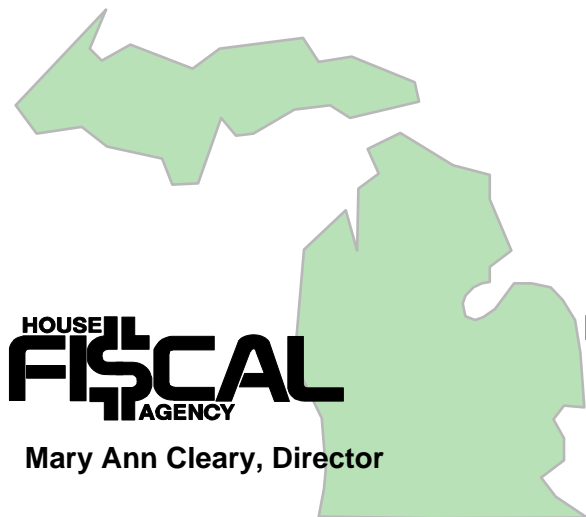


LINE ITEM AND BOILERPLATE SUMMARY

SCHOOL AID

**Fiscal Year 2011-12
Article I, Public Act 62 of 2011
House Bill 4325 as Enacted**



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

September 2011

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September 2011

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2011-12 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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BOILERPLATE INFORMATION SECTION 7

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), 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 Municipal Bond Authority.
		Funding Source(s): Restricted 39,000,000
		<i>Related Boilerplate Section(s): 11, 11f, 11h, 11i, 17b</i>
<hr/>		
Section 11j – School Bond Redemption Fund	93,575,300	Payment to School Bond Redemption Fund in Department of Treasury.
		Funding Source(s): Restricted 93,575,300
		<i>Related Boilerplate Section(s): 11, 17b</i>
<hr/>		
Section 11m – Cash Flow Borrowing Costs	20,000,000	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 20,000,000
		<i>Related Boilerplate Section(s): 11, 17b</i>
<hr/>		
Section 22a – Proposal A Obligation Payment	5,691,000,000	Funds guarantee 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 2011-12, minus the district's local revenue from nonhomestead millage revenue.
		Funding Source(s): Restricted 5,691,000,000
		<i>Related Boilerplate Section(s): 6, 11, 20, 22b, 104a, 105, 105c</i>
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Section 22b – Discretionary Payment	3,032,300,000	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 2,922,561,100 GF/GP 109,738,900
		<i>Related Boilerplate Section(s): 6, 11, 20, 22a, 51a, 51c, 76, 101, 102, 104a, 105, 105c</i>
<hr/>		
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>
<hr/>		
Section 22e – Michigan Business Tax (MBT) Impact on Out of Formula Districts	700,000	Payment to eligible districts with 500 or fewer pupils to replace lost local revenue in out-of-formula districts due to MBT changes. An eligible district may not receive more than 15% of total allocation.
		Funding Source(s): Restricted 700,000
		<i>Related Boilerplate Section(s): 11, 20, 22b</i>

Section 22f – Best Practices Incentives	154,000,000	Provides incentive payments to districts equal to \$100 per pupil. To qualify, districts must meet 4 out of 5 specified financial best practices, including employee health benefit premium share, health care policyholder status, service consolidation plans, competitive bidding, and a district dashboard or report card with school performance and financial data. One-time funding from the year-end School Aid Fund balance for FY 2010-11. Funding Source(s): Restricted 154,000,000 <i>Related Boilerplate Section(s): 11, 20, 22b</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	1,197,500	Payments to intermediate school districts for pupils placed in juvenile justice service facilities operated by Department of Human Services (DHS). Funding Source(s): Restricted 1,197,500 <i>Related Boilerplate Section(s): 11</i>
Section 24c – Youth Challenge Program	742,300	Funds the Youth Challenge Program, a boot camp program for at-risk youth. Funding Source(s): Restricted 742,300 <i>Related Boilerplate Section(s): 11</i>
Section 26a – Renaissance Zones	26,300,000	Reimburses local school districts, intermediate school districts for property tax revenue losses attributable to implementing the Michigan Renaissance Zone Act. Funding Source(s): Restricted 26,300,000 <i>Related Boilerplate Section(s): 11</i>
Section 26b – Payment In Lieu of Taxes	2,890,000	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 2,890,000 <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 and PSAs with FY 2011-12 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, 20j</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 breakfast. Funding Source(s): Restricted	9,625,000
<i>Related Boilerplate Section(s): 11, 17b</i>			
Section 32b – Early Childhood Investment Corporation (ECIC) Collaborative Grants	5,900,000	Provides for competitive grants to intermediate school districts for Great Start Communities or other community purposes identified by ECIC. Funding Source(s): Restricted	5,900,000
<i>Related Boilerplate Section(s): 11, 17b</i>			
Section 32d – Great Start Readiness Program	104,575,000	Funds traditional and competitive 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 GF/GP	104,275,000 300,000
<i>Related Boilerplate Section(s): 11, 17b, 39, 40</i>			
Section 32j – Great Parents Great Start	5,000,000	Grants to intermediate school districts to provide programs to parents of children age five or younger to encourage early literacy, improve school readiness, reduce the need for special education services, and foster stable families. Funding Source(s): Restricted	5,000,000
<i>Related Boilerplate Section(s): 11, 81</i>			
Section 39a(1) – Federal Grant Programs	761,973,600	Appropriates \$762.0 million for grant programs under No Child Left Behind Act. Funding Source(s): Federal	761,973,600
<i>Related Boilerplate Section(s): 11, 17b</i>			
Section 39a(2) – Other Federal Funding	32,359,700	Appropriates \$32.4 million for other federal grants. Funding Source(s): Federal	32,359,700
<i>Related Boilerplate Section(s): 11, 17b</i>			
Section 51a – Special Education	1,414,869,100	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 Restricted	437,400,000 977,469,100
<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 guarantee that intermediate school districts that levy vocational education millage will receive equalized revenue for each mill levied of at least \$190,400 per membership pupil in 2010-2011 school year.	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	3,154,600	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	3,154,600
<i>Related Boilerplate Section(s): 11, 17b</i>					
Section 81 – Intermediate School District General Operations Support	62,108,000	Supports general operations of intermediate school districts; each intermediate school district will receive a 5% decrease from FY 2010-11 levels.	Funding Source(s):	Restricted	62,108,000
<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 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	8,394,900	Funds collection of education data required by state law; fulfills federal reporting requirements and funds implementation of recent education reforms.	Funding Source(s):	Federal GF/GP	2,893,200 5,501,700
<i>Related Boilerplate Section(s): 11, 17b, 18, 19</i>					
Section 98 – Michigan Virtual High School	4,387,500	Funds to maintain Michigan Virtual High School; Virtual High School facilitates on-line high school courses to expand curricular offerings; portion of funds is earmarked for online professional development.	Funding Source(s):	Federal GF/GP	2,700,000 1,687,500
<i>Related Boilerplate Section(s): 11, 17b</i>					
Section 99 – Mathematics and Science Centers	7,874,300	Supports implementation of a statewide network of mathematics and science centers.	Funding Source(s):	Federal Restricted GF/GP	5,249,300 2,515,000 110,000
<i>Related Boilerplate Section(s): 11, 17b</i>					
Section 104 – Educational Assessments	43,444,400	Funds all statewide education assessments and results analysis and reporting and provides funds to implement recent education reforms.	Funding Source(s):	Federal Restricted	8,250,000 35,194,400
<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 and 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 increasing costs for school districts related to the Michigan Public School Employees Retirement System (MPSERS). The required employer contribution rate will increase by over 4 percentage points to 24.46% of payroll for most employees due to pension investment losses. Payments are distributed based on each district's share of the total statewide MPSERS payroll for FY 2010-11. One-time funding from the year-end School Aid Fund balance for FY 2010-11. Funding Source(s): Restricted 155,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 147b – MPSERS Reserve for Retirement Obligation Reform	133,000,000	Deposits \$133,000,000 into a reserve fund within the School Aid Fund to be used to reform MPSERS retirement obligations. One-time funding from the year-end School Aid Fund balance for FY 2010-11. Funding Source(s): Restricted 133,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 152a – Adair Database Payments	34,064,500	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 34,064,500 <i>Related Boilerplate Section(s): 11</i>
GROSS APPROPRIATION	\$12,659,072,900	Total of all applicable line item appropriations.
Federal revenue	1,653,331,800	Total other federal grant or matchable revenue.
Total state restricted revenue (SAF)	10,887,098,700	State revenue dedicated to School Aid Fund.
GENERAL FUND/ GENERAL PURPOSE	\$118,642,400	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

BOILERPLATE INFORMATION SECTION

Sec. 2. Definitions of Terms

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. 3. Definitions, "A" to "D"

Provides definitions for terms beginning with the letter "A" to the letter "D".

Sec. 4. Definitions, "E" to "H"

Provides definitions for terms beginning with the letter "E" to the letter "H".

Sec. 5. Definitions, "I"

Provides definitions for terms beginning with the letter "I".

Sec. 6. Definitions, Additional Terms

Provides additional definitions of terms.

Sec. 6a. Supplemental Count Day

Requires a supplemental 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

Requires Department to assign district codes to public school academies within 30 days.

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 Municipal Bond Authority.

Sec. 11j. School 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 Municipal Bond 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. 13. Apportionments and Limitations of Apportionments

Describes apportionments.

Sec. 14. Defective Returns and Duties of Department

Allows Department to withhold payments for certain defective paperwork.

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

Allows Department to adjust apportioned amounts under certain circumstances.

BOILERPLATE INFORMATION SECTION

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.

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. Annual Progress Reports

Describes requirements for annual progress 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.

Sec. 21b. Postsecondary Tuition

Requires districts to pay tuition for pupils at eligible postsecondary institutions under the Postsecondary Enrollment Options Act.

Sec. 22a. Proposal A Obligation Payment

Allocates funds to pay school districts an amount sufficient to guarantee an amount equal to 1994-95 total state and local per pupil revenue for school operating purposes.

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. 22e Michigan Business Tax (MBT) Impact on Out of Formula Districts

Payment to eligible out-of-formula districts with fewer than 500 pupils to replace property tax revenue losses attributable to MBT changes. An eligible district may not receive more than 15% of total allocation.

Sec. 22f Best Practices Incentives

Incentive payment equal to \$100 per pupil to districts that meet 4 out of 5 specified financial best practices, including employee health benefit premium share, health care policyholder status, service consolidation plans, competitive bidding, and a district dashboard or report card with school performance and financial data.

Sec. 23. Instructional Program Operated by Public University

Allows funding for certain instructional programs operated by public universities.

Sec. 24. Court-Placed Pupils

Appropriates funds 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.

BOILERPLATE INFORMATION SECTION

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 Expelled Pupil Enrolled in Alternative Education Program

Requires reimbursement for pupils who transfer to an alternative education program after the count date.

Sec. 25a. Enrollment of a Pupil Who Is a Victim of a Criminal Sexual Assault

Requires reimbursement for a pupil who transfers to a district after filing a complaint that he/she has been a victim of criminal sexual assault.

Sec. 25b. Enrollment of Pupils After the Count Day in Districts Other Than Detroit

Requires reimbursement for pupils who transfer to a district other than Detroit after the count date.

Sec. 25c. Enrollment of Pupils After the Count Day in Detroit

Requires reimbursement for pupils who transfer to the Detroit school district after the count date.

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 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. 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. 32b. Early Childhood Investment Corporation (ECIC) Collaborative Grants

Provides grants for the creation and operation of local great start collaboratives to address early childhood needs.

Sec. 32d. Great Start Readiness Program

Provides funds for traditional and competitive school readiness programs for educationally-disadvantaged, 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.

Sec. 32j. Great Parents, Great Start Program

Provides funds to intermediate school districts for parenting programs.

Sec. 32l. School Readiness Competitive Program

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

Sec. 39. Priority in Funding the Michigan School Readiness Program

Describes how districts will be prioritized to receive Michigan School Readiness Program funds and defines the calculation of the maximum number of children eligible in each district for School Readiness Funds.

Sec. 39a. Federal Funding

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

BOILERPLATE INFORMATION SECTION

Sec. 40. Children in Need of Michigan School Readiness

Requires Department of Education to review biennially alternative methods for determining the number of children in need of Michigan School Readiness Program services.

Sec. 51a. Special Education Calculation

Describes the method for calculating special education 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 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 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 to reimburse Michigan State Police for providing random audits of local school district bus inspections.

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.

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.

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.

BOILERPLATE INFORMATION SECTION

Sec. 98. Michigan Virtual High School

Appropriates funds for the Michigan Virtual High School.

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 165 days beginning in 2010-11 and 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 department to study the actual cost of distance learning and report to Legislature by September 2012.

Sec. 102. Deficit Budgets

Prohibits schools from having deficit budgets or adopting budgets with a projected deficit.

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.

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.

BOILERPLATE INFORMATION SECTION

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 \$133 million into the fund for future reforms. Establishes intent for the creation of a legislative workgroup, which will identify reforms and estimated costs and savings of identified reforms.

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 Department of Education.

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.

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.

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.

BOILERPLATE INFORMATION SECTION

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 Department of Education 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.

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.

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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