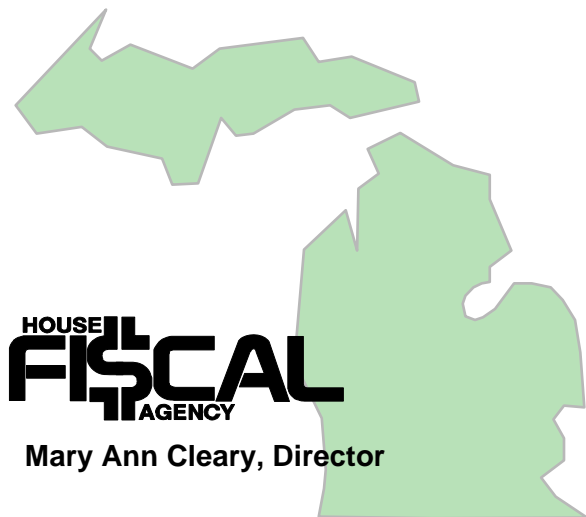


LINE ITEM AND BOILERPLATE SUMMARY

SCHOOL AID

Fiscal Year 2013-14
Article I, Public Acts 60 and 97 of 2013
House Bills 4228 and 4815 as Enacted



Bethany Wicksall, Associate Director

September 2013

**HOUSE FISCAL AGENCY
GOVERNING COMMITTEE**

Joe Haveman

Jase Bolger

Jim Stamas

Rashida Tlaib

Tim Greimel

David Rutledge

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HOUSE FISCAL AGENCY

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TIM GREIMEL
DAVID RUTLEDGE

September 2013

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2013-14 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	\$39,500,000	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 the Michigan Finance Authority. Payments will end after FY 2014-15. Funding Source(s): Restricted 39,500,000 <i>Related Boilerplate Section(s): 11, 11f, 11h, 11i, 17b</i>
Section 11j – School Bond Redemption Fund	131,660,000	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 131,660,000 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 11m – Cash Flow Borrowing Costs	4,000,000	Pays interest costs incurred by the State associated with cash-flow borrowing to meet the requirement to pay local and intermediate school districts over 11 payments. Funding Source(s): Restricted 4,000,000 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 20f – Hold Harmless Grants	6,000,000	Funding guarantees that no district receives less than a \$5 per pupil increase for FY 2013-14 when adding together the increases in the foundation allowance and equity payment and the reductions in MPERS cost offsets. Funding Source(s): Restricted 6,000,000 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 20g – Dissolved District Transition Grants	2,200,000	Funding provided to districts receiving students from dissolved districts to assist in transition costs related to the influx of new students. Funding is equal to 10% of the lesser of the foundation allowance of the receiving district or the Basic foundation allowance times the number of students in the district who were previously enrolled in the dissolved district or who were residents and are entering kindergarten. The grants are intended to be the first of four years of transition funding. Funding Source(s): GF/GP 2,200,000 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 22a – Foundations: Proposal A Obligation Payment	5,536,700,000	Funding guarantees FY 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 2013-14, minus the district's local revenue from nonhomestead millage revenue. Funding Source(s): Restricted 5,536,700,000 <i>Related Boilerplate Section(s): 6, 11, 20, 22b, 105, 105c</i>

Section 22b – Foundations: Discretionary Payment	3,373,700,000	Provides funds equal to the sum of amounts calculated under Sec. 20 (total foundation allowances) and under Sec. 51a(2) plus Sec. 51a(3) plus Sec. 51a(11) (total special education), minus amounts under Sec. 22a (Proposal A guaranteed portion of foundation allowance) and Sec. 51c (Headlee obligated special education reimbursements - <i>Durant v State of Michigan</i>). Funding Source(s): Restricted 3,173,097,600 GF/GP 200,602,400 <i>Related Boilerplate Section(s): 6, 11, 20, 22a, 51a, 51c, 76, 101, 102, 105, 105c</i>
Section 22c – Equity Payment	36,000,000	Payments of up to \$50 per pupil for districts and PSAs whose FY 2013-14 foundation allowances are less than \$7,076. Funding Source(s): Restricted 36,000,000 <i>Related Boilerplate Section(s): 6, 11, 20</i>
Section 22d – Isolated District Funding	2,584,600	Payment of \$957,300 to certain small, geographically isolated districts and \$1,627,300 to districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200. Funding Source(s): Restricted 2,584,600 <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: participating in schools of choice, measuring student growth, providing dual enrollment opportunities, providing online learning opportunities, acting as health insurance policyholder, providing a district dashboard 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	5,000,000	Provides funding for competitive assistance grants to help defray transition costs associated with the consolidation of districts or ISDs for consolidations that take place on or after June 1, 2013. Funding Source(s): Restricted 5,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 22i – Technology Infrastructure Improvement Grants	50,000,000	Provides \$45.0 million for 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. Earmarks \$5.0 million for a competitive bid to a provider of whole school technology. Funding Source(s): Restricted 45,000,000 GF/GP 5,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 22j – District Performance Funding	46,400,000	Provides performance-based grants with awards to districts of up to \$100 per pupil based on student achievement growth on the 2011-2012 school year assessments as measured by Michigan Education Assessment Program (MEAP) and Michigan Merit Exam (MME) data. Districts receive \$30 per pupil for grades 3-8 reading, \$30 per pupil for grades 3-8 mathematics, and \$40 per pupil for high school assessments. Funding Source(s): Restricted 46,400,000 <i>Related Boilerplate Section(s): 11</i>

Section 22k – Student-Centric Grants	8,000,000	Establishes a new program for competitive grants to districts that align instruction with individual student learning styles and pace and advance students based on individual mastery of each subject area. Funding Source(s): Restricted 8,000,000
<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	2,167,500	Payments to intermediate school districts for pupils placed in juvenile justice service facilities operated by Department of Human Services (DHS). Funding Source(s): Restricted 2,167,500
<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	29,500,000	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 3,200,000
<i>Related Boilerplate Section(s): 11</i>		
Section 26b – Payment In Lieu of Taxes	4,009,500	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 4,009,500
<i>Related Boilerplate Section(s): 11</i>		
Section 26c – Promise Zone Funding	266,200	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 266,200
<i>Related Boilerplate Section(s): 11</i>		
Section 31a – At-Risk Pupil Support, School-based Health Centers, Hearing and Vision Screening	317,695,500	Supports instructional programs and direct noninstructional services for at-risk pupils (\$308,988,200). Eligible recipients are local districts, PSAs, and the EAS with FY 2013-14 combined state/local revenue under Section 20 (foundation allowance calculation) of less than or equal to \$8,049 per pupil; eligible districts receive an amount equal to 11.5% of their foundation allowance for each qualified student; however, as Sec. 31a funds have not grown along with the growth in foundations, allocations are significantly prorated. Also includes funding for school based 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	485,695,100	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 463,200,000 Restricted 22,495,100
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 31f – School Breakfast Program	5,625,000	Reimburses districts for costs of providing school breakfast. Funding Source(s): Restricted 5,625,000
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 32d – Great Start Readiness Program	174,575,000	Provides funds to intermediate school districts to operate school readiness preschool programs for four-year-old children in low-income families; comprehensive program includes an age-appropriate curriculum, nutritional services, health screening, and parental involvement. Each half-day slot allocation is equal to \$3,625, and two slots may be used to provide a child with a full-day preschool program. Allocates \$300,000 grant to continue a longitudinal evaluation of program. Funding Source(s): Restricted 174,275,000 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	811,828,500	Appropriates up to \$811.8 million for federal grant programs under No Child Left Behind Act including the following estimated funds: Drug-free School and Communities: 10,808,600 Improving Teacher Quality: 111,111,900 Language Acquisition (Limited English Proficient): 12,200,000 Charter School Funds: 10,286,500 Rural and Low Income Schools: 2,393,500 Title I funding for disadvantaged children: 591,500,000 Migrant Education: 8,878,000 21st Century Community Learning Centers: 40,050,000 School Improvement Grants: 24,600,000 Funding Source(s): Federal 811,828,500
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 39a(2) – Other Federal Funding	31,700,000	Appropriates up to \$31.7 million for other federal grants including the following estimated funds: AIDS Education Grants: 600,000 Homeless Grants: 2,600,000 Career & Technical Education grants: 28,500,000 Funding Source(s): Federal 31,700,000
<i>Related Boilerplate Section(s): 11, 17b</i>		

Section 41 – Bilingual Education	1,200,000	Funds for educational programs for students with limited English-speaking ability to districts or intermediate school districts on a per pupil basis. A pupil may only be counted for funds under this section for up to three years. Prohibits a district from receiving funds if it allows students who do not reside in the United States legally to participate in the program. Funding Source(s): Restricted 1,200,000 <i>Related Boilerplate Section(s): 11</i>
Section 51a – Special Education	1,424,446,100	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 444,000,000 Restricted 980,446,100 <i>Related Boilerplate Section(s): 6, 11, 51b, 51c, 51d, 52, 53a, 54, 56, 58</i>
Section 61a – Career and Technical Education Programs	27,611,300	Reimburses local districts and secondary area vocational/technical centers for a portion of the added costs of career and technical education (CTE) programs; allocations determined based on program type, number of pupils, and length of training period and may not exceed 75% of the total added costs. Also includes \$1.0 million in grants for the purpose of integrating the Michigan merit curriculum content standards into state-approved CTE instructional programs to award academic credit. Funding Source(s): Restricted 27,611,300 <i>Related Boilerplate Section(s): 6, 11, 20d</i>
Section 62 – ISD Vocational/Technical Education Millage Equalization	9,190,000	Funds to support vocational/technical education in intermediate school districts that levy vocational/technical education millages but have low property values. Caps an individual intermediate school district's allocation at no more than 38.4% of the total appropriation, and provides that no ISD shall receive less than 75% of its prior year allocation. Funding Source(s): Restricted 9,190,000 <i>Related Boilerplate Section(s): 6, 11, 121</i>
Section 64a – High School/ Postsecondary Credit Transfer	1,000,000	Funds to establish partnerships between high schools, early or middle colleges, and public colleges and universities to develop statewide transfer or articulation agreements to ensure postsecondary credit earned during high school is included in transcripts and is transferable to postsecondary institutions. Funding Source(s): Restricted 1,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 74 – Bus Driver Safety Instruction and School Bus Inspections	3,299,000	Provides \$1,625,000 for bus driver safety instruction or evaluation and reimburses districts for non-special education auxiliary services transportation. Provides \$1,674,000 to reimburse the Michigan State Police for the cost of school bus inspections. Funding Source(s): Restricted 3,299,000 <i>Related Boilerplate Section(s): 11, 17b</i>

Section 81 – Intermediate School District General Operations Support	64,115,000	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 2013-14 as it did in FY 2012-13. In addition, each intermediate school district will be eligible for an additional 3.2% of its general operations allocation if it meets 5 out of 6 of the following best practices criteria: developing and implementing a service consolidation plan, obtaining competitive service bids, developing a technology plan for constituent districts, providing a dashboard with financial data, entering consortia with other ISDs to develop state model for local information management systems, and acting as health insurance policyholder. Funding Source(s): Restricted 64,115,000 <i>Related Boilerplate Section(s): 6, 11,</i>
Section 94a – Center for Educational Performance and Information	9,728,600	Funds the collection of education data and reporting requirements of state and federal law. Funding Source(s): Federal 193,500 GF/GP 9,535,100 <i>Related Boilerplate Section(s): 11, 17b, 18, 19</i>
Section 95 – Principal Educator Evaluator Training	500,000	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 500,000 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 98 – Michigan Virtual High School	9,387,500	Funds operation of the Michigan Virtual School and the Michigan Virtual Learning Research Institute to research best practices for technology-based instruction and online learning, to provide professional development on integrating digital learning into instruction, and to create a statewide catalog of all online courses and course syllabi provided by all Michigan public schools. Funding Source(s): GF/GP 9,387,500 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 99 – Mathematics and Science Centers	8,474,300	Supports implementation of a statewide network of mathematics and science centers, each of which must provide at least 2 of the following 6 basic services: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services. Also includes \$475,000 for a grant to Michigan STEM partnership for the administration of a competitive grant process and grants to organizations conducting project-based and competitive programs in science, technology, engineering, and mathematics. Funding Source(s): Federal 5,249,300 Restricted 2,850,000 GF/GP 375,000 <i>Related Boilerplate Section(s): 11, 17b</i>
Section 99h – FIRST Robotics	3,000,000	Supports competitive grants to districts to provide students in grades 7 to 12 with expanded opportunities to improve mathematics, science and technology skills by participating in the FIRST (for inspiration and recognition of science and technology) Robotics program. Funding Source(s): GF/GP 3,000,000 <i>Related Boilerplate Section(s): 11, 17b</i>

Section 104 – Educational Assessments	34,944,400	Funds the third party contract costs of statewide education assessments including the Michigan Education Assessment Program (MEAP), the Michigan Merit Exam (MME), the English Language Proficiency Assessment (ELPA) and the MEAP-Access an alternative assessment for students with learning disabilities. 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	100,000,000	Offsets a portion of costs for school districts related to the Michigan Public School Employees Retirement System (MPSERS). Payments are distributed based on each district's share of the total statewide MPSERS payroll for FY 2012-13. Funding Source(s): Restricted 100,000,000
<i>Related Boilerplate Section(s): 11</i>		
Section 147c – MPSERS State Share of Unfunded Liability Payments	404,600,000	Appropriates funds to districts, intermediate school districts, and libraries in an amount equal to the State's required share of the MPSERS contribution pursuant to Sec. 41 of the Public School Employees' Retirement Act. Districts, intermediate school districts, and libraries must remit the funds to the MPSERS. Funding Source(s): Restricted 403,300,000 GF/GP 1,300,000
<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	\$13,366,703,600	Total of all applicable line item appropriations.
Federal revenue	1,764,421,300	Total other federal grant or matchable revenue.
Restricted SAF revenue	11,211,382,300	State revenue dedicated to School Aid Fund (SAF).
Restricted MPSERS Reserve Fund	156,000,000	A separate account created within the School Aid Fund for deposit of funds to pay for a portion of the MPSERS unfunded accrued liability costs.
GENERAL FUND/ GENERAL PURPOSE	\$234,900,000	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

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 through D

Defines achievement authority, achievement school, average daily attendance, board, center, cooperative education program, department, district, district of residence, and district superintendent.

Sec. 4. Definitions: E through H

Defines education achievement system (EAS), elementary pupil, extended school year, fiscal year, GED program, and high school pupil.

Sec. 5. Definitions: I

Defines intermediate board, intermediate district, and intermediate superintendent.

Sec. 6. Additional Definitions

Defines center program, district and high school graduation rate, district and high school graduation report, membership, public school academy, pupil, pupil membership count day, pupils in grades K to 12 actually enrolled and in regular daily attendance, rule, Revised School Code, school district of the first class, school fiscal year, state board, superintendent, supplemental count day, tuition pupil, state school aid fund, taxable value, textbook, and total state aid.

Sec. 6a. Supplemental Pupil Count

Requires a supplemental pupil membership count day on the second Wednesday in February.

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 and the financial obligations 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 allocated in sections 11g through 152a.

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 Loan Revolving Fund

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

Sec. 11m. Cash Flow Borrowing Costs

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

BOILERPLATE INFORMATION SECTION

Sec. 12. Intent for Maintaining Funding for FY 2014-15

Provides intent to maintain FY 2013-14 funding levels into FY 2014-15 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.

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 that annual audits, financial reports, and district budgets be made available on district 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 Academy, Achievement Authority, or Achievement School and Third Party

Exempts the state from liability for certain debts incurred by public school academies, the Achievement Authority, or an achievement school.

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. 20f. Hold Harmless Grants

Provides funds so that every district receives at least a \$5 per pupil increase for FY 2013-14 when adding the increases in the foundation allowance and the equity payment and the reductions in the Sec. 147a MPSERS cost offset.

Sec. 20g. Dissolved District Transition Grants

Provides funding to districts receiving students from dissolved districts to assist in transition costs related to the influx of new students.

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.

BOILERPLATE INFORMATION SECTION

Sec. 21f. Online Courses

Requires districts to allow students in grades 5 through 12 to take up to two online courses per semester provided by any public school.

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. 22c. Equity Payment

Provides up to \$50 per pupil for districts with a foundation allowance below \$7,076.

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.

Sec. 22g. Consolidation Incentive Grants

Provides grants to districts or intermediate school districts that consolidate.

Sec. 22i. Technology Infrastructure Grants

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

Sec. 22j. District Performance Grants

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

Sec. 22k. Student-Centric Grants

Provides funding to districts as incentive payments to encourage instruction based on individual student mastery of each subject and at an individual's own pace.

Sec. 23a. Dropout Recovery Program

Allows certain dropout recovery programs to count students based on an alternative definition of membership in Sec. 6 and with an exemption from the number of days and hours of instruction required under Sec. 101.

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. 25e. Pupil Transfer Process

Allows districts to report pupil transfers after the fall membership count day through a CEPI application and requires the MDE to adjust the membership count and funding to districts accordingly. Transfers must be completed before the supplemental count day in February.

BOILERPLATE INFORMATION SECTION

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, School-based Health Centers, Hearing and Vision Screening

Provides funding for pupils at risk of academic failure; also funds school-based 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 school readiness programs for four-year-old children from low-income families; lists requirements for districts to meet to receive funding; and defines teacher paraprofessionals and subcontracted employee qualifications to teach in the program.

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. 41. Bilingual Education

Provides funds to districts and ISDs to provide instruction to students with limited English-speaking ability.

Sec. 51a. Special Education Calculation

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

Sec. 51b. School District and ISD Compliance With Rules

Requires districts and ISDs 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 as required under *Durant v State of Michigan*. The state must reimburse 28.6138% of total approved costs of special education and 70.4165% of total approved costs of special education transportation.

Sec. 51d. Federally Funded Special Education Programs

Allocates funds for certain federally funded special education programs for individuals with disabilities, including funds for infants and toddlers and preschool students.

Sec. 52. Limit on Special Education Reimbursement

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

BOILERPLATE INFORMATION SECTION

Sec. 53a. Special Education Programs for Certain Pupils

Describes methods to calculate reimbursement for certain types of special education costs for pupils assigned to a district or ISD through a court or state-ordered placement program, residents of institutions operated by the Department of Community Health, developmentally disabled students placed in a community setting, or residents of certain childcare institutions.

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 the added costs of career and technical education programming.

Sec. 62. Intermediate School District Vocational-Technical Education Millage Equalization

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

Sec. 64a. High School/ Postsecondary Credit Transfer

Appropriates funds to establish partnerships between high schools, early or middle colleges, and public colleges and universities to develop statewide transfer or articulation agreements to ensure postsecondary credit earned during high school is included in transcripts and is transferable to postsecondary institutions.

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 and to incentivize certain best practices.

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 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. 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 Michigan Virtual School and the Michigan Virtual Learning Research Institute and maintain a statewide catalog of online courses provided by Michigan public schools.

Sec. 99. Mathematics and Science Centers

Appropriates funds for Math and Science Centers and for the Michigan STEM partnership.

BOILERPLATE INFORMATION SECTION

Sec. 99h. FIRST Robotics Grants

Appropriates funds to districts and ISDs to provide students in grades 7 to 12 with expanded opportunities to improve mathematics, science and technology skills by participating in the FIRST (for inspiration and recognition of science and technology) Robotics program.

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 2013-2014; however, districts may not provide less days than provided in 2009-2010. Provides that beginning in 2014-2015 the minimum number of required days shall be 175. Allows for seat-time waivers for certain alternative instructional models.

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 programs.

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 sent to be 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.

Sec. 147c. MPERS State Contribution

Appropriates funds to pay for the required pension and retiree health care prefunding amounts that exceed the cap on the employer rate for unfunded accrued liabilities of 20.96% 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.

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.

BOILERPLATE INFORMATION SECTION

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. Includes a penalty equal to 5% of total state aid for dispensing family planning drugs or making a referral for abortion.

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 for Construction Projects

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.

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.



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AREAS OF RESPONSIBILITY

Table with 2 columns: Area of Responsibility and Assigned Staff. Includes categories like Agriculture and Rural Development, Attorney General, Auditor General, etc.



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