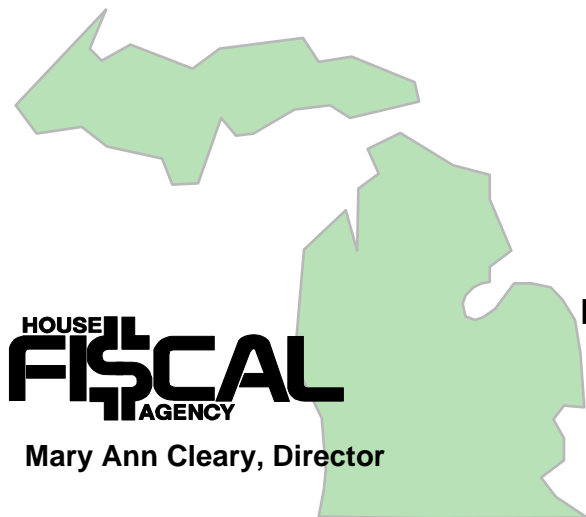


LINE ITEM AND BOILERPLATE SUMMARY

SCHOOL AID

Fiscal Year 2012-13
Article I, Public Act 201 of 2012
House Bill 5372 as Enacted



Bethany Wicksall, Senior Fiscal Analyst
Mark Wolf, Senior Fiscal Analyst

September 2012

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KATE SEGAL

September 2012

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2012-13 appropriation acts. Each **Summary** contains line-by-line appropriation and revenue source detail, and a brief explanation of each boilerplate section in the appropriation bill.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below ~~strikeout~~ amounts reflect the effect of the veto.

Line Item Summaries are available on the HFA website (www.house.mi.gov/hfa), or from Kathryn Bateson, Administrative Assistant (373-8080 or kbateson@house.mi.gov).

A handwritten signature in black ink that reads "Mary Ann Cleary".

Mary Ann Cleary, Director

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GLOSSARY

STATE BUDGET TERMS

Gross Appropriations (Gross): The total of all applicable appropriations (statutory spending authorizations) in a budget bill.

Adjusted Gross Appropriations (Adjusted Gross): The net amount of all gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Lapses: Appropriation amounts that are unspent/unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project: A statutorily-authorized account which allows a spending authorization to be carried over from one fiscal year to a succeeding fiscal year or years—i.e., allows funds to be spent over a period of years.

APPROPRIATION BILL TERMS

Line Item: Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes).

Boilerplate: Specific language sections in an appropriation bill which direct, limit or restrict line item expenditures, express legislative intent, and/or require reports.

REVENUE SOURCES

General Fund/General Purpose (GF/GP): Unrestricted General Fund revenue available to fund any activity accounted for in the General Fund; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

State Restricted (Restricted): State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.

Federal Revenue: Federal grant or matchable revenue dedicated to specific programs.

Local Revenue: Revenue from local units of government.

Private Revenue: Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, and gifts and bequests.

Interdepartmental Grant (IDG): Revenue or funds received by one state department from another state department (usually for a service provided by the receiving department).

Intradepartmental Transfer (IDT): Transfers or funds being provided from one appropriation unit to another in the same department.

MAJOR STATE FUNDS

Budget Stabilization Fund (BSF): The countercyclical economic and budget stabilization fund; also known as the "rainy day" fund.

School Aid Fund (SAF): A restricted fund; the primary funding source for K-12 schools and Intermediate School Districts (ISDs).

General Fund: The General Fund (funded from taxes and other general revenue) is used to account for the ordinary operations of a governmental unit that are not accounted for in another fund.

SCHOOL AID

The School Aid budget, Article I of the School Aid Act, provides funding for the state's local school districts, public school academies (PSAs), the Education Achievement System (EAS) and intermediate school districts (ISDs). It also includes a limited number of grants to other entities.

Section 11g – <i>Durant</i> Non-Plaintiffs Debt Service	\$39,000,000	Pays local and intermediate school districts that were not plaintiffs in the <i>Durant v. State of Michigan</i> special education funding case decided by the Michigan Supreme Court in July 1997. Funding equals one-half of the non-plaintiff total settlement for all districts whose settlement is greater than \$75,000 and is intended to pay debt service on bonds sold by non-plaintiff districts through Michigan Finance Authority. Funding Source(s): Restricted 39,000,000 <i>Related Boilerplate Section(s): 11, 11f, 11h, 11i, 17b</i>
Section 11j – School Bond Redemption Fund	120,390,000	Payment to School Bond Redemption Fund in the Department of Treasury to make debt service payments on behalf of districts that participate in the School Bond Qualification and Loan Program. Funding Source(s): Restricted 120,390,000 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 11m – Cash Flow Borrowing Costs	3,200,000	Pays a portion of costs associated with cash-flow borrowing to meet the requirement to pay local and intermediate school districts over 11 payments. Funding Source(s): Restricted 3,200,000 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 22a – Proposal A Obligation Payment	5,712,000,000	Funding guarantees 1994-95 total state and local per pupil revenue for operating purposes as required by Michigan Constitution; payment is equal to a district's FY 1994-95 foundation allowance multiplied by the total number of general education and special education membership pupils in the district in FY 2012-13, minus the district's local revenue from nonhomestead millage revenue. Funding Source(s): Restricted 5,712,000,000 <i>Related Boilerplate Section(s): 6, 11, 20, 22b, 105, 105c</i>
Section 22b – Discretionary Payment	3,152,300,000	Provides funds equal to the sum of amounts calculated under Sec. 20 and under Sec. 51a(2) plus Sec. 51a(3) plus Sec. 51a(12) (special education), minus amounts under Sec. 22a (Proposal A guarantee) and Sec. 51c (Headlee obligation payment). Funding Source(s): Restricted 2,886,610,200 GF/GP 265,689,800 <i>Related Boilerplate Section(s): 6, 11, 20, 22a, 51a, 51c, 76, 101, 102, 105, 105c</i>
Section 22d – Isolated District Funding	2,025,000	Payment of \$750,000 to certain small, geographically isolated districts and \$1,275,000 to districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200. Funding Source(s): Restricted 2,025,000 <i>Related Boilerplate Section(s): 6, 11</i>

Section 22f – Best Practices Incentives	80,000,000	Provides incentive payments to districts equal to \$52 per pupil. To qualify, districts must meet 7 out of 8 specified best practices, including participating in schools of choice, measuring student growth, providing dual enrollment opportunities, providing online learning opportunities, acting as health care policyholder, providing a district dashboard or report card with school performance and financial data, obtaining competitive service bids, and providing physical or health education. Funding Source(s): Restricted 80,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 22g – Consolidation Innovation Grants	10,000,000	Provides funding, designated as one-time, for competitive assistance grants to help defray transition costs associated with the consolidation of operations or services among districts, ISDs, and local units of government for consolidations that take place on or after June 1, 2012. Funding Source(s): Restricted 10,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 22i – Technology Infrastructure Improvement Grants	50,000,000	Competitive grants to districts and ISDs for the development or improvement of technology infrastructure in preparation for the planned implementation of online student achievement growth assessments in FY 2014-15 or for access to a computer adaptive student assessment test. Funding Source(s): Restricted 50,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 22j – District Performance Funding	30,000,000	Establishes a new performance-based grant program providing awards to districts of up to \$100 per pupil based on 2010-11 Michigan Education Assessment Program (MEAP) and Michigan Merit Exam (MME) data. Awards will be prorated based on available funding. Funding Source(s): Restricted 30,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 24 – Court-Placed Pupils	8,000,000	Reimburses educating local school district or intermediate school district for on-grounds program for pupils under court jurisdiction placed in or assigned to attend a juvenile detention facility or child-caring institution. Funding Source(s): Restricted 8,000,000 <i>Related Boilerplate Section(s): 6, 11, 53a</i>
Section 24a – Juvenile Justice Facility Programs	2,135,800	Payments to intermediate school districts for pupils placed in juvenile justice service facilities operated by Department of Human Services (DHS). Funding Source(s): Restricted 2,135,800 <i>Related Boilerplate Section(s): 11</i>
Section 24c – Youth ChalleNGe Program	1,500,000	Funds the Youth ChalleNGe Program, a boot camp program for at-risk youth. Funding Source(s): Restricted 1,500,000 <i>Related Boilerplate Section(s): 11</i>
Section 26a – Renaissance Zone Reimbursements	27,800,000	Reimburses local school districts, intermediate school districts, and public libraries for property tax revenue losses attributable to implementing the Michigan Renaissance Zone Act. Funding Source(s): Restricted 26,300,000 GF/GP 1,500,000 <i>Related Boilerplate Section(s): 11</i>

Section 26b – Payment In Lieu of Taxes	3,169,500	Reimburses local school districts, intermediate school districts, and community colleges for payment in lieu of taxes obligations per 2004 PA 513. Funding Source(s): Restricted 3,169,500 <i>Related Boilerplate Section(s): 11</i>
Section 26c – Promise Zone Funding	347,800	Provides funds to districts and intermediate school districts with an approved Promise Zone development plan for the purposes of the local Promise Zone Authority under the Michigan Promise Zone Authority Act, 2008 PA 549. Funding Source(s): Restricted 347,800 <i>Related Boilerplate Section(s): 11</i>
Section 31a – At-Risk Pupil Support, Adolescent Health Centers, Hearing and Vision Screening	317,695,500	Supports instructional programs and direct noninstructional services for at-risk pupils. Eligible recipients are local districts, PSAs, and the EAS with FY 2012-13 combined state/local revenue under Section 20 (foundation allowance calculation) of less than or equal to \$8,019 per pupil; eligible districts receive an amount equal to 11.5% of their foundation allowance for each qualified student before any proration. Includes funding for adolescent health centers (\$3,557,300) and hearing and vision screening (\$5,150,000). Funding Source(s): Restricted 317,695,500 <i>Related Boilerplate Section(s): 11, 20</i>
Section 31d – School Lunch Program	425,001,100	Allocates state funds to ensure the state meets its obligation under <i>Durant v. State of Michigan</i> to fund 6.0127% of school lunch programs; allocates federal funds for National School Lunch Program and Emergency Food Assistance Program. Funding Source(s): Federal 402,506,000 Restricted 22,495,100 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 31f – School Breakfast Program	9,625,000	Reimburses districts for costs of providing school breakfast. Funding Source(s): Restricted 9,625,000 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 32d – Great Start Readiness Program	109,575,000	Provides funds to ISDs to operate school readiness programs for educationally disadvantaged, four-year-old children; comprehensive program includes an age-appropriate curriculum, nutritional services, health screening, and parental involvement. Allocates \$300,000 grant to continue a longitudinal evaluation of program. Funding Source(s): Restricted 109,275,000 GF/GP 300,000 <i>Related Boilerplate Section(s): 11, 17b, 39</i>
Section 32p – Early Childhood Block Grants	10,900,000	Grants to intermediate school districts to provide early childhood programs including local Great Start Collaboratives and Great Start Parent Coalitions. Funding Source(s): Restricted 10,900,000 <i>Related Boilerplate Section(s): 11</i>
Section 39a(1) – Federal Grant Programs	812,328,500	Appropriates up to \$812.3 million for federal grant programs under No Child Left Behind Act including Title I funding for disadvantaged children, Improving Teacher Quality grants, 21st Century Community Learning Center grants, School Improvement Grants, as well as several other smaller grant programs. Funding Source(s): Federal 812,328,500 <i>Related Boilerplate Section(s): 11, 17b</i>

Section 39a(2) – Other Federal Funding	33,514,100	Appropriates up to \$33.5 million for other federal grants including Career & Technical Education grants, Serve America Grants, Homeless Grants, and AIDS Education funding. Funding Source(s): Federal 33,514,100
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 51a – Special Education	1,435,269,100	Funds for educational programs and services to special education pupils; includes allocations to local school districts and intermediate school districts for special education memberships and for programs and services mandated under the federal Individuals with Disabilities Education Act; specific categorical support to comply with provisions of 1997 <i>Durant v. State of Michigan</i> decision is made from Section 51a funds via Section 51c. Funding Source(s): Federal 439,000,000 Restricted 976,269,100
<i>Related Boilerplate Section(s): 6, 11, 51b, 51c, 51d, 52, 53a, 54, 56, 58</i>		
Section 61a – Vocational/ Technical Education Programs	26,611,300	Reimburses local districts and secondary area vocational/technical centers for the added costs of vocational education; allocations determined based on program type, number of pupils, and length of training period. Funding Source(s): Restricted 26,611,300
<i>Related Boilerplate Section(s): 6, 11, 20d</i>		
Section 62 – Intermediate School District Vocational Education Millage Equalization	9,000,000	Funds to support vocational education in intermediate school districts that levy vocational education millages but have low property values. Each ISD will receive the same allocation in FY 2012-13 as it received in FY 2011-12. Funding Source(s): Restricted 9,000,000
<i>Related Boilerplate Section(s): 6, 11, 121</i>		
Section 74 – Bus Driver Safety Instruction and School Bus Inspections	3,259,900	Provides \$1,625,000 for bus driver safety instruction or evaluation and reimburses districts for non-special education auxiliary services transportation. Provides \$1,529,600 to reimburse Michigan State Police to institute random audits of local school district bus inspections. Funding Source(s): Restricted 3,259,900
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 81 – Intermediate School District General Operations Support	64,108,000	Supports general operations and provides funds for best practices incentive grants for intermediate school districts. Each intermediate school district will receive the same allocation for general operations in FY 2012-13 as it did in FY 2011-12. In addition, each intermediate school district will be eligible for an additional 3.2% of its FY 2011-12 allocation if it meets 4 out of 5 best practices criteria. Funding Source(s): Restricted 64,108,000
<i>Related Boilerplate Section(s): 6, 11,</i>		
Section 93 – State Aid to Libraries for Michigan Electronic Library (MeLCat) Support	1,304,300	Supports state aid to libraries to help support the MeLCat in public schools and public libraries. This funding is in addition to funding included in the Department of Education (MDE) budget. Funding Source(s): GF/GP 1,304,300
<i>Related Boilerplate Section(s): 11, 17b</i>		

Section 94a – Center for Educational Performance and Information	9,411,900	Funds collection of education data required by state law; fulfills federal reporting requirements and funds implementation of recent education reforms. Funding Source(s): Federal 193,500 GF/GP 9,218,400
<i>Related Boilerplate Section(s): 11, 17b, 18, 19</i>		
Section 95 – Principal Educator Evaluator Training	1,750,000	Provides grants to districts to support professional development for principals and assistant principals in an MDE-approved training program on implementing educator evaluation programs. Funding Source(s): Restricted 1,750,000
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 98 – Michigan Virtual High School	4,387,500	Funds establishment of Center for Online Learning Research and Innovation to research best practices for technology-based instruction and online learning; supports a pilot program to study performance-based funding for online instructional programs. Funding Source(s): GF/GP 4,387,500
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 99 – Mathematics and Science Centers	7,974,300	Supports implementation of a statewide network of mathematics and science centers. Funding Source(s): Federal 5,249,300 Restricted 2,725,000
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 104 – Educational Assessments	34,944,400	Funds all statewide education assessments and results analysis and reporting and provides funds to implement recent education reforms. Funding Source(s): Federal 8,250,000 Restricted 26,694,400
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 107 – Adult Education	22,000,000	Supports basic literacy, English as a second language (ESL), General Education Development (GED) test preparation, and high school completion courses for eligible adults. Districts are eligible to receive funds for a person 20 years of age or older who has not earned a GED or high school diploma; districts may also receive funds for a person with a GED or a high school diploma who is enrolled in an ESL course, or for a person under 20 years of age who is enrolled on the basis of a referral from his or her employer. Funding Source(s): Restricted 22,000,000
<i>Related Boilerplate Section(s): 6, 11</i>		
Section 147a – MPSERS One Time Cost Offset	155,000,000	Offsets a portion of costs for school districts related to the Michigan Public School Employees Retirement System (MPSERS). The required employer contribution rate was set to increase by almost 3 percentage points from 24.46% to 27.37% of payroll for most employees due to pension investment losses. However, SB 1040 will cap each employer's contribution rates at approximately 24.46% for FY 2012-13. Payments are distributed based on each district's share of the total statewide MPSERS payroll for FY 2011-12. Funding Source(s): Restricted 155,000,000
<i>Related Boilerplate Section(s): 11</i>		

Section 147b – MPSERS Reserve for Retirement Obligation Reform	41,000,000	Deposits \$41,000,000 into a reserve fund within the School Aid Fund to be used to reform MPSERS retirement obligations. When added to the \$133,000,000 deposit in FY 2011-12, the balance in the reserve fund will be \$174,000,000. Funding Source(s): Restricted 41,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 147c – MPSERS Prefunding - Unfunded Liability Payments	130,000,000	Appropriates funds to the MPSERS pursuant to Sec. 41 of the Public School Employees' Retirement Act as long as Senate Bill 1040 amends that act, but provides that the funds will lapse to the School Aid Fund if Senate Bill 1040 is not enacted. Funding Source(s): Restricted 130,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 152a – Adair Database Payments	38,000,500	Reimburses districts and intermediate school districts for the costs of collecting, maintaining, and reporting data required by the State to satisfy <i>Adair v. State of Michigan</i> . Funding Source(s): Restricted 38,000,500 <i>Related Boilerplate Section(s): 11</i>
GROSS APPROPRIATION	\$12,944,528,500	Total of all applicable line item appropriations.
Federal revenue	1,701,041,400	Total other federal grant or matchable revenue.
Total state restricted revenue (SAF)	10,961,087,100	State revenue dedicated to School Aid Fund.
GENERAL FUND/ GENERAL PURPOSE	\$282,400,000	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

BOILERPLATE INFORMATION SECTION

Secs. 2 through 6. Definitions

States that for the purposes of this act the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

Sec. 6a. Supplemental Pupil Count

Requires a supplemental pupil membership count day.

Sec. 6b. Nonresident Pupils

Describes the method for enrolling and counting in membership a nonresident pupil.

Sec. 7. Costs for School Operating Purposes

States that costs for school operating purposes include all expenditures necessary to carry out the powers of the district or intermediate school district under the revised school code.

Sec. 8b. Assignment of District Codes for Public School Academies

Requires MDE to assign district codes to public school academies within 30 days after contract is submitted to the department by the authorizer.

Sec. 11. Total Appropriations

Contains totals of all line-item appropriations.

Sec. 11a. School Aid Stabilization Fund

Establishes the school aid stabilization fund in the school aid act.

Sec. 11f. Cash Payments Pursuant to Nonplaintiff Districts Due to Durant v State of Michigan

Formerly appropriated cash payments pursuant to nonplaintiff districts due to *Durant v State of Michigan*.

Sec. 11g. Debt Service Payments to Nonplaintiff Districts Due to Durant v State of Michigan

Appropriates funds for debt service payments pursuant to nonplaintiff districts due to *Durant v State of Michigan*.

Sec. 11h. Amounts To Districts For Settlement of Durant v State Of Michigan

Lists amount to be paid to each nonplaintiff district that receives payments under *Durant v. State of Michigan*.

Sec. 11i. Borrowing Money and Issuing Bonds

Allows districts anticipating receiving funds under Section 11g to borrow from Michigan Finance Authority.

Sec. 11j. School Loan Bond Redemption Fund

Provides payments to School Loan Bond Redemption Fund on behalf of local and intermediate school districts.

Sec. 11k. School Bond Loan Fund Repayments

Assigns school bond loan fund repayments to the Michigan Finance Authority.

Sec. 11m. Cash Flow Borrowing Costs

Provides funds to pay a portion of the interest costs of funds borrowed to make state aid payments due to the state's negative cash flow.

Sec. 11q. Federal Education Jobs Funding

Distributes remaining federal Education Jobs funding for FY 2011-12.

Sec. 11t. Comprehensive Education Fund

Provides intent to enact legislation changing the name of the "State School Aid Fund" to the "Comprehensive Education Fund."

Sec. 11u. Review of Categorical Funding

Provides intent to review the extent to which categorical funding appropriated in the act instead could be appropriated as part of the foundation allowance and other basic per-pupil payments.

Sec. 12. Intent for Maintaining Funding for FY 2013-14

Provides intent to maintain FY 2012-13 funding levels into FY 2013-14 with adjustments for changes in pupil membership, taxable values, special education costs, interest costs, and available revenue.

Sec. 13. Basis of Apportionments and Limitations of Apportionments

Provides that apportionments, except otherwise provided, shall be based on pupil memberships, number of teachers and other professionals and taxable values.

BOILERPLATE INFORMATION SECTION

Sec. 14. Defective Data and Duties of Department

Allows MDE to withhold payments for certain defective paperwork.

Sec. 15. Apportionment of Deficiency or Deduction of Excess in Remaining Apportionment

Allows MDE to adjust apportioned amounts under certain circumstances.

Sec. 17a. Withholding Payments to Local or Intermediate School Districts

Allows state aid to be withheld in order to repay debts upon which districts have defaulted.

Sec. 17b. Amounts to be Distributed in Installments to Districts

Provides for state aid to be made in 11 equal payments on the 20th of each month from October through August.

Sec. 18. Application of Money Received Under Act

Describes allowable uses of unrestricted state aid received under this act; requires annual audits, financial reports, and district budgets are to be made available on their websites. Districts and intermediate school districts must also report expenses and personnel costs, salary and benefit information on their websites.

Sec. 18a. Grant Funds to be Expended by End of School Year

Requires grant funds to be spent by the end of the school fiscal year and requires return of non-expended funds.

Sec. 18b. Property of Public School Academy to be Transferred to State

Requires transfer of assets that are publicly purchased by public school academies to the state if an academy ceases operations.

Sec. 18c. Contract Between Public School Administrator and Third Party

Exempts the state from liability for certain debts incurred by public school academies.

Sec. 19. State and Federal Reporting Requirements

Requires districts and ISDs to comply with all applicable state and federal reporting requirements including, most notably, the annual graduation reports, educational personnel reports, and safety practices and criminal incident reports.

Sec. 20. Foundation Allowances

Describes the calculation of districts' foundation allowances.

Sec. 20d. Requirements for Final Determination Under Section 20

States requirements for making the final determination of amounts calculated under Section 20 related to former Sections 146 and 147 as they were in effect prior to Proposal A.

Sec. 21b. Postsecondary Tuition

Requires districts to pay tuition and certain related fees for pupils at eligible postsecondary institutions under the Postsecondary Enrollment Options Act or the Career and Technical Preparation Act and establishes a formula for the required reimbursement.

Sec. 22a. Proposal A Obligation Payment

Allocates funds to pay school districts an amount sufficient to guarantee an amount equal to FY 1994-95 total state and local per pupil revenue for school operating purposes as required by the State Constitution.

Sec. 22b. Discretionary Payment

Makes payments to districts using the foundation allowance and special education calculations in Sections 20 and 51a.

Sec. 22d. Isolated District Funding

Allocates a portion of the funds to small, rural and Upper Peninsula or island districts with fewer than 250 students and with school buildings located at least 30 miles from any other school building, or located on an island not accessible by a bridge. Allocates a portion of the funds to districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200.

Sec. 22f. Best Practices Incentives

Allocates funds for incentive payments equal to \$52 per pupil to districts that meet 7 out of 8 specified best practices including health care policyholder status, competitive bidding, schools of choice, online growth assessments, dual enrollment or other postsecondary opportunities, online instructional opportunities, a district dashboard or report card with school performance and financial data, and physical or health education.

BOILERPLATE INFORMATION SECTION

Sec. 22g. Consolidation Incentive Grants

Provides grants to districts or intermediate school districts that consolidate operations or services.

Sec. 22h. Distressed District Student Transition Grants

Provided funding in FY 2011-12 to a district to manage another district with an emergency manager under certain circumstances.

Sec. 22i. Technology Infrastructure Grants

Provides funding to districts to develop technology to prepare for online student growth assessments.

Sec. 22j. Student Performance Grants

Provides funding to districts as incentive payments to encourage student academic performance improvement.

Sec. 24. Court-Placed Pupils

Provides funding to pay for costs related to court-placed pupils.

Sec. 24a. Pupils in Juvenile Justice Facilities

Provides funding for educating pupils in juvenile justice facilities operated by the Department of Human Services.

Sec. 24b. Parents or Legal Guardian Residing in Different Districts

Allows students to enroll in a district in which either of the child's parents or legal guardian resides regardless of custody.

Sec. 24c. Youth Challenge Program

Provides funding for the Youth Challenge Program administered by Department of Military and Veterans Affairs.

Sec. 25. Enrollment of a Pupil After Pupil Membership County Day

Requires districts to report pupil transfers after membership count day and requires the MDE to adjust the funding to districts accordingly.

Sec. 26. Receipt of Funds Under Other Acts

Requires that the amount of funds received by a district or intermediate school district from local finance authorities established under several acts be deducted from its payments under sections 22b, 56, or 62.

Sec. 26a. Renaissance Zone Reimbursement

Provides reimbursement to local and intermediate school districts and public libraries for property tax revenue losses attributable to implementing the Michigan Renaissance Zone Act.

Sec. 26b. Payment in Lieu of Taxes (PILT) Reimbursement

Provides reimbursement funding to local and intermediate school districts and community colleges for PILT obligations.

Sec. 26c. Promise Zone Funding

Provides funding to districts and intermediate school districts for promise zones established under the Michigan Promise Zone Authority Act.

Sec. 31a. At-Risk Pupil Support, Adolescent Health Centers, Hearing and Vision Screening

Provides funding for pupils at risk of academic failure; also funds school-based adolescent health centers and hearing and vision screening administered by the Department of Community Health.

Sec. 31d. School Lunch Program

Provides funds to reimburse districts for 6.0127% of the necessary costs of the state-mandated portion of school lunch programs and appropriates federal dollars.

Sec. 31f. School Breakfast Program

Provides funding for the school breakfast program.

Sec. 32d. Great Start Readiness Program

Provides funds for traditional and competitive school readiness programs for educationally-disadvantage, four-year-old children; lists requirements for districts to meet to receive funding; and defines teacher paraprofessionals and subcontracted employee qualifications to teach in the program.

BOILERPLATE INFORMATION SECTION

Sec. 32g. Kindergarten Entry Status Assessment and Tiered Quality Improvement Rating System

Provided funds in FY 2011-12 for the development of kindergarten entry assessments and the development of a child-care provider rating system.

Sec. 32l. School Readiness Competitive Program

Provides guidelines to non-public school district entities operating Great Start Readiness programs.

Sec. 32p. Early Childhood Block Grants

Provides funds to intermediate school districts for early childhood block grants to replace funds formerly received under Sections 32b and 32j and supports creation of local great start collaboratives and parent coalitions.

Sec. 39. Priority in Funding the Great Start School Readiness Program

Describes how intermediate school districts will be prioritized to receive Great Start School Readiness Program funds and defines the calculation of the maximum number of children eligible in each intermediate school district.

Sec. 39a. Federal Funding

Appropriates federal No Child Left Behind funds and other federal funds.

Sec. 51a. Special Education Calculation

Provides funding for special education and describes the method for calculating funding.

Sec. 51b. Intermediate School District Compliance With Rules

Requires intermediate school districts to comply with Article 3 (refers to Special Education) of Revised School Code.

Sec. 51c. Special Education Payment

Allocates funds to reimburse districts for special education services.

Sec. 51d. Federally Funded Special Education Programs

Allocates funds to certain federally funded special education programs.

Sec. 52. Limit on Special Education Reimbursement

States reimbursement for special education programs and services shall not exceed 75% of total program cost.

Sec. 53a. Special Education Programs for Certain Pupils

Describes methods to calculate reimbursement for certain types of special education costs.

Sec. 54. Michigan Schools for the Deaf and Blind

Appropriates funds for education of pupils at the Michigan Schools for the Deaf and Blind.

Sec. 56. Intermediate School District Special Education Millage Equalization

Allocates funds to reimburse certain intermediate school districts levying millages for special education.

Sec. 58. Special Education Transportation Services

Requires reimbursement for special education transportation services to be based on data reported by districts.

Sec. 61a. Vocational-Technical Education Programs

Appropriates funds for vocational education programming.

Sec. 62. Intermediate School District Vocational Education Millage Equalization

Appropriates funds to reimburse certain intermediate school districts levying millages for vocational education.

Sec. 74. School Bus Driver Safety Instruction and School Bus Inspections

Appropriates funds for the School Bus Driver Safety Instruction program and for school bus inspections provided by the Michigan State Police.

Sec. 76. Transporting Nonpublic School Students

Allows certain districts to use funds calculated under Section 20 to transport nonpublic school students.

Sec. 81. Intermediate School District General Operations Support

Appropriates funds for the general operations of intermediate school districts.

Sec. 82. Early Intervention Programs

Allows intermediate school districts to use funds from section 81 to develop early intervening program models.

BOILERPLATE INFORMATION SECTION

Sec. 91a. Cessation of a Pilot Intermediate School District Schools of Choice Program

Requires districts to continue enrolling pupils enrolled in a district under a pilot intermediate school district school of choice program even if the program ceases to exist or if the school district ceases to participate.

Sec. 91c. Participation in Interscholastic Competition

Prohibits pupils enrolled in a district under a pilot intermediate school district schools of choice program from participating in interscholastic athletic competition for one semester.

Sec. 93. State Aid to Libraries for Michigan Electronic Library (MeLCat) Support

Supports state aid to libraries to help support the MeLCat in public schools and public libraries.

Sec. 94a. Center for Educational Performance and Information (CEPI)

Appropriates funds for the CEPI and the state education data collection.

Sec. 95. Principal Educator Evaluator Training

Provides funding for professional development for principals and assistant principals to begin implementing educator evaluation programs as required under the Revised School Code.

Sec. 98. Michigan Virtual University

Appropriates funds for the Michigan Virtual University to operate the Center for Online Learning Research and Innovation and to operate a Michigan Virtual School pilot program to study performance funding for online programs.

Sec. 99. Mathematics and Science Centers

Appropriates funds for Math and Science Centers.

Sec. 101. Eligibility to Receive State Aid

Describes requirements districts must meet in order to receive state aid, including providing a certain number of instructional days and hours. A district must provide at least 1,098 hours and at least 170 days in 2012-13; however, districts may not provide less days than provided in 2009-2010. If this subsection conflicts with a current bargaining agreement it does not take effect until that agreement expires. Requires the MDE to study the actual cost of distance learning and report to Legislature by September 2012.

Sec. 101a. Enrolling a Pupil who has Dropped Out of Another District

Allows a district that enrolls a pupil who dropped out of another district, but whose former district has not updated the pupil's status in the Michigan Student Data System, to submit evidence to the MDE that the pupil is a dropout. If verified by the MDE, the district can enroll the pupil as a dropout of another district.

Sec. 102. Deficit Budgets

Prohibits schools from having deficit budgets or adopting budgets with a projected deficit. Requires the MDE to submit annual reports of districts in deficit to the Legislature and quarterly reports of the progress deficit districts make regarding their deficit elimination plan.

Sec. 104. Educational Assessments

Provides state and federal funding for statewide educational assessments.

Sec. 104b. Michigan Merit Examination

Requires districts to comply and administer the exam to all 11th graders.

Sec. 105. Schools of Choice Within Intermediate School Districts

Provides requirements for schools of choice within intermediate school districts.

Sec. 105b. Intermediate School District Pilot Schools of Choice Program

Exempts an intermediate school district that operates a pilot school of choice program (and its constituent districts) from Section 105.

Sec. 105c. Schools of Choice Among Contiguous Intermediate School Districts

Provides requirements for schools of choice among contiguous intermediate school districts.

Sec. 106. Pupils Not Counted in Membership

Prohibits pupils enrolled in a program fully subsidized with federal/state funds from being counted in membership.

Sec. 107. Adult Education

Appropriates funds for adult education.

BOILERPLATE INFORMATION SECTION

Sec. 109. Pupil Requiring Hospitalization or Confinement at Home

Requires districts to provide instruction to pupils who require hospitalization or confinement at home for more than five school days.

Sec. 111. Tuition Rates

Describes the requirements for determining tuition rates for nonresident pupils.

Sec. 112. Full-day Kindergarten Tuition Prohibition

Prohibits districts from charging tuition for a full-day kindergarten program.

Sec. 118. Requirement to Pay Tuition

Requires districts to pay tuition for residents of the district educated outside of the district's boundaries.

Sec. 121. Determination of a District's Property Value

Describes the determination of property values for the purposes of calculating state aid.

Sec. 122. Deducting Valuation of Property from Valuation of District

Allows value of certain properties to be deducted from district property valuation if taxes are not collected on them.

Sec. 124. Adjustments of a District's Property Value

Describes adjustments to property values for the purposes of calculating state aid.

Sec. 147. Allocations to Michigan Public School Employees' Retirement System (MPERS)

Reports the annual estimate of the employer payroll contribution rate for MPERS.

Sec. 147a. MPERS One-Time Cost Offset

Payment to districts to partially offset increases in MPERS employer contribution rates. Distributions are calculated based on each district's share of the statewide MPERS payroll.

Sec. 147b. MPERS Reserve for Retirement Obligation Reform

Establishes the MPERS retirement obligation reform reserve fund within the School Aid Fund and deposits \$41 million into the fund in FY 2012-13 in addition to the \$133 million deposited in FY 2011-12.

Sec. 147c. MPERS State Contribution

Appropriates funds to MPERS to pay for the required pension and retiree health care prefunding amounts that exceed the employer rate cap of 24.46% of payroll.

Sec. 151. Statement of Taxable Value

Requires county treasurers to submit a statement of taxable value to the state; describes duties of tax tribunals.

Sec. 152. Reporting Requirements

Requires districts to submit certain reports to the MDE.

Sec. 152a. Reimbursements for Data Costs

Reimburses districts and intermediate school districts for the costs of collecting, maintaining, and reporting data required by the State to satisfy *Adair v. State of Michigan*.

Sec. 153. Furnishing Information to the Fiscal Agencies

Requires districts and intermediate school districts to provide the fiscal agencies with any requested information relative to expenditure of school aid funds.

Sec. 161. School Board Member Responsibility

States that a school official or board member who violates School Aid Act provisions is guilty of a misdemeanor.

Sec. 161a. False Report

Requires anyone making a false report of a crime under section 6(6)(f) to pay the district of residence the amount it would have received if the pupil had been counted in membership.

Sec. 162. Failure to File Reports

States that a district that fails to file reports required by the School Aid Act will forfeit a day's worth of state aid for each day the reports are late.

Sec. 163. Teacher Certification Requirements

Requires districts to hire certified teachers and counselors.

BOILERPLATE INFORMATION SECTION

Sec. 163a. Enrollment of Homeless Children

Requires districts to enroll homeless children residing in the district.

Sec. 164. Expenditures for Chauffeurs and Automobiles

Requires districts to forfeit the amount of expenditures spent on chauffeurs or purchasing, leasing or renting cars for school board members or administrators.

Sec. 164a. Payment in Lieu of Vacation Time

Prohibits districts from paying school administrators in lieu of leave time to increase their retirement benefits.

Sec. 164b. Reimbursement of Board Member Expenses

Describes requirements for reimbursement of board members.

Sec. 164c. Purchase of Foreign Goods or Services

Prohibits districts from purchasing foreign goods or services if competitively priced American goods or services of comparable quality are available. Gives preference to Michigan and veteran-owned businesses.

Sec. 164d. Discriminatory Rules

Prohibits districts from implementing policy or practices that discriminate against personnel solely because they have graduated from a particular state university.

Sec. 164e. Discrimination Against Student Teachers

Prohibits discrimination against a student teacher because the state university in which the person is enrolled serves as the authorizing body for one or more public school academies.

Sec. 165. Reimbursement for Shared Time Agreement

Requires reimbursement for shared time agreements under certain circumstances.

Sec. 166. Distributing Family Planning Drugs and Devices

Prohibits districts from distributing drugs or devices related to family planning.

Sec. 166a. Requirements Related to Sex Education

States the requirements related to sex education.

Sec. 166b. Enrollment in Nonpublic School or Home School

Describes the enrollment of nonpublic and home-schooled students in public schools and public school academies.

Sec. 166d. Cyber School Disclosure

Requires a school of excellence that is a cyber school to disclose salary or other compensation. Includes a state aid penalty for non-disclosure.

Sec. 166e. Competitive Bid Process

Requires districts to use competitive bidding for building construction and repair contracts.

Sec. 167. Immunization Process

Requires districts to report immunization status of pupils in grades K through 12 to their local health department.

Sec. 168. Access to Records and Audits

Requires districts to give the MDE access to certain records and to audit certain records.

Sec. 168a. Removing Asbestos

Prohibits removal of asbestos unless removal is required.

Sec. 169. Advertisement by Public School Academies

Requires public school academies to advertise their enrollment opportunities and application processes.

Sec. 169a. Information About the Michigan Schools for the Deaf and Blind

Requires information about the schools and services to be given to deaf and blind pupils.

Sec. 169b. Board Member Conflicts of Interest

Prohibits school board members from voting on any contract in which the board member has a conflict of interest.

Sec. 171. Repealer Section

Repeals certain sections in this act or a former act.

BOILERPLATE INFORMATION SECTION

ARTICLE IV: GENERAL PROVISIONS

Sec. 296. School Aid Fund Proration

Provides for school aid appropriation amounts funded from School Aid Fund revenue to be reduced (along with Higher Education and Community College appropriations) if total School Aid Fund appropriations are greater than the revenue available in the fund.

Enacting Section 1. State Spending to Locals

Reports spending from state resources and estimated payments to local units of government.



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