3 (i) The individual achieves the requisite skills as determined
4 by appropriate assessment instruments administered at least after
5 every 90 hours of attendance.

6 (ii) The individual fails to show progress on 2 successive
7 assessments after having completed at least 450 hours of
8 instruction. The department ~~of labor and economic growth~~ shall
9 provide information to a funding recipient regarding appropriate
10 assessment instruments for this program.

11 (11) A funding recipient shall receive payments under this
12 section in accordance with the following:

13 (a) Ninety percent for enrollment of eligible participants.

14 (b) Ten percent for completion of the adult basic education
15 objectives by achieving an increase of at least 1 grade level of
16 proficiency in reading or mathematics; for achieving basic English
17 proficiency, **AS DEFINED BY THE DEPARTMENT IN THE ADULT EDUCATION**
18 **GUIDEBOOK**; for **OBTAINING A G.E.D. OR** passage of ~~the G.E.D. test~~ **1**
19 **OR MORE INDIVIDUAL G.E.D. TESTS**; for **ATTAINMENT OF A HIGH SCHOOL**
20 **DIPLOMA OR** passage of a course required for a participant to attain
21 a high school diploma; or for completion of the course and
22 demonstrated proficiency in the academic skills to be learned in
23 the course, as applicable.

24 (12) As used in this section, "participant" means the sum of
25 the number of full-time equated individuals enrolled in and
26 attending a department-approved adult education program under this
27 section, using quarterly participant count days on the schedule

1 described in section 6(7)(b).

2 (13) A person who is not eligible to be a participant funded
3 under this section may receive adult education services upon the
4 payment of tuition. In addition, a person who is not eligible to be
5 served in a program under this section due to the program
6 limitations specified in subsection (7), (8), (9), or (10) may
7 continue to receive adult education services in that program upon
8 the payment of tuition. The tuition level shall be determined by
9 the local or intermediate district conducting the program.

10 (14) An individual who is an inmate in a state correctional
11 facility shall not be counted as a participant under this section.

12 (15) A district shall not commingle money received under this
13 section or from another source for adult education purposes with
14 any other funds of the district. A district receiving adult
15 education funds shall establish a separate ledger account for those
16 funds. This subsection does not prohibit a district from using
17 general funds of the district to support an adult education or
18 community education program.

19 (16) A district or intermediate district receiving funds under
20 this section may establish a sliding scale of tuition rates based
21 upon a participant's family income. A district or intermediate
22 district may charge a participant tuition to receive adult
23 education services under this section from that sliding scale of
24 tuition rates on a uniform basis. The amount of tuition charged per
25 participant shall not exceed the actual operating cost per
26 participant minus any funds received under this section per
27 participant. A district or intermediate district may not charge a

1 participant tuition under this section if the participant's income
2 is at or below 200% of the federal poverty guidelines published by
3 the United States department of health and human services.

4 (17) In order to receive funds under this section, a district
5 shall furnish to the department, in a form and manner determined by
6 the department, all information needed to administer this program
7 **AND MEET FEDERAL REPORTING REQUIREMENTS**; shall allow the department
8 or the department's designee to review all records related to the
9 program for which it receives funds; and shall reimburse the state
10 for all disallowances found in the review, as determined by the
11 department.

12 (18) **ALL INTERMEDIATE DISTRICT PARTICIPANT AUDITS OF ADULT**
13 **EDUCATION PROGRAMS SHALL BE PERFORMED PURSUANT TO THE ADULT**
14 **EDUCATION PARTICIPANT AUDITING AND ACCOUNTING MANUALS PUBLISHED BY**
15 **THE DEPARTMENT.**

16 (19) ~~(18)~~ As used in this section, "department" means the
17 department of labor and economic growth.

18 Sec. 147. The allocation for ~~2007-2008~~ **2008-2009** for the
19 public school employees' retirement system pursuant to the public
20 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
21 to 38.1408, shall be made using the entry age normal cost actuarial
22 method and risk assumptions adopted by the public school employees
23 retirement board and the department of management and budget. The
24 annual level percentage of payroll contribution rate is estimated
25 at ~~16.72%~~ **16.54%** for the ~~2007-2008~~ **2008-2009** state fiscal year. The
26 portion of the contribution rate assigned to districts and
27 intermediate districts for each fiscal year is all of the total

1 percentage points. This contribution rate reflects an amortization
2 period of ~~30~~29 years for ~~2007-2008~~2008-2009. The public school
3 employees' retirement system board shall notify each district and
4 intermediate district by February 28 of each fiscal year of the
5 estimated contribution rate for the next fiscal year.

6 Sec. 151. (1) The treasurer of each county shall furnish to
7 the department, on or before August 1 of each year following the
8 receipt of assessment rolls, a statement of the taxable value of
9 each district and fraction of a district within the county, using
10 forms furnished by the department. On or before May 1 of each year,
11 the treasurer of each county shall submit to the department
12 revisions to the taxable value for the immediately preceding year
13 of each district and fraction of a district within the county,
14 using forms furnished by the department. On or before October 1 of
15 each year, the treasurer of each county shall submit to the
16 department revisions to the taxable value for the years after 1993
17 of each district and fraction of a district within the county,
18 using forms furnished by the department. The reports required by
19 this subsection shall also contain the amount of ad valorem taxable
20 value captured for school operating taxes under a ~~tax increment~~
21 ~~financing plan under 1975 PA 197, MCL 125.1651 to 125.1681, the tax~~
22 ~~increment finance authority act, 1980 PA 450, MCL 125.1801 to~~
23 ~~125.1830, the local development financing act, 1986 PA 281, MCL~~
24 ~~125.2151 to 125.2174, the brownfield redevelopment financing act,~~
25 ~~1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement~~
26 ~~authority act, 2005 PA 280, MCL 125.2871 to 125.2899~~ **TAX INCREMENT**
27 **FINANCING ACTS.**

1 (2) Not later than the tenth day of each month, the tax
2 tribunal created by the tax tribunal act, 1973 PA 186, MCL 205.701
3 to 205.779, shall report to the department the changes in taxable
4 value for tax years after 1993 that are not reported to the
5 department under subsection (1) and that are caused by tax tribunal
6 decisions in the immediately preceding month for property that is a
7 principal residence or qualified agricultural property, as defined
8 in section 1211 of the revised school code, MCL 380.1211, and for
9 property that is not a principal residence or qualified
10 agricultural property, in each district and intermediate district.
11 The report shall also contain the amount of taxable value captured
12 under a tax increment financing plan described in subsection (1)
13 for school operating tax purposes.

14 **(3) AS USED IN THIS SECTION, "TAX INCREMENT FINANCING ACTS"**
15 **MEANS 1975 PA 197, MCL 125.1651 TO 125.1681, THE TAX INCREMENT**
16 **FINANCE AUTHORITY ACT, 1980 PA 450, MCL 125.1801 TO 125.1830, THE**
17 **LOCAL DEVELOPMENT FINANCING ACT, 1986 PA 281, MCL 125.2151 TO**
18 **125.2174, THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381,**
19 **MCL 125.2651 TO 125.2672, OR THE CORRIDOR IMPROVEMENT AUTHORITY**
20 **ACT, 2005 PA 280, MCL 125.2871 TO 125.2899.**

21 Sec. 164c. A district or intermediate district shall not use
22 funds appropriated under this act to purchase foreign goods or
23 services, or both, if American goods or services, or both, are
24 available and are competitively priced and of comparable quality.
25 Preference should be given to goods or services, or both,
26 manufactured or provided by Michigan businesses if they are
27 competitively priced and of comparable quality. **IN ADDITION,**

1 PREFERENCE SHALL BE GIVEN TO GOODS OR SERVICES, OR BOTH, THAT ARE
2 MANUFACTURED OR PROVIDED BY MICHIGAN BUSINESSES OWNED AND OPERATED
3 BY VETERANS, IF THEY ARE COMPETITIVELY PRICED AND OF COMPARABLE
4 QUALITY.

5 Sec. 166b. (1) This act does not prohibit a parent or legal
6 guardian of a minor who is enrolled in any of grades 1 to 12 in a
7 nonpublic school or who is being home-schooled from also enrolling
8 the minor in a district or intermediate district in any curricular
9 offering that is provided by the district or intermediate district
10 at a public school site and is available to pupils in the minor's
11 grade level or age group, subject to compliance with the same
12 requirements that apply to a full-time pupil's participation in the
13 offering. However, state school aid shall be provided under this
14 act for a minor enrolled as described in this subsection only for
15 curricular offerings that are offered to full-time pupils in the
16 minor's grade level or age group during regularly scheduled school
17 hours.

18 (2) This act does not prohibit a parent or legal guardian of a
19 minor who is enrolled in any of grades 1 to 12 in a nonpublic
20 school located within the district or who resides within the
21 district and is being home-schooled from also enrolling the minor
22 in the district in a curricular offering being provided by the
23 district at the nonpublic school site. However, state school aid
24 shall be provided under this act for a minor enrolled as described
25 in this subsection only if all of the following apply:

26 (a) **EITHER OF THE FOLLOWING:**

27 (i) The nonpublic school site is located, or the nonpublic

1 students are educated, within the geographic boundaries of either
2 ~~the district or a contiguous district operating under a cooperative~~
3 ~~program of which the district is a member and that is established~~
4 ~~for the purpose of providing nonessential elective courses to~~
5 ~~nonpublic school students~~ THE DISTRICT.

6 (ii) IF THE NONPUBLIC SCHOOL HAS REQUESTED THE DISTRICT IN
7 WHICH THE NONPUBLIC SCHOOL IS LOCATED TO PROVIDE CERTAIN
8 INSTRUCTION UNDER THIS SUBSECTION FOR A SCHOOL YEAR AND THE
9 DISTRICT DOES NOT AGREE TO PROVIDE SOME OR ALL OF THAT INSTRUCTION
10 BY MAY 1 IMMEDIATELY PRECEDING THAT SCHOOL YEAR OR, IF THE REQUEST
11 IS MADE AFTER MARCH 1 IMMEDIATELY PRECEDING THAT SCHOOL YEAR,
12 WITHIN 60 DAYS AFTER THE NONPUBLIC SCHOOL MAKES THE REQUEST, THE
13 PORTION OF THE INSTRUCTION THAT THE DISTRICT HAS NOT AGREED TO
14 PROVIDE IS INSTEAD PROVIDED BY A DISTRICT THAT IS CONTIGUOUS TO THE
15 DISTRICT IN WHICH THE NONPUBLIC SCHOOL IS LOCATED.

16 (b) The nonpublic school is registered with the department as
17 a nonpublic school and meets all state reporting requirements for
18 nonpublic schools.

19 (c) The instruction is scheduled to occur during the regular
20 school day.

21 (d) The instruction is provided directly by an employee of the
22 district or of an intermediate district.

23 (e) The curricular offering is also available to full-time
24 pupils in the minor's grade level or age group in the district
25 during the regular school day at a public school site.

26 (f) The curricular offering is restricted to nonessential
27 elective courses for pupils in grades 1 to 12.

1 (3) A minor enrolled as described in this section is a part-
2 time pupil for purposes of state school aid under this act.

3 Sec. 166e. Before entering into a contract in an amount in
4 excess of \$15,000.00 for any materials, supplies, or equipment or a
5 contract in an amount in excess of \$15,000.00 for construction of a
6 new building, or addition to or repair or renovation of an existing
7 building, the board of a district ~~organized as a school district of~~
8 ~~the first class, under part 6 of the revised school code, MCL~~
9 ~~380.401 to 380.485,~~ or any other purchasing authority within a
10 district ~~organized as a school district of~~ the first class, shall
11 obtain sealed competitive bids, and the district shall award such a
12 contract using this competitive bid process. This section does not
13 prohibit a district from making a public request for proposals
14 before requesting bids and does not prohibit a district from
15 awarding a contract based on a combination of price, quality, and
16 service factors. A school official or member of a school board or
17 other person who neglects or refuses to do or perform an act
18 required by this section, or who violates or knowingly permits or
19 consents to a violation of this section, is guilty of a misdemeanor
20 punishable by a fine of not more than \$500.00, or imprisonment for
21 not more than 3 months, or both.

22 Enacting section 1. In accordance with section 30 of article I
23 of the state constitution of 1963, total state spending in this
24 amendatory act from state sources for fiscal year 2008-2009 is
25 estimated at \$11,853,371,300.00 and state appropriations to be paid
26 to local units of government for fiscal year 2008-2009 are
27 estimated at \$11,638,939,000.00.

1 Enacting section 2. Sections 32, 32e, and 166 of the state
2 school aid act of 1979, 1979 PA 94, MCL 388.1632, 388.1632e, and
3 388.1766, are repealed effective October 1, 2008.

4 Enacting section 3. (1) Except as otherwise provided in
5 subsection (2), this amendatory act takes effect October 1, 2008.

6 (2) Section 29 and 54c of the state school aid act of 1979,
7 1979 PA 94, MCL 388.1629 and 388.1654c, as amended by this
8 amendatory act, take effect upon enactment of this amendatory act.