



**SCHOOL AID
S.B. xxx**

02/12/2018

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FULL-TIME EQUATED (FTE) POSITIONS/ FUNDING SOURCE	FY 2017-18	FY 2018-19 GOV'S REC.	CHANGES FROM FY 2017-18 Y-T-D	
	YEAR-TO-DATE AS OF 2-7-18		<u>GOVERNOR</u> AMOUNT	PERCENT
FTE Positions.....	N/A	N/A	N/A	N/A
GROSS.....	14,584,313,900	14,635,968,800	51,654,900	0.4
Less:				
Interdepartmental Grants Received.....	0	0	0	0.0
ADJUSTED GROSS.....	14,584,313,900	14,635,968,800	51,654,900	0.4
Less:				
Federal Funds.....	1,726,943,500	1,724,743,500	(2,200,000)	(0.1)
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING.....	12,857,370,400	12,911,225,300	53,854,900	0.4
Less:				
Other State Restricted Funds.....	12,642,370,400	12,866,225,300	223,854,900	1.8
GENERAL FUND/GENERAL PURPOSE.....	215,000,000	45,000,000	(170,000,000)	(79.1)
PAYMENTS TO LOCALS.....	12,679,972,800	12,733,596,100	53,623,300	0.4

Includes ongoing and one-time appropriations.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS
Current Law (FY 2017-18), Gov's Rec. (FY 2018-19), Senate, House, Conference

SFA Analyst:
 Kathryn Summers

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 6 Definitions	<p>Provides definitions including those for pupils in membership.</p> <p>(8) Provides definition of pupils in grades k to 12 enrolled and in regular daily attendance. "Class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.</p>	<p>Strikes "legally qualified substitute teacher" and replaces with "an individual working under a valid substitute permit, authorization, or approval issued by the Department".</p>			
Sec. 11 Total Appropriations	<p>Provides a summation of the total School Aid Fund, General Fund, and Federal funding in the Act. Includes a method for proration if revenue is not sufficient to support spending.</p>	<p>School Aid Fund revenue totals \$12,762,235,200 and GF/GP revenue totals \$45,000,000 for FY 2018-19 (a reduction from \$215.0 million GF/GP in FY 2017-18). Also, the remaining \$31,900,000 from the MPSERS retirement obligation reserve fund is appropriated.</p> <p>In addition, the Governor is continuing \$72,000,000 to be appropriated from the Detroit Public Schools Trust Fund and \$100 from the Water Emergency Reserve Fund.</p> <p>The Governor is recommending an FY 2017-18 supplemental, that reduces expenditures by \$11.2 million gross, but also includes a fund shift with a GF/GP reduction of \$137.0 million (replaced with SAF).</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 11j Debt Service on School Bond Loan Fund	FY 2017-18 appropriation of \$125,500,000 for debt service payments on school bond loan revolving fund obligations.	FY 2018-19 appropriation is maintained at \$125,500,000.			
Sec. 11k School Loan Revolving Fund	Appropriates from the General Fund to the School Loan Revolving Fund an amount equal to the repayments.	Updates reference for fiscal year.			
Sec. 11m School Aid Fund Cash Flow Borrowing Costs	FY 2017-18 appropriation of \$6,500,000 to pay for cash flow borrowing costs at the State level.	FY 2018-19 appropriation is increased to \$24,000,000.			
Sec. 11s Flint Water Emergency	<p>Appropriates \$8,730,000 for FY 2017-18 as follows:</p> <p>(2) \$2,625,000 for school nurses and school social workers.</p> <p>(3) \$2,500,000 to augment staff at Genesee ISD to provide additional early childhood services (including early literacy services and State early intervention services similar to Early On (including ensuring that all children less than 4 years of age as of September, 1, 2016 are assessed and evaluated at least twice annually), and nutritional services.</p> <p>(5) \$3,000,000 to Genesee ISD to enroll children in school-day great start readiness programs, regardless of household income eligibility requirements under Sec. 39.</p>	<p>Appropriates \$3,230,000 for FY 2018-19 as follows:</p> <p>(2) \$2,375,000 for school nurses and school social workers.</p> <p>(3) Deleted.</p> <p>(4) Deleted.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>(6) \$605,000 for nutritional services.</p> <p>\$100 is appropriated from the Water Emergency Reserve Fund which can be used to facilitate contingency fund transfers as necessary.</p>	<p>(3) \$605,000 for nutritional services.</p> <p>\$100 is appropriated from the Water Emergency Reserve Fund which can be used to facilitate contingency fund transfers as necessary.</p>			
<p>Sec. 15 Audits and Apportionments</p>	<p>Allows the Department to make adjustments to State aid based on audits of current or prior-year programs and funding.</p> <p>The Department may conduct audits, or may direct audits by designee of the Department, of all records for the current fiscal year and the preceding three fiscal years related to a program for which a district or ISD received funds.</p> <p>Provides that if a district's membership is adjusted due to an audit, payments are adjusted in the current fiscal year. However, MDE may spread deductions over an additional four years if the deduction would otherwise cause a financial hardship.</p>	<p>Updates reference for fiscal year.</p> <p>Reduces the number of years allowed for adjustments to be repaid (when a hardship is determined) from 9 to 4.</p> <p>Removes language allowing the Department to waive all or a portion of required adjustments if the Department determines the district would experience a significant financial and academic hardship, and that the district has taken sufficient corrective action to ensure the circumstances necessitating the adjustment do not recur.</p> <p>Removes language prohibiting the Department from deducting funds from a district due to a pupil being counted in membership prior to Section 6(4)(jj) being added as an allowable method to count a pupil in membership.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
<p>Sec. 18 Spending and Audit Requirements</p>	<p>Specifies allowable uses of funds and requires yearly financial and pupil audits.</p> <p>Requires districts to post any deficit elimination plan publicly via a link on the district's web site.</p> <p>Requires districts to post all required budget information not later than 15 days after adoption of the budget.</p> <p>Requires districts to submit audits and comprehensive financial data by November 1.</p> <p>Requires districts to report on district credit cards and out-of-state travel for administrators fully or partially paid for by the district.</p> <p>Allows the Department to withhold State aid if the Department determines that the financial data submitted is not consistent with audited financial data.</p>	<p>Replaces "pie charts" with "visual displays".</p> <p>Requires special education cost reports to be sent to CEPI instead of to the Department.</p> <p>Requires compliance with subsection (12) (in addition to the existing compliance requirements of subsections (4), (5), (6), and (7)) in order to avoid withholding of State aid payments. Subsection (12) requires a report on the per-pupil costs of operating virtual learning.</p> <p>Amends (12) to include cyber schools in the required report on virtual learning costs and models used. Amends the report to add information concerning summer programming, and requires the information to be collected in a former and manner determined by the Department and collected in the most efficient manner possible to reduce administrative burden. Deletes a number of specific report requirements stipulated in the Act.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
<p>Sec. 19 Submitting of Audited Financial Data</p>	<p>Requires districts and ISDs to comply with all applicable reporting requirements, including high school graduation reports and education personnel.</p> <p>Failure to comply results in the Department withholding 5% of State aid.</p>	<p>Adds a requirement that districts and ISDs provide information for preparation of the State and Federal accountability reports.</p> <p>Requires the Department to use certified data, data quality reviews, and correction processes while determining accountability designations. Allows districts and ISDs to appeal any calculation errors used in the preparation of accountability metrics.</p>			
<p>Sec. 20 Foundation Allowance Calculation</p>	<p>Basic foundation allowance for FY 2017-18 is \$8,289 and the minimum foundation is \$7,631.</p> <p>Unless otherwise stipulated, in years of increases in the foundation allowance, uses the "2x" equity formula, which doubles the increase in the basic foundation for those at the minimum foundation and provides an increase somewhere in between for districts with foundations in between.</p>	<p>Basic foundation allowance for FY 2018-19 is \$8,409, and the minimum is \$7,871.</p> <p>The Governor proposes a \$120 increase for districts at or above the basic, and up to \$240 for districts below the basic (with \$240 provided to those districts at the minimum). This costs roughly \$312,000,000, which is paid under Section 22b.</p> <p>Due to an inflationary cap in Section 1211 of the Revised School Code that was triggered in the previous year, the Governor proposes to roll the prior year's Section 20m calculation for applicable districts into their base foundation allowance funding, to the extent allowable by the current year's inflationary cap (Sec. 20(3)(e)).</p> <p>(6) Reduces cyber schools' foundation allowances by 25%, which would save the</p>			

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		State an estimated \$25.0 million, reflected in Sec. 22b.			
Sec. 20f Categorical Offset Payments	<p>Appropriates \$18,000,000 for FY 2017-18 to ensure all districts received the same per-pupil funding under this section as in FY 2017-18.</p> <p>This section originally ensured that all districts received at least a \$5 increase in per-pupil funding in FY 2013-14 when comparing foundation allowance, equity, and MPSEERS offset payments from FY 2012-13 to FY 2013-14, and to ensure that no district received less than a \$25 per pupil increase when adding together increases in the foundation allowance and At Risk, along with the elimination of Best Practices and District Pupil Performance grants that occurred between FY 2014-15 and FY 2015-16.</p>	Maintains the \$18,000,000 appropriation for FY 2018-19 and the per-pupil funding at the same levels as in FY 2017-18.			
Sec. 20m Additional Calculation for Hold Harmless Districts	Provides a funding calculation for districts above the hold-harmless cap reflecting the difference between inflationary increases (where such districts are capped) and actual dollar increases given in the basic foundation allowance.	Governor proposes to roll the remaining estimated cost into the affected districts' foundation allowances, rather than having the calculations remain separate.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 21f Virtual Learning	Provides the requirements for virtual learning providers.	Specifies that parental consent (required for a student to enroll in a virtual course) be obtained in a form and manner specified by the Department and kept on file by the primary district.			
Sec. 21h Partnership Model Districts	<p>Appropriates \$3,000,000 in FY 2017-18 for the purpose of assisting eligible districts assigned by the State Superintendent to participate in a partnership to improve student achievement.</p> <p>The purpose of the partnership is to identify district needs, develop intervention plans, and partner with public, private, and non-profit organizations to coordinate resources and improve student achievement, where the assignment to a partnership is made at the sole discretion of the Superintendent.</p> <p>A district assigned to a partnership is eligible for funding if the district contains at least one school receiving an F grade, and if it meets the following:</p> <p>(a) the district has completed a comprehensive needs evaluation in collaboration with an ISD, community members, and education and higher education organizations.</p>	Increases the appropriation by \$2,000,000 to \$6,000,000 in FY 2018-19.			

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	<p>(b) the district has an intervention plan that addresses needs and that has been approved by the Superintendent.</p> <p>After approval of the intervention plan, the Department would assign a team to partner with the district to review the district's use of existing resources.</p> <p>Funds allocated may be used to pay for district expenses including professional development, increased instructional time, teacher mentors, or other items, with funding to an individual district not to exceed three years.</p>				
<p>Sec. 21j District Grants for Competency-Based Education Programs</p>	<p>Appropriates \$500,000 for competitive grants to districts for the design and implementation of competency-based education programs to provide enhanced choice to pupils and parents for the completion of the requirements for a K-high school diploma.</p>	<p>Repeals the section.</p>			
<p>Sec. 22a Proposal A Obligation Payment (The Constitutionally-required portion of the foundation allowance.)</p>	<p>FY 2017-18 appropriation of \$5,181,800,000.</p> <p>This section provides funding equal to the FY 1994-95 Proposal A foundation allowance levels multiplied by pupils.</p>	<p>FY 2018-19 appropriation of \$5,048,000,000.</p> <p>Adds Section 23f (shared-time) to the list of sections where unexpended 22a funds may be transferred to fully fund the allocations in 22b, 23f, or 51c.</p> <p>Removes payment for pupils enrolled pursuant to Section 166b (shared-time), and</p>			

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		specifies that those payments would be made under Section 23f.			
Sec. 22b Discretionary Payment (The discretionary portion of the foundation allowance.)	<p>FY 2017-18 appropriation of \$3,965,500,000 from SAF/GF and \$72,000,000 from the Detroit Public Schools Trust Fund.</p> <p>This funding provides roughly the difference between the current foundation allowance and the 1994-95 foundation allowance, multiplied by general education pupils.</p> <p>Special education funding is paid under Section 51a.</p>	<p>FY 2018-19 appropriation of \$4,156,600,000 from the School Aid Fund and \$72,000,000 from the Detroit Public Schools Trust Fund.</p> <p>Adds Section 23f (shared-time) to the list of sections where unexpended 22a funds may be transferred to fully fund the allocations in 22b, 23f, or 51c.</p> <p>This funding level pays for the proposed \$120-\$240 per-pupil increase in the foundation allowance (\$312,000,000), and continues the \$72,000,000 cost associated with splitting Detroit Public Schools into two entities - one that redirects the 18-mill property tax levy that was previously used to pay for the cost of the foundation allowance to instead pay down debt, and the other entity that is 100% funded by the State.</p> <p>Removes payment for pupils enrolled pursuant to Section 166b (shared-time), and specifies that those payments would be made under Section 23f.</p>			

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Sec. 22d Isolated Districts/ Transportation Funding	Appropriates \$957,300 for supplemental payments to isolated districts and \$4,042,700 for payments to eligible districts with 7.3 or fewer pupils per square mile, for a total appropriation of \$5,000,000.	Continues the \$5,000,000 total appropriation into FY 2018-19.			
Sec. 22g. Competitive Assistance Grants to Districts and ISDs – Consolidation Costs	Appropriates \$500,000 in FY 2016-17 for competitive assistance grants to districts and ISDs, for the reimbursement of transition costs associated consolidation, dissolution, or annexation. Districts or ISDs receiving grants may spend those funds over three fiscal years.	Proposes to repeal the section.			
Sec. 22m Data Hub Network	<p>Appropriates \$2,200,000 for FY 2017-18 for integrating local data systems based on common standards and applications that are in compliance with Section 19(7) into the Michigan Data Hub Network. Competitive grants are made to no more than five consortia of ISDs that previously received funding from TRIG grants, and are awarded on a geographically-diverse basis.</p> <p>The goal of the grants is to provide for the actionable use of data by districts and ISDs through common reports and dashboards and for efficiently providing information to meet State and Federal reporting.</p>	Continues the \$2,200,000 appropriation into FY 2018-19. Strikes the September 30, 2018 date by which Michigan data hub networks would be 100% adopted by districts. (Retains the promotion of the adoption of the data hub networks, but eliminates the deadline.)			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 22n High School Per-Pupil Bonus	Appropriates \$11,000,000 SAF in FY 2017-18 for a \$25 per high school pupil payment.	Continues the \$11,000,000 appropriation into FY 2018-19, providing \$25 per high school pupil.			
Sec. 23f - NEW Payments for Pupils in Shared-Time Programs	N/A	Appropriates \$64,100,000 in FY 2018-19 for foundation allowance payments to districts for nonpublic part-time pupils enrolled under Section 166b (shared time). The proposal would limit the number of FTEs that could be claimed by a district at no more than 5% of the district's total pupil count excluding those students enrolled under shared-time programming. Estimated total payments for pupils in shared-time programs in FY 2017-18 is \$132,000,000; this appropriation would reduce the amount available by an estimated \$68,000,000.			
Sec. 24 Court-Placed Pupils	Appropriates \$8,000,000 in FY 2017-18 to reimburse districts for the additional costs of educating students placed in the district by the court system.	Continues the \$8,000,000 appropriation into FY 2018-19.			
Sec. 24a Educating Pupils in DHS Juvenile Justice Service Facilities	Appropriates \$1,339,000 in FY 2017-18 for payments to intermediate districts for pupils who are placed in juvenile justice facilities.	Increases the appropriation to \$1,355,700 to reflect economic adjustments.			
Sec. 24c Youth Challenge Program	Appropriates \$1,528,400 in FY 2017-18 for the Youth Challenge Program. Payment goes through Marshall Public Schools, which contracts with Department of Military and Veterans' Affairs (DMVA) for the program.	Increases the appropriation to \$1,545,400 to reflect economic adjustments.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 25e Pupil Membership Transfer Process	Provides for the calculation of counting pupils who transfer in or out of a district after the fall count date and before the spring count date.	Removes language requiring CEPI to include in its annual transfer report a discussion of benefits and obstacles to developing a pupil enrollment process for pupils who enroll after the count day, and developing a process for deducting pupils counted on the count day and transferring out before the spring count.			
Sec. 25f Strict Discipline Academy Supplemental Payments	<p>Allocates \$750,000 for strict discipline academies to provide added cost reimbursements for court placed pupils.</p> <p>Caps added cost reimbursement to not more the foundation allowance, and directs the Department to include all costs in the calculation for reimbursement.</p> <p>Proration language is in place if funding is insufficient.</p>	Continues the \$750,000 appropriation into FY 2018-19.			
Sec. 25g Dropout Recovery	<p>Appropriates \$750,000 to pay for any additional FTE beyond 1.0 in eligible dropout recovery programs.</p> <p>Proration language is included if funding is not sufficient.</p>	Continues the \$750,000 appropriation into FY 2018-19.			
Sec. 26a Renaissance Zone Reimbursement	In FY 2017-18, appropriates \$17,000,000 from the School Aid Fund to reimburse districts for lost local revenue due to taxes not collected in Renaissance Zones.	Reduces the FY 2018-19 appropriation to \$15,000,000 to reflect newer estimates of costs.			

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Sec. 26b PILT Reimbursement	Appropriates \$4,405,100 in FY 2017-18 to reimburse districts for lost local revenue due to taxes not collected on State-owned land.	Maintains the \$4,405,100 appropriation into FY 2018-19.			
Sec. 26c Promise Zone Reimbursement	This categorical is necessary to reimburse local districts and ISDs for Promise Zone reimbursements. FY 2017-18 reimbursement is \$1,500,000.	Increases the appropriation by \$1,500,000 to \$3,000,000 for FY 2018-19.			
Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings	<p>Appropriates standard at-risk funding of \$499,000,000. In addition, vision and hearing is funded at \$5,150,000, and child and adolescent health services is funded at \$5,557,300. Total funding under this section is \$509,707,300.</p> <p>Requires districts to comply with Section 1280f of the School Code for grades K to 3, and implement, for at least grades 4-8, a multi-tiered system of supports model to qualify for any at risk funding, and provides detail on an eligible MTSS model.</p> <p>Allows funds to be used for the purposes of ensuring 3rd graders are proficient in reading by the end of the 3rd grade and that high school graduates are career and college ready.</p> <p>Eligibility includes students not meeting</p>	<p>Proposes to maintain standard At Risk funding at \$499,000,000. In addition, funding for vision and hearing screenings, and child and adolescent health centers are maintained at prior-year levels.</p> <p>Changes "K to 3" to "K to 12" for the requirement that districts comply with the requirements of Section 1280f of the School Code. Adds numeracy, in addition to literacy, for the use of resources, and requires MTSS to be implemented for at least grades K to 8 (current law is grades 4-8).</p> <p>For English learners, requires districts to implement culturally and linguistically responsive teaching strategies focused on academic language development aligned with State English language proficiency standards.</p> <p>(3) Replaces existing MTSS</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>proficiency requirements in any grade, and not meeting requirements on local assessments, and those eligible for free or reduced lunch.</p> <p>Districts must allocate 50% of their at risk funds on a proportionate basis for 3rd grade reading or career- and college-ready activities, if, after three years, improvement has not been demonstrated.</p> <p>"Hold-harmless" districts receive funds equal to 30% of what non-hold harmless districts are eligible to receive.</p> <p>Includes definitions of 'at-risk pupil'.</p>	<p>required elements with the following components: team based leadership, tiered delivered system, selection and implementation of instruction, interventions, and supports, comprehensive screening and assessment system, and continuous data-based decision making.</p> <p>(11) Increases from 40% to 50% the eligibility for schools where At Risk funds can be used to implement schoolwide reform. Clarifies that schoolwide reform must provide instructional or noninstructional services consistent with the school improvement plan that are Tier 1 evidenced based, high quality academic, behavioral, and social-emotional instruction, and are part of the district's MTSS.</p> <p>Provides that decisions on implementing schoolwide reforms be guided by the district's comprehensive needs assessment and included in the district improvement plan.</p> <p>Provides that schoolwide reforms feature parent and community supports, activities, and services, which may include the pathways to potential program.</p> <p>(12) Increases from 3% to 5% the amount of funds that may be used to provide research-based professional</p>			

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		<p>development, and adds that funds may be used to implement a coaching model that supports the MTSS framework.</p> <p>(16) Replaces the current formula (that will take effect in FY 2018-19) requiring the specific allocation of At Risk funds in the event a district fails to demonstrate at least 50% proficiency in English Language Arts by the end of third grade, and improvement in college and career readiness with the following:</p> <p>(a) if the district is determined to be below the statewide average in the percentage of economically disadvantaged pupils who are proficient in ELA by the end of grade 3, the district must comply with (d).</p> <p>(b) if the district is determined to be below the statewide average in the percentage of economically disadvantaged pupils who are proficient in math by the end of grade 8, the district must comply with (d).</p> <p>(c) if the district is determined to be below the statewide average in the percentage of economically disadvantaged pupils who are career and college ready by the end of grade 11, the district must comply with (d).</p> <p>(d) by October 1, 2021, the</p>			

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		<p>district must achieve at least one of the following on each of the grade-level and subject-area assessments described above:</p> <p>(i) attain the statewide average in the 2020-21 grade-level and subject-area assessments compared to 2017-18.</p> <p>(ii) attain an improvement of at least 10 percentage points in the 2020-21 grade-level and subject area assessments compared to 2017-18.</p> <p>(17) If a district does not meet either of the above requirements, the Superintendent is required to assign a team to partner with the district, and conduct an evaluation with several identified components; the district will become an early warning district and adopt a mandatory school improvement plan, spending At Risk funds in accordance with the improvement plan.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 31b Year-Round School Grants	Appropriates \$1,500,000 in FY 2017-18 for grants to at-risk districts for implementing a year-round instructional program for at least one of its schools. A district may apply for grants if it is eligible for the community eligibility option for free and reduced price lunch or at least 50% of pupils in membership met the income criteria for free breakfast, lunch, or milk, and if the board of the district has adopted a resolution stating that the district will implement year-round schooling beginning in 2018-19, for a period of at least three years. Priority for grants would be given to districts with lower fund balance percentages and for districts that operate at least one priority or focus school.	Proposes to repeal the section.			
Sec. 31d School Lunch Program	Appropriates \$22,495,100 SAF for FY 2017-18 to fund the State share of the school lunch programs as required by the <i>Durant</i> settlement and includes \$523,200,000 Federal.	Increases the State appropriation to \$23,144,000. Increases the Federal grants to \$523,200,000.			
Sec. 31f School Breakfast	Appropriates \$4,500,000 in FY 2017-18 to provide reimbursement for the State school breakfast program.	Maintains the appropriation at \$4,500,000 in FY 2018-19.			

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Sec. 31j Locally Grown Produce in Schools	<p>Allocates \$375,000 GF/GP for FY 2017-18 for a pilot project to support districts in the purchase of locally-grown fruits and vegetables for use in school lunches.</p> <p>Funding was distributed to prosperity regions 2, 4, and 9 under the pilot project, with meal reimbursements up to 10 cents a meal. Grants to districts would be related to meals served and priority would be given to districts with high percentages of students eligible for free lunch, with reimbursement up to 10 cents a meal.</p>	Proposes to repeal the section.			
Sec. 32d Great Start Readiness Program (GSRP)	<p>Appropriates \$243,600,000 from the School Aid Fund for FY 2017-18 to operate the district Great Start Readiness Program (GSRP) and \$300,000 GF/GP to continue a longitudinal study of the GSRP.</p> <p>An ISD or grant recipient that determines that all children at or below 250% of the Federal poverty level (FPL) are being served and none are on the waiting list may then enroll children in families at or below 300% of the FPL. The enrollment process shall consider income and risk factors, such that higher-need children are enrolled prior to those with lesser need. For enrollment across ISD boundaries, the ISDs must enter into a written</p>	<p>Maintains the \$243,600,000 SAF appropriation and \$300,000 GF/GP (for an evaluation) appropriation into FY 2018-19.</p> <p>Requires reports to be sent to CEPI instead of MDE.</p>			

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	<p>agreement for payment, in a manner prescribed by the Department.</p> <p>All age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in inclusive preschool are considered to be at 250% FPL regardless of family income.</p> <p>An ISD or consortium may retain 4% for administration and expenses incurred by subrecipients are considered program costs or a contracted program fee for service.</p> <p>\$10,000,000 of the total is earmarked for reimbursement for transportation costs, up to \$150 per slot.</p>				
<p>Sec. 32p Early Childhood Block Grant Program</p>	<p>Appropriates \$13,400,000 for an early childhood block grant program. FY 2017-18 funding for each intermediate district is determined by a distribution formula established by the Department's Office of Great Start in order to provide equitable funding statewide.</p> <p>(4) Of the total, \$2,500,000 is earmarked for home visits to at-risk children and their families, to improve school readiness, reduce pupils retained in grade level, and</p>	<p>Continues the \$13,400,000 appropriation into FY 2018-19.</p> <p>(4) Strikes the use of these funds to "reduce the number of pupils retained n grade level, and to reduce the number of pupils requiring special education services",</p>			

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	<p>reduce the need for special education services.</p> <p>ISDs are required to submit reports after the end of the fiscal year indicating actual programs offered and children served.</p>	<p>and replaces with "improve positive parenting practices and to improve family economic self-sufficiency while reducing the impact of high risk factors through community resources and referrals.</p>			
<p>Sec. 32q Early Learning Collaborative Partnership</p>	<p>Appropriates \$175,000 GF in FY 2017-18 (2nd year) for a partnership between a district or intermediate district and an early learning collaborative, which is a pilot project for three years evaluating the relative impact on vulnerable children of one vs. two years of preschool education. This would fund a pilot project for early childhood education of at-risk three-year-olds.</p>	<p>Proposes to repeal the section.</p>			
<p>Sec. 35 Administration of 3rd Grade Reading</p>	<p>Appropriates \$1,000,000 GF/GP for administrative funding of the Early Literacy grant section, which is 35a.</p>	<p>Eliminates from School Aid but proposes to fund in the MDE budget.</p>			
<p>Sec. 35a Early Literacy Programs</p>	<p>(1) A total of \$26,900,000 from SAF and \$2,500,000 SAF is appropriated for FY 2017-18.</p>	<p>(1) A total of \$26,900,000 SAF is appropriated for FY 2018-19. Requires the Superintendent to designate staff funded under this section as critical shortage. Language states that programs funded are intended to ensure that Michigan will be in the top 10 most improved states in grade 4 reading by the 2019 NAEP and top 10 overall reading proficiency by 2025.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>(2) allows 5% of funding for the purpose of professional development for educators related to current State literacy standards for K-3 pupils. The Department is required to approve the PD and to work with MVU to provide the training online to all K-3 educators.</p> <p>(3) Allows 5% of funding to be used for grants to districts to administer diagnostic tools to monitor the development of early literacy and early reading skills of pupils in grades K-3 and to support professional development for educators in data interpretation (again provided online through MVU).</p> <p>(4) Allocates \$6,000,000 to ISDs for early literacy coaches Each ISD would be provided at least one coach, with funding for remaining coaches distributed based on each ISD's K-3 free lunch percentage compared to the total. Each ISD must provide at least 50% matching funds for the cost of the coach, with reimbursement up to \$75,000 per coach.</p> <p>(5) allocates \$20,900,000 to districts that provide additional instruction time to pupils in grades K to 3, with funding equal to \$210 per pupil in grade 1. Districts</p>	<p>(2) No change.</p> <p>(3) No change.</p> <p>(4) No change.</p> <p>(5) No change.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>must employ MTSS that is an evidence-based model that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. Districts also must use a reading instruction method that focuses on the five fundamental building blocks of reading including phonics, phonemic awareness, fluency, vocabulary, and comprehension and content knowledge to qualify.</p> <p>(6) allocates \$2,500,000 GF/GP to the Michigan Education Corps, to provide literacy services and tutors for students in grades K-3 who are at risk of reading failure.</p>	<p>(6) Removes this funding.</p>			
Sec. 39 GSRP Formula	Provides the formula by which slot allocations for ISDs are calculated.	Updates to fiscal years are included.			
Sec. 39a Federal Funds	<p>(1) Appropriates \$731,600,000 for FY 2017-18 in Federal No Child Left Behind (NCLB) funds.</p> <p>(2) Appropriates \$30,000,000 in other Federal funds for education.</p>	<p>(1) Appropriates \$730,600,000 for FY 2018-19 in Federal NCLB funds.</p> <p>(2) Appropriates \$30,000,000 in other Federal funds in education.</p>			
Sec. 41 Bilingual Education	Appropriates \$6,000,000 for bilingual education grants in FY 2017-18.	Continues the \$6,000,000 appropriation for bilingual education grants in FY 2018-19.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 51a(1) Total Special Education Funding Includes Sections 54 and 56, which are paid out of the appropriation in Section 51a.	Appropriation of \$956,246,100 from SAF, \$500,000 GF/GP, and \$431,000,000 in Federal funding for special education programs for FY 2017-18.	Appropriation of \$979,346,100 from SAF and \$431,000,000 in Federal funding for special education programs for FY 2017-18.			
Sec. 51c Special Education - <i>Durant</i> Payment	Appropriates \$635,300,000 from the appropriation in Sec. 51a(1) for FY 2017-18 to provide funding for costs associated with <i>Durant</i> settlement that guarantees districts 28.6138% of total approved costs of special education services and 70.4164% of total approved costs of special education transportation.	FY 2018-19 appropriation of \$650,600,000 to reflect updated cost estimates.			
Sec. 51d Federal Special Education Funds	Appropriates \$61,000,000 in Federal grants to special education for FY 2017-18.	Maintains the Federal appropriation at \$61,000,000 for FY 2018-19.			
Sec. 53a Special Education Court Placed Pupils	Appropriates \$10,500,000 for FY 2017-18.	Continues the appropriation of \$10,500,000 for FY 2018- 19.			
Sec. 54b Integrated Behavior and Learning Supports (MiBLSi)	Appropriates \$1,600,000 GF/GP for FY 2017-18 to continue MiBLSi, a program that includes positive behavioral intervention and supports and provides a statewide structure to support local initiatives for an integrated behavior and reading program. Of the total, \$500,000 is earmarked for the purpose of providing training to ISDs and districts related to the safe implementation	Maintains the appropriation at \$1,600,000 in FY 2018-19, but removes the \$500,000 earmark for providing training related to the safe implementation of emergency restraints and seclusion.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>of emergency restraints and seclusion, and the Department is required to develop and implement a training program based on the State Board of Education's adopted standards and any other legislation enacted regarding emergency use of seclusion and restraint.</p>				
<p>Sec. 54c - NEW Parental Support and Mediation</p>	<p>N/A</p>	<p>Proposes \$500,000 GF/GP in FY 2018-19 to increase access to services and resources for students in special education and their parents or guardians, and to strengthen mediation services available to students in special education and their parents or guardians.</p> <p>Of the total, \$205,000 would be for enhancing capacity of Michigan's Parent Training Information Center/Michigan Alliance for Families to increase direct advocacy efforts, work surrounding transition issues, and awareness of the organization.</p> <p>The remaining \$295,000 would be for the purpose of improving mediation services offered through the Michigan Special Education Mediation Program.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 54d - NEW State Early On	N/A	Proposes \$5,000,000 or competitive grants to ISDs to provide State Early On pilot programs for children birth to 3 years of age with development delays or disabilities. The department would be required to award the grants in multiple prosperity regions, and applicants demonstrating the capacity to align these funds with Federal Medicaid reimbursement would be given preference.			
Sec. 55 Conductive Learning	Appropriates \$150,000 to Michigan State University Department of Epidemiology in conjunction with Aquinas College to evaluate the effects of conductive learning on children with cerebral palsy. Provides that this is the third of three years of funding.	Proposes to repeal the section.			
Sec. 56 ISD Special Education Millage Equalization	Appropriates \$37,758,100 to ensure that the millage levied by ISDs for special education brings in a minimum amount per mill. Freezes Wayne RESA at no more than 62.9% of the total appropriation and adjusts taxable value equalization amounts accordingly. Additional language ensures no ISD loses more than 25% funding compared to the prior year.	Continues the \$37,758,100 appropriation into FY 2018-19, and maintains the existing formula and language. Adds technical language adjusting for the amount of local community stabilization share revenue received by each ISD.			
Sec. 61a Career and Technical Education	Appropriates \$36,611,300 for FY 2017-18 to support career and technical education programs, plus \$79,000 for a non-profit	Continues the standard CTE appropriation of \$36,611,300 into FY 2018-19. Removes the \$79,000 grant for culinary arts, and the			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>organization to teach or train students in restaurant management and culinary arts.</p> <p>In addition, appropriates another \$1,000,000 for competitive grants for up to three ISDs to hire CTE counselors. Priority is given to an ISD with the greatest pupil membership and the remaining grants would be equitably distributed around the state and among urban and rural areas. Also, another \$160,000 is allocated for two Shiawassee county districts for CTE counselors.</p> <p>Allows a CTE program to provide Adult Education participants under Sec. 107 with an opportunity to enroll in the CTE program.</p> <p>Reimbursement is prioritized based on capital and program expenditures, the CTE programs provided, pupils enrolled, advancement in the program, existence of an articulation agreement with at least one postsecondary institution that provides credit, and program rank in student placement, job openings, and wages, and the length of training period provided.</p> <p>Eligible ISDs must catalog all available K-12</p>	<p>\$1,160,000 for CTE counselors.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	and other workforce development programs and services, and develop an outreach program to educate students about CTE options and connect students to CTE programs and services.				
Sec. 61b CTE Early/Middle Colleges	<p>Appropriates \$8,000,000 in FY 2017-18 for Career and Technical Education (CTE) early/middle college programs, to increase the number of residents with high quality degrees or credentials, and increase the number of students who are college and career ready upon high school graduation. Of the total, \$500,000 is earmarked for planning grants, capped at \$50,000 each.</p> <p>ISDs may use up to 5% for administration.</p>	Continues the \$8,000,000 appropriation into FY 2018-19. Technical name change from "talent district career council" to "career and educational advisory council", and provides a definition for that Council.			
Sec. 61c CTE Skilled Trades Equipment Upgrades	<p>Appropriates \$12,000,000 in FY 2017-18 for a categorical to improve the capital infrastructure needed to ensure that CTE programs can deliver educational programs in high-wage, high-skill, and high-demand occupations.</p> <p>\$7,000,000 of the funding is equally awarded to career education planning districts (CEPDs) around the State. The remaining \$5,000,000 is awarded to districts and ISDs on a competitive basis.</p>	Proposes to repeal the program.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 61d - NEW Payments for CTE Pupils	N/A	<p>Proposes \$5,000,000 for FY 2018-19 for additional payments to districts for pupils enrolled in CTE programs.</p> <p>Districts would be paid \$25 per pupil in Grades 9 to 12 enrolled in at least 1 CTE program.</p> <p>Districts would be paid another \$25 per pupil in grades 9 to 12 enrolled in at least 1 CTE program that provides instruction in critical skills and high-demand career fields.</p> <p>High-demand career fields are defined in the bill as those with CIP codes 01, 03, 10, 11, 14, 15, 26, 46-38, and 51.</p>			
Sec. 62 Vocational/CTE Education Millage Equalization	<p>Appropriates \$9,190,000 for FY 2017-18 to provide funding to intermediate districts that levy vocational education mills to guarantee a minimal amount received per mill levied, on a per-pupil basis.</p> <p>Freezes Genesee ISD allocation at no more than 38.4% of the total appropriation and adjusts taxable value equalization amounts accordingly.</p> <p>Further includes a guarantee that no ISD shall lose more than 25% of funding from one year to the next.</p>	Continues the \$9,190,000 appropriation into FY 2018-19 with the same caps and guarantees, but updated equalization values based on newer taxable value data.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
<p>Sec. 64b Dual Enrollment Incentive Payments to Districts</p>	<p>Appropriates \$1,750,000 for FY 2017-18 for a program to provide supplemental payments to districts that support dual enrollment and concurrent enrollment. Eligible districts are required to provide information on dual and concurrent enrollment to their students, enter into a written agreement with a postsecondary institution prior to the enrollment of pupils; agree to pay all eligible charges; and award high school credit if the pupil successfully completes the course.</p> <p>Payment is \$10 for each credit, up to three credits, for each pupil that enrolls in a credit-bearing course, plus \$30 per pupil per course if the pupil successfully completes and is awarded both high school and postsecondary credit for the course. Therefore, total payments could equal \$60 per successfully completed three-credit course.</p>	<p>Continues the appropriation into FY 2018-19 at \$1,750,000.</p>			
<p>Sec. 64d Information Technology Education</p>	<p>Appropriates \$1,000,000 GF/GP in FY 2018-19 for the first of three years of funding for a competitive grant to provide information technology opportunities to students. The provider would be required to make instruction available on IT skills and competencies and provide certificates upon completion.</p>	<p>Proposes to repeal the section.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 65 Detroit Pre-College Engineering Program (DAPCEP)	Appropriates \$340,000 GF/GP for the Detroit Area Pre-College Engineering Program (DAPCEP).	Proposes to repeal the section.			
Sec. 67 MCAN and Outreach	Appropriates a total of \$3,000,000 GF/GP in this section for FY 2017-18. Funding is for Michigan College Access Network operations, local college access networks, the Michigan college advising program, subgrants to districts with comprehensive high schools that establish a college access team, the Michigan college access portal, public awareness and outreach campaigns, and subgrants to postsecondary institutions for mentors and college advisors.	Maintains the \$3,000,000 GF/GP for MCAN in FY 2018-19.			
Sec. 67a Mi Bright Future	Appropriates \$1,000,000 GF/GP in FY 2017-18 to expand an eligible web-based career preparation and readiness platform to prosperity regions beyond where the platform is currently being utilized.	Proposes to repeal the section.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 74 Bus Driver Safety	<p>Appropriates \$3,730,300 for FY 2017-18.</p> <p>Of the total appropriation, \$2,025,000 is to reimburse intermediate districts and universities for providing bus driver safety instruction.</p> <p>The remaining \$1,705,300 is to reimburse districts and ISDs for the cost of the Michigan State Police to inspect school buses.</p>	<p>Appropriates \$3,754,900 for FY 2018-19.</p> <p>Of the total appropriation, \$2,025,000 is to reimburse intermediate districts and universities for providing bus driver safety instruction.</p> <p>The remaining \$1,729,900 is to reimburse districts and ISDs for the cost of the Michigan State Police to inspect school buses.</p>			
Sec. 81 Intermediate School Districts (ISD) General Operations Funding	Appropriates \$67,108,000 for basic operational funding in FY 2017-18.	Continues the \$67,108,000 appropriation into FY 2018-19.			
Sec. 94 – AP and IB Scholarships	<p>\$750,000 GF/GP is appropriated for FY 2017-18 for efforts to increase the number of pupils who participate and succeed in Advanced Placement (AP) and International Baccalaureate (IB) programs. Funds would be used to cover part or all of the costs of tests for low income pupils, with payments estimated at \$20 per test completed, or \$150 per IB registration. Students have to pay at least \$5 toward each test or registration paid for under this section.</p>	Continues the \$750,000 appropriation into FY 2018-19.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
<p>Sec. 94a Center for Educational Performance and Information (CEPI)</p>	<p>Appropriates \$16,216,000 GF/GP and \$193,500 in Federal funds in FY 2017-18 to support the operations of the CEPI and the development and implementation of a comprehensive P-20 data management and student tracking system.</p> <p>A portion of the funding is to support collaborative efforts on the P-20 longitudinal data system. Grants will be awarded to eligible ISDs or a consortium of ISDs, and activities funded under the grant may include portal hosting, hardware and software acquisition, maintenance, enhancements, and other items.</p>	<p>Increases GF/GP appropriation by \$140,700 to \$16,356,700 to cover economic adjustments in FY 2018-19 and continues appropriation of \$193,500 in Federal funds.</p>			
<p>Sec. 95b Value Added Growth and Analytics System</p>	<p>Appropriates \$2,500,000 in FY 2017-18 for a value-added growth and analytics system. The department is required to incorporate the model chosen into its reporting requirements. The model chosen reports student growth measures at the district, school, teacher, and subgroup levels; recognizes the growth of tested students; includes all available prior standardized assessment data; allows for the disaggregation of student growth results; provides individual student projections to the</p>	<p>Proposes to repeal the section.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>probability of reaching performance levels on future assessments; and, demonstrates prior success with Michigan assessments.</p> <p>The department is required to provide web-based electronic student growth and projection reporting based on the adopted State model.</p> <p>Language stipulates that the model adopted must not be a mandatory part of teacher evaluation or educator pay-for-performance systems.</p>				
<p>Sec. 98 Michigan Virtual University (MVU)</p>	<p>Appropriates \$7,387,500 GF/GP to MVU in FY 2017-18 for operations of the Virtual High School and the Michigan Virtual Learning Research Institute.</p> <p>The Institute is charged with collaborating to examine the need and process for incorporating registration, payment services, and transcript functionality to the statewide catalog, and collaborating to examine district level accountability and teacher effectiveness issues related to online learning under Section 21f.</p> <p>The MVU is required to provide extensive professional development to at least 30,000 educational personnel.</p>	<p>Continues the GF/GP appropriation of \$7,387,500 for FY 2018-19.</p> <p>Includes clarifications in language related to the internet-based platform that educators use to create student-centric learning tools (namely that these are for sharing in the State's open educational resource repository).</p> <p>Changes "completion" rate to "pass" rate in the statewide catalog, along with changing one of MVU's requirements from "develop prototype and pilot" to "support" regarding registration, payment services, and transcript functionality for the catalog.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 99h FIRST Robotics	Appropriates \$2,500,000 SAF (for public schools) and \$300,000 GF/GP (for nonpublic schools) in FY 2017-18 for competitive grants to districts that provide pupils in grades 7 to 12 with expanded opportunities to improve mathematics, science, and technology skills by participating in events hosted by a science and technology development program known as FIRST (for inspiration and recognition of science and technology) robotics, and for LEGO competitions in the same academic fields. Districts are required to pay at least 25% of the cost of the program.	Continues the \$2,500,000 SAF appropriation into FY 2018-19 but removes the \$300,000 for nonpublic schools along with their eligibility for funding in the program. Adds ISDs as eligible grantees.			
Sec. 99k Cybersecurity Competitions	Appropriates \$500,000 in FY 2017-18 for competitive grants to districts that provide pupils in Grades 6 to 12 with expanded opportunities to improve computer science skills by participating in cybersecurity competitive events hosted by Merit Network or by the Air Force. Grants would be to pay for stipends not to exceed \$1,500 per coach or mentor, or for event registrations, materials, travel costs, and other expenses where the grantee would be required to provide at least a 50% match in funding for the program's costs.	Proposes to repeal the section.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 99r MiSTEM Executive Director	Appropriates \$250,000 GF/GP in FY 2017-18 to fund a MiSTEM Executive Director and assistant(s). The Executive Director is required to develop a plan for the creation of the MiSTEM Network Regions.	<p>Proposes to increase funding to \$400,000 GF/GP in FY 2018-19.</p> <p>Removes a requirement that the director coordinate major grant application efforts with the MiSTEM Advisory Council and that the Council leverage private and nonprofit relationships to coordinate and align private funds with this section.</p> <p>Clarifies a requirement to train State and regional staff "in collaboration with the MiSTEM Advisory Council and the Department".</p> <p>Adds a requirement to collaborate with the MiSTEM Network to hire MiSTEM Network region staff.</p>			
Sec. 99s STEM Council and Initiatives, and Math and Science Centers	<p>(1) Appropriates a total of \$6,234,300 SAF, \$1,600,000 GF/GP, and \$4,700,000 Federal for this section, as follows:</p> <p>(2) \$50,000 GF/GP for MiSTEM Advisory Council.</p> <p>(3) \$2,850,000 SAF for MiSTEM council grants to districts.</p> <p>(4) \$3,299,300 SAF and \$4,700,000 Federal for existing math and science centers, with FY 2017-18 being the last year of their funding.</p>	<p>Appropriates \$7,434,300 SAF and \$100,000 GF/GP for FY 2018-19, along with \$3,500,000 in Federal funds to be used as follows:</p> <p>(2) \$100,000 GF/GP for costs related to the MiSTEM Advisory Council</p> <p>(3) \$2,850,000 SAF for programs recommended by the MiSTEM Council</p> <p>\$0 for existing math and science centers, with FY 2017-18 being the last year of their funding.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>(5) \$85,000 to reimburse ISDs for substitutes when existing math/science center staff transition to new MiSTEM networks.</p> <p>(6) \$1,400,000 GF/GP to the MiSTEM Network Regions for one-half year funding (beginning April 1, 2018), to transition and be operational by FY 2018-19.</p> <p>(13) \$150,000 GF/GP for Van Andel Education Institute.</p> <p>(14) Requires a report on the number of male and female MiSTEM center program participants and the steps centers are taking to reduce any disparity between the number of male and female participants.</p>	<p>\$0 to reimburse ISDs for substitutes when existing math/science center staff transition to new MiSTEM networks.</p> <p>(4) \$3,834,300 SAF to support the MiSTEM Network Regions and \$3,500,000 Federal for FY 2018-19. Minimum base funding of \$200,000 for each Region; remaining dollars distributed on an equal amount per pupil based on pupils within each region.</p> <p>(6) \$200,000 SAF to those network regions able to provide curriculum and professional development to assist districts in implementing Merit Curriculum components for math and science.</p> <p>\$0 GF/GP for Van Andel Education Institute</p> <p>Report is removed.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 99t Online Algebra Tool	Allocates \$1,100,000 GF/GP for FY 2017-18 for an online tool that would provide students with videos, diagnostics, practice assessments, and assistance in algebra, along with a professional development network for teachers.	Proposes to repeal the section.			
Sec. 99u Imagine Learning	Appropriates \$1,000,000 to purchase statewide access to an online mathematics tool with criteria specified in the bill.	Proposes to repeal the section.			
Sec. 102d Data Analytical Tools	Funds the program at \$1,500,000 for FY 2017-18. Adds language allowing an ISD to be reimbursed for both an ISD-specific financial data tool as well as a tool purchased by the ISD for any of its constituent districts who opt in. Adds language clarifying that a district whose ISD provides a data analytics tool is not eligible for reimbursement of a separately-purchased tool if the district opted into that tool purchased by the ISD.	Proposes to repeal the section.			
Sec. 104 Assessment Funding	Appropriates \$34,709,400 for FY 2017-18 from the SAF for reimbursement of costs associated with State student assessment requirements. Also appropriates \$6,250,000 in Federal assessment funding for the purposes of complying with Federal NCLB Act.	Reduces the appropriation by \$3,700,000 to \$31,009,400 for FY 2018-19.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>(4) Of the total funding, \$1,000,000 is earmarked for the implementation of a Michigan kindergarten entry observation tool that would be conducted in all kindergarten classrooms in Prosperity Regions 4, 5, and 9 in the Fall of 2018.</p> <p>(7) Earmarks \$3.2 million for the development or selection of an online reporting tool.</p>	<p>(4) Kindergarten entry observation tool funding is removed.</p> <p>(7) Reduces to \$500,000 for the maintenance of an online reporting tool.</p>			
Sec. 104c – M-STEP	<p>Requires the Department to develop assessments in English Language Arts and Mathematics for use in FY 2014-15 and FY 2015-16, with a summative assessment developed for use in FY 2016-17.</p> <p>The summative assessment would have to measure student proficiency on current State standards and measure student growth. ELA and math tests would be for grades 3-11. Science would be for grades 4 and 7; social studies would be for grades 5 and 8.</p> <p>Reports on student growth and proficiency would be provided to students, parents, and teachers. The exam's total time could not exceed the time spent on the previous statewide assessment system.</p>	<p>Cleans up language to say that the Department shall develop "and administer" the M-STEP.</p> <p>Changes the grade ranges for summative assessments for science from "4 and 7" to "5 and 8".</p> <p>Removes the requirement for the Department to implement a request for information process for a common formative assessment.</p> <p>Technical cleanup eliminating field testing language and replacing with administering fall and spring bench mark assessments beginning in 2018-19.</p> <p>Removes outdated language calling for an RFI for not less than 3 benchmark assessments not later than November 1, 2017.</p> <p>Removes (what will become)</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>Requires the department to begin the development and piloting or field-testing of English language arts and mathematics test content for the statewide use of benchmark assessments up to three times per year (fall, winter, spring) for grades 3 to 8 beginning in 2018-19.</p> <p>Requires the Department to field test ELA and math tests in grades 1 and 2 so that the tests can be implemented in the 2016-17 school year.</p> <p>Subsection (6) directs the Department to issue an RFP for a statewide summative assessment that assesses all of grades 3 through 7 in math and ELA, along with other stipulations. The new language requires MDE to approve 1 statewide summative assessment by Jan 1, 2018.</p> <p>The department is also required to issue an RFP for not less than 3 benchmark assessments that meet specified criteria, and then approve at least 2 benchmark assessments.</p>	<p>outdated language requiring the approval of at least 3 benchmark assessments not later than March 1, 2018.</p> <p>New language requiring the Department to provide guidance to districts on optionally adopting and implementing department-approved benchmark assessments for grades 3 through 7 in ELA and math, and to recommend that districts commit to using the same benchmark assessment for not less than 3 years without switching to another benchmark assessment.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 104d Computer-Adaptive Test	<p>Appropriates \$4,000,000 for reimbursement to districts that purchase a computer-adaptive test for each student enrolled in the district, or for diagnostic and screening tools, or benchmark assessments for pupils in grades K to 3. The CAT must be internet-delivered, offer unlimited testing opportunities, provide valid and reliable diagnostic assessment data, adjust testing difficulty based on previous answers, and provide immediate feedback to pupils and teachers.</p> <p>Reimbursement will be made on an equal per pupil basis, not to exceed the amount paid for the application, to districts that demonstrate to the satisfaction of the Department their eligible purchase by December 1, 2017.</p>	Proposes to repeal the section.			
Sec. 104e Digital Literacy Preparation	Allocates \$250,000 GF/GP for a pilot assessment of digital literacy preparation to ensure students have the skills required to take State online assessments.	Proposes to repeal the section.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
<p>Sec. 107 Adult Education</p>	<p>Appropriates \$27,000,000 in FY 2017-18 for Adult Education programs.</p> <p>In 2017-18, 67% of the total funding is awarded to ISDs based on the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-14, and 33% of the total funding is based on new criteria (described below). In 2018-19, 33% of the total funding would go to ISDs based on the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-14, and 67% would be based on new criteria. And, in 2019-20, 100% of the total funding would be based on the new criteria, as follows:</p> <p>a) 60% is distributed based upon the proportion of the State population of persons between the ages of 18 and 24 that are not high school graduates, contained in each of the prosperity regions, as reported by the most recent five-year estimates from the American Community Survey of the US Census Bureau.</p> <p>b) 35% is distributed based upon the proportion of the State population of persons aged 25 or older that are not high school graduates, in each prosperity region</p>	<p>Continues the \$27,000,000 appropriation into FY 2018-19.</p> <p>(3) Removes "has attained 20 years of age" as an eligibility option, retaining "has attained 18 years of age and the individual's graduating class has graduated".</p> <p>Replaces "talent district career council" with "career and educational advisory council".</p> <p>Removes the \$500,000 pilot project in (15) as FY 2017-18 was its third year of funding.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>c) 5% is distributed based upon the proportion of the State population of persons aged 18 and older that lack basic English proficiency, in each prosperity region. To be eligible as a fiscal agent, an ISD must agree to the following:</p> <p>a) distribute funds to adult education programs in a prosperity region as described in this section;</p> <p>b) collaborate with education advisory groups of the workforce development boards located in the prosperity region to develop a regional strategy that aligns adult education programs and services into an efficient and effective delivery system;</p> <p>c) collaborate with education advisory groups of the workforce development boards located in the prosperity region to create a local process and criteria that will identify eligible adult education providers to receive funds allocated under this section based on location, demand for services, and cost to provide instructional services;</p> <p>d) report adult education program and participant data and information as prescribed by the Department.</p>				

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>Payments are based on a formula that is in accordance with a) statewide allocation criteria, inclusive of a three-year average of actual enrollments, census data, and local needs; b) participation completion of adult basic education objectives; c) participation completion of core indicators as identified in the Workforce Innovation and Opportunity Act; and d) allowable expenditures.</p> <p>ISDs are not allowed to spend more than 5% on administration and the Department is required to ensure that the same number of participants are served under the new provider system as under the previous year.</p> <p>Adult Education program providers are required to pay to CTE programs any billing that occurs for basic education programming provided by the CTE program under Sec. 61a.</p> <p>(15) A pilot program connecting adult education students directly with employers is earmarked out of the total funding, with \$500,000 allocated to the pilot. Funding in FY 2017-18 is the third of three years of funding, and requires an adult education navigator to serve as a caseworker for the pilot students.</p>				

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>(19) \$2,000,000 of the total is earmarked for additional pilot projects in five prosperity regions that can quickly replicate the pilot project funded under subsection (15), with grants of \$400,000 for each additional project.</p>				
<p>Sec. 147 Retirement Contribution Rate</p>	<p>For FY 2017-18, the employer rates vary between 20.96% and 25.56% of payroll paid by the employer and the remainder of the total retirement contribution rate by the State under Section 147c.</p> <p>The total uncapped rate varies between 32.28% and 36.88%.</p> <p>The amount under Section 147c represents State support of 11.32% of the unfunded accrued liability costs.</p> <p>Years left in the amortization schedule decline to 21.</p>	<p>For FY 2018-19, the employer rates vary between 20.96% and 27.16% of payroll paid by the employer and the remainder of the total retirement contribution rate by the State under Section 147c.</p> <p>The total uncapped rate varies between 33.17% and 39.37%.</p> <p>The amount under Section 147c represents State support of 12.21% of the unfunded accrued liability costs.</p> <p>Years left in the amortization schedule decline to 20.</p>			
<p>Sec. 147a MPSERS Payment to Districts</p>	<p>(1) Appropriates \$100,000,000 from the FY 2017-18 SAF for payments to districts (not ISDs) to assist with their current-year MPSERS liabilities.</p> <p>Distributions are calculated based on share of MPSERS payroll. On a statewide basis, this averages to \$66 per pupil for eligible districts, but varies based on share of MPSERS payroll.</p>	<p>(1) Continues the \$100,000,000 appropriation into FY 2018-19.</p> <p>(2) Increases the funding to \$88,091,000 SAF and \$48,000 GF/GP to hold districts, intermediate districts, and libraries harmless from the increased normal cost due to the proposal to reduce the</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>(2) Appropriates a further \$48,940,000 SAF and \$29,000 GF/GP to hold districts, intermediate districts, and libraries harmless from the increased normal cost due to the proposal to reduce the assumed rate of return from 8% to 7.5% over two years.</p>	<p>assumed rate of return from 8% to 7.5% over two years.</p>			
<p>Sec. 147c MPSERS Rate Cap</p>	<p>(1) Appropriates \$960,130,000 SAF and \$654,000 GF/GP for FY 2017-18 to districts, intermediate districts, and libraries to pay for the costs of unfunded accrued liabilities above the statutory rate cap of 20.96%, pursuant to Section 41 of the MPSERS Act.</p> <p>The Department is required to calculate estimated MPSERS rate cap per pupil amounts by district and publish those amounts.</p> <p>Includes intent language that the State payments for the rate cap are used first for required pension contributions and then for OPEB contributions.</p> <p>(2) Appropriates \$200,000,000 for the payment of UAAL in MPSERS for FY 2017-18.</p>	<p>Appropriates \$1,032,000,000 SAF and \$700,000 GF/GP for FY 2018-19 to districts, intermediate districts, and libraries to pay for the costs of unfunded accrued liabilities above the statutory rate cap of 20.96%, pursuant to Section 41 of the MPSERS Act.</p> <p>The \$200,000,000 one-time payment in FY 2017-18 for UAAL is not continued.</p>			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 147e Reimbursement to Schools for Additional MPSERS Costs	Allocates \$23,100,000 from the MPSERS Reserve Fund to pay for increased school employer costs associated with PA 92 of 2017.	Increases the allocation to \$31,900,000 from the MPSERS Reserve Fund, plus \$5,700,000 from SAF.			
Sec. 152a Adair Lawsuit: Data Collection Costs	FY 2017-18 appropriation of \$38,000,500 for the purpose of paying necessary costs related to the State-mandated collection, maintenance, and reporting of data.	FY 2018-19 appropriation remains at \$38,000,500.			
Sec. 152b Reimbursement for Nonpublic School Mandates	Includes \$2,500,000 GF/GP for FY 2017-18 to reimburse nonpublic schools for mandated costs.	Proposes to repeal the section.			
Sec. 160 Pre-Labor Day Waiver Public Hearing	Requires a district seeking a waiver to start school before Labor Day to hold a public hearing with the State Superintendent in the district.	Removes the requirement for the meeting to be a joint meeting with the Department.			
Sec. 163 Noncertificated Educators	Prohibits districts and ISDs from using noncertificated educators or counselors, except as allowed under the School Code.	Replaces "noncertificated educator" with "an individual who does not hold a valid certificate or who is not working under a valid substitute permit, authorization, or approval issued under rules promulgated by the department", referring to teaching in an elementary or secondary school. Replaces "noncertificated educator" with "an individual who does not satisfy the requirements of section 1233 of the Revised School Code and rules promulgated by the department", referring to providing school counselor services.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
		<p>Replaces "noncertificated educator to administer instructional programs" with "an individual who does not satisfy the requirements of section 1246 of the Revised School Code or who is not working under a valid substitute permit issued under rules promulgated by the department to be employed as a superintendent, principal, or assistant principal, or as a person whose primary responsibility is to administer instructional programs", referring to instruction in an elementary or secondary school.</p> <p>Appears to remove the prohibition not allowing the use of noncertificated educators in an adult basic education or high school completion program.</p>			
Sec. 164g Legal Action Against the State	Provides for a penalty in an amount equal to the amount spent if a district or ISD uses State funding to pay for an expense related to a legal action initiated by the district or ISD against the State.	Proposes to repeal the section.			

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 164h Collective Bargaining Agreement Penalty	Provides for a penalty in an amount equal to 5% of a district or ISD's total State aid if it enters into a collective bargaining agreement that does any of the following: a) establishes racial or religious preferences b) automatically deducts union dues from paychecks c) is in conflict with any State or Federal transparency laws d) uses a method of compensation that does not comply with MCL 380.1250.	Proposes to repeal the section.			
Sec. 166b Nonpublic Part-Time Pupils	Allows nonpublic or home-schooled students also to be enrolled in a district, charter, or ISD in any curricular offering provided at a public school site available to pupils in the student's grade level or age group, or provided by the public school at the nonpublic site. State school aid is provided to the district only for curricular offerings that are offered to full-time pupils in the grade level or age group.	Removes kindergarten from the definition of nonessential elective courses, and prohibits State aid from reimbursing for shared-time kindergarten students. Adds language clarifying that State aid is only for nonessential elective courses, and that a curricular offering may include an optional experience. (The optional experience must be available to full-time pupils in the minor's grade level to be counted for State aid.) Allows for shared time in a nonessential elective course that is provided and available to pupils in the minor's grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil's participation in the offering.			

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Repealers	N/A	Sections 21j, 22g, 31b, 31j, 32q, 35, 55, 61c, 64d, 65, 67a, 95b, 99k, 99t, 99u, 102d, 104d, 104e, 152b, 164g, and 164h are repealed.			