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FISCAL YEARS 2017 AND 2018
EXECUTIVE BUDGET RECOMMENDATION
EDUCATION BUDGET

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 4, 6, 11, 11a, 11j, 11k, 11m, 15, 18, 19, 20, 20d, 20f, 20g, 21f, 22a,
22b, 22d, 22g, 23a, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 35,
35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94,
94a, 95a, 98, 99h, 99s, 101, 102d, 104, 104b, 104c, 107, 147, 147a, 147c, 152a, 166b, 201,
202a, 203, 206, 207a, 207b, 207c, 209, 210b, 217, 219, 220, 222, 224, 225, 226, 229a, 230,
236, 236b, 236c, 237b, 241, 242, 245, 246, 252, 254, 256, 263, 263a, 264, 265, 265a, 267,
268, 269, 270, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 290 (MCL
388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1615,
388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a,
388.1622b, 388.1622d, 388.1622g, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625f,
388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d,

1 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c,
2 388.1651d, 388.1653a, 388.1654, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1662,
3 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a,
4 388.1698, 388.1699h, 388.1699s, 388.1701 388.1702d, 388.1704, 388.1704b, 388.1704c,
5 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766b, 388.1801, 388.1802a,
6 388.1803, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1817,
7 388.1819, 388.1820, 388.1822, 388.1824, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836,
8 388.1836b, 388.1836c, 388.1837b, 388.1841, 388.1842, 388.1845, 388.1846, 388.1852,
9 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868,
10 388.1869, 388.1870, 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880,
11 388.1881, 388.1882, 388.1883, 388.1884, 388.1890), sections 4, 203, 219, 220, 242, and 254
12 as amended and section 237b as added by 2012 PA 201, sections 6, 21f, 31a, 32d, and 107 as
13 amended by 2015 PA 139, sections 11, 11a, 11j, 11k, 11m, 15, 20, 20d, 20f, 20g, 22a, 22b,
14 22d, 22g, 23a, 24, 24a, 24c, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d,
15 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a, 98, 99h, 101, 104, 104b, 104c, 147, 147a,
16 147c, 152a, 201, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 225, 226, 229a, 230, 236,
17 236b, 236c, 241, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 276, 277,
18 278, 279, 280, 281, 282, 283, and 284 as amended and sections 25g, 35, 35a, 55, 61b, 65,
19 67, 99s, 102d, 104d, and 274c as added by 2015 PA 85, section 18 as amended by 2015 PA 114,
20 sections 19, 202a, 224, 245, and 275 as amended by 2014 PA 196, section 166b as amended by
21 2012 PA 130, section 290 as amended by 2013 PA 60, and by adding sections 11s, 20j, 21,
22 54b, 61c, and 78; and to repeal acts and parts of acts.

23
24 **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

25 **ARTICLE I**

26
27 Sec. 4. (1) "Education achievement system" means the achievement authority and all
28 achievement schools.

29 (2) "Elementary pupil" means a pupil in membership in grades K to 8 in a district not
30 maintaining classes above the eighth grade or in grades K to 6 in a district maintaining
31 classes above the eighth grade. For the purposes of calculating universal service fund (e-
32 rate) discounts, "elementary pupil" includes children enrolled in a preschool program

1 operated by a district in its facilities.

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

8 (4) "Fiscal year" means the state fiscal year that commences October 1 and continues
9 through September 30.

10 (5) ~~"General educational development testing preparation program"~~ **"HIGH SCHOOL**
11 **EQUIVALENCY TEST"** means ~~a program that has high school level courses in English language~~
12 ~~arts, social studies, science, and mathematics and that prepares a person to successfully~~
13 ~~complete the general educational development (GED) test~~ **THE GED TEST DEVELOPED BY THE GED**
14 **TESTING SERVICE, THE TEST ASSESSING SECONDARY COMPLETION (TASC) DEVELOPED BY CTB/MCGRAW-**
15 **HILL, THE HISET TEST DEVELOPED BY THE EDUCATION TESTING SERVICE (ETS), OR ANOTHER**
16 **COMPARABLE TEST APPROVED BY THE DEPARTMENT.**

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

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

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

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

8 (4) "Membership", except as otherwise provided in this article, means for a district,
9 a public school academy, the education achievement system, or an intermediate district the
10 sum of the product of ~~-90~~ .50 times the number of full-time equated pupils in grades K to
11 12 actually enrolled and in regular daily attendance on the pupil membership count day for
12 the current school year, plus the product of ~~-10~~ .50 times the final audited count from the
13 supplemental count day for the immediately preceding school year. ~~A district's, public~~
14 ~~school academy's, or intermediate district's membership shall be adjusted as provided under~~
15 ~~section 25c for pupils who enroll in the district, public school academy, or intermediate~~
16 ~~district after the pupil membership count day.~~ All pupil counts used in this subsection are
17 as determined by the department and calculated by adding the number of pupils registered
18 for attendance plus pupils received by transfer and minus pupils lost as defined by rules
19 promulgated by the superintendent, and as corrected by a subsequent department audit. For
20 the purposes of this section and section 6a, for a school of excellence that is a cyber
21 school, as defined in section 551 of the revised school code, MCL 380.551, and is in
22 compliance with section 553a of the revised school code, MCL 380.553a, a pupil's
23 participation in the cyber school's educational program is considered regular daily
24 attendance; for the education achievement system, a pupil's participation in ~~an online~~ **A**
25 **VIRTUAL** educational program of the education achievement system or of an achievement school
26 is considered regular daily attendance; and for a district a pupil's participation in ~~an~~
27 ~~online~~ **A VIRTUAL** course as defined in section 21f is considered regular daily attendance.
28 The amount of the foundation allowance for a pupil in membership is determined under
29 section 20. In making the calculation of membership, all of the following, as applicable,
30 apply to determining the membership of a district, a public school academy, the education
31 achievement system, or an intermediate district:

32 (a) Except as otherwise provided in this subsection, and pursuant to subsection (6),

1 a pupil shall be counted in membership in the pupil's educating district or districts. An
2 individual pupil shall not be counted for more than a total of 1.0 full-time equated
3 membership.

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

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

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

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

19 (f) A pupil enrolled in a career and technical education program supported by a
20 millage levied over an area larger than a single district or in an area vocational-
21 technical education program established pursuant to section 690 of the revised school code,
22 MCL 380.690, shall be counted only in the pupil's district of residence.

23 (g) A pupil enrolled in a public school academy shall be counted in membership in the
24 public school academy.

25 (h) A pupil enrolled in an achievement school shall be counted in membership in the
26 education achievement system.

27 (i) For a new district or public school academy beginning its operation after
28 December 31, 1994, or for the education achievement system or an achievement school,
29 membership for the first 2 full or partial fiscal years of operation shall be determined as
30 follows:

31 (i) If operations begin before the pupil membership count day for the fiscal year,
32 membership is the average number of full-time equated pupils in grades K to 12 actually

1 enrolled and in regular daily attendance on the pupil membership count day for the current
2 school year and on the supplemental count day for the current school year, as determined by
3 the department and calculated by adding the number of pupils registered for attendance on
4 the pupil membership count day plus pupils received by transfer and minus pupils lost as
5 defined by rules promulgated by the superintendent, and as corrected by a subsequent
6 department audit, plus the final audited count from the supplemental count day for the
7 current school year, and dividing that sum by 2.

8 (ii) If operations begin after the pupil membership count day for the fiscal year and
9 not later than the supplemental count day for the fiscal year, membership is the final
10 audited count of the number of full-time equated pupils in grades K to 12 actually enrolled
11 and in regular daily attendance on the supplemental count day for the current school year.

12 (j) If a district is the authorizing body for a public school academy, then, in the
13 first school year in which pupils are counted in membership on the pupil membership count
14 day in the public school academy, the determination of the district's membership shall
15 exclude from the district's pupil count for the immediately preceding supplemental count
16 day any pupils who are counted in the public school academy on that first pupil membership
17 count day who were also counted in the district on the immediately preceding supplemental
18 count day.

19 (k) In a district, a public school academy, the education achievement system, or an
20 intermediate district operating an extended school year program approved by the
21 superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a
22 pupil membership count day, shall be counted.

23 (l) To be counted in membership, a pupil shall meet the minimum age requirement to be
24 eligible to attend school under section 1147 of the revised school code, MCL 380.1147, or
25 shall be enrolled under subsection (3) of that section, and shall be less than 20 years of
26 age on September 1 of the school year except as follows:

27 (i) A special education pupil who is enrolled and receiving instruction in a special
28 education program or service approved by the department, who does not have a high school
29 diploma, and who is less than 26 years of age as of September 1 of the current school year
30 shall be counted in membership.

31 (ii) A pupil who is determined by the department to meet all of the following may be
32 counted in membership:

1 (A) Is enrolled in a public school academy or an alternative education high school
2 diploma program, that is primarily focused on educating homeless pupils.

3 (B) Had dropped out of school for more than 1 year and has re-entered school.

4 (C) Is less than 22 years of age as of September 1 of the current school year.

5 (D) Is considered to be homeless under 42 USC 11302, ~~or was counted in membership~~
6 ~~under this subparagraph in 2014-2015.~~

7 (iii) If a child does not meet the minimum age requirement to be eligible to attend
8 school for that school year under section 1147 of the revised school code, MCL 380.1147,
9 but will be 5 years of age not later than December 1 of that school year, the district may
10 count the child in membership for that school year if the parent or legal guardian has
11 notified the district in writing that he or she intends to enroll the child in kindergarten
12 for that school year.

13 (m) An individual who has obtained a high school diploma shall not be counted in
14 membership. An individual who has obtained a ~~general educational development (G.E.D.)~~ **HIGH**
15 **SCHOOL EQUIVALENCY** certificate shall not be counted in membership unless the individual is
16 a student with a disability as defined in R 340.1702 of the Michigan administrative code.
17 An individual participating in a job training program funded under former section 107a or a
18 jobs program funded under former section 107b, administered by the ~~Michigan strategic fund~~
19 **TALENT AND ECONOMIC DEVELOPMENT AGENCY**, or participating in any successor of either of
20 those 2 programs, shall not be counted in membership.

21 (n) If a pupil counted in membership in a public school academy or the education
22 achievement system is also educated by a district or intermediate district as part of a
23 cooperative education program, the pupil shall be counted in membership only in the public
24 school academy or the education achievement system unless a written agreement signed by all
25 parties designates the party or parties in which the pupil shall be counted in membership,
26 and the instructional time scheduled for the pupil in the district or intermediate district
27 shall be included in the full-time equated membership determination under subdivision (q)
28 and section 101. However, for pupils receiving instruction in both a public school academy
29 or the education achievement system and in a district or intermediate district but not as a
30 part of a cooperative education program, the following apply:

31 (i) If the public school academy or the education achievement system provides
32 instruction for at least 1/2 of the class hours required under section 101, the public

1 school academy or the education achievement system shall receive as its prorated share of
2 the full-time equated membership for each of those pupils an amount equal to 1 times the
3 product of the hours of instruction the public school academy or the education achievement
4 system provides divided by the number of hours required under section 101 for full-time
5 equivalency, and the remainder of the full-time membership for each of those pupils shall
6 be allocated to the district or intermediate district providing the remainder of the hours
7 of instruction.

8 (ii) If the public school academy or the education achievement system provides
9 instruction for less than 1/2 of the class hours required under section 101, the district
10 or intermediate district providing the remainder of the hours of instruction shall receive
11 as its prorated share of the full-time equated membership for each of those pupils an
12 amount equal to 1 times the product of the hours of instruction the district or
13 intermediate district provides divided by the number of hours required under section 101
14 for full-time equivalency, and the remainder of the full-time membership for each of those
15 pupils shall be allocated to the public school academy or the education achievement system.

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

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

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

28 (r) Full-time equated memberships for pupils in kindergarten shall be determined by
29 dividing the number of instructional hours scheduled and provided per year per kindergarten
30 pupil by the same number used for determining full-time equated memberships for pupils in
31 grades 1 to 12. However, to the extent allowable under federal law, for a district or
32 public school academy that provides evidence satisfactory to the department that it used

1 federal title I money in the 2 immediately preceding school fiscal years to fund full-time
2 kindergarten, full-time equated memberships for pupils in kindergarten shall be determined
3 by dividing the number of class hours scheduled and provided per year per kindergarten
4 pupil by a number equal to 1/2 the number used for determining full-time equated
5 memberships for pupils in grades 1 to 12. The change in the counting of full-time equated
6 memberships for pupils in kindergarten that took effect for 2012-2013 is not a mandate.

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

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

22 (u) If, as a result of a disciplinary action, a district determines through the
23 district's alternative or disciplinary education program that the best instructional
24 placement for a pupil is in the pupil's home or otherwise apart from the general school
25 population, if that placement is authorized in writing by the district superintendent and
26 district alternative or disciplinary education supervisor, and if the district provides
27 appropriate instruction as described in this subdivision to the pupil at the pupil's home
28 or otherwise apart from the general school population, the district may count the pupil in
29 membership on a pro rata basis, with the proration based on the number of hours of
30 instruction the district actually provides to the pupil divided by the number of hours
31 required under section 101 for full-time equivalency. For the purposes of this subdivision,
32 a district shall be considered to be providing appropriate instruction if all of the

1 following are met:

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

5 (ii) The district provides instructional materials, resources, and supplies that are
6 comparable to those otherwise provided in the district's alternative education program.

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

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

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

16 (w) For a public school academy that has been in operation for at least 2 years and
17 that suspended operations for at least 1 semester and is resuming operations, membership is
18 the sum of the product of ~~+.90~~ .50 times the number of full-time equated pupils in grades K
19 to 12 actually enrolled and in regular daily attendance on the first pupil membership count
20 day or supplemental count day, whichever is first, occurring after operations resume, plus
21 the product of ~~+.10~~ .50 times the final audited count from the most recent pupil membership
22 count day or supplemental count day that occurred before suspending operations, as
23 determined by the superintendent.

24 (x) If a district's membership for a particular fiscal year, as otherwise calculated
25 under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer
26 pupils per square mile, as determined by the department, and if the district does not
27 receive funding under section 22d(2), the district's membership shall be considered to be
28 the membership figure calculated under this subdivision. If a district educates and counts
29 in its membership pupils in grades 9 to 12 who reside in a contiguous district that does
30 not operate grades 9 to 12 and if 1 or both of the affected districts request the
31 department to use the determination allowed under this sentence, the department shall
32 include the square mileage of both districts in determining the number of pupils per square

1 mile for each of the districts for the purposes of this subdivision. The membership figure
2 calculated under this subdivision is the greater of the following:

3 (i) The average of the district's membership for the 3-fiscal-year period ending with
4 that fiscal year, calculated by adding the district's actual membership for each of those 3
5 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those
6 3 membership figures by 3.

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

9 (y) Full-time equated memberships for special education pupils who are not enrolled
10 in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan
11 administrative code shall be determined by dividing the number of class hours scheduled and
12 provided per year by 450. Full-time equated memberships for special education pupils who
13 are not enrolled in kindergarten but are receiving early childhood special education
14 services under R 340.1755 or R 340.1862 of the Michigan administrative code shall be
15 determined by dividing the number of hours of service scheduled and provided per year per-
16 pupil by 180.

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

21 (aa) For the first year in which a pupil is counted in membership on the pupil
22 membership count day in a middle college program, the membership is the average of the
23 full-time equated membership on the pupil membership count day and on the supplemental
24 count day for the current school year, as determined by the department. If a pupil
25 described in this subdivision was counted in membership by the operating district on the
26 immediately preceding supplemental count day, the pupil shall be excluded from the
27 district's immediately preceding supplemental count for the purposes of determining the
28 district's membership.

29 (bb) A district, a public school academy, or the education achievement system that
30 educates a pupil who attends a United States Olympic Education Center may count the pupil
31 in membership regardless of whether or not the pupil is a resident of this state.

32 (cc) A pupil enrolled in a district other than the pupil's district of residence

1 pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in
2 the educating district or the education achievement system.

3 (dd) For a pupil enrolled in a dropout recovery program that meets the requirements
4 of section 23a, the pupil shall be counted as 1/12 of a full-time equated membership for
5 each month that the district operating the program reports that the pupil was enrolled in
6 the program and was in full attendance. However, if the special membership counting
7 provisions under this subdivision and the operation of the other membership counting
8 provisions under this subsection result in a pupil being counted as more than 1.0 FTE in a
9 fiscal year, the payment made for the pupil under sections 22a and 22b shall not be based
10 on more than 1.0 FTE for that pupil, and any portion of an FTE for that pupil that exceeds
11 1.0 shall instead be paid under section 25g. The district operating the program shall
12 report to the center the number of pupils who were enrolled in the program and were in full
13 attendance for a month not later than ~~the tenth day of the next~~ **30 DAYS AFTER THE END OF**
14 **THE** month. A district shall not report a pupil as being in full attendance for a month
15 unless both of the following are met:

16 (i) A personalized learning plan is in place on or before the first school day of the
17 month for the first month the pupil participates in the program.

18 (ii) The pupil meets the district's definition under section 23a of satisfactory
19 monthly progress for that month or, if the pupil does not meet that definition of
20 satisfactory monthly progress for that month, the pupil did meet that definition of
21 satisfactory monthly progress in the immediately preceding month and appropriate
22 interventions are implemented within 10 school days after it is determined that the pupil
23 does not meet that definition of satisfactory monthly progress.

24 (ee) A pupil participating in ~~an online~~ **A VIRTUAL** course under section 21f shall be
25 counted in membership in the district enrolling the pupil.

26 (ff) If a public school academy that is not in its first or second year of operation
27 closes at the end of a school year and does not reopen for the next school year, the
28 department shall adjust the membership count of the district or the education achievement
29 system in which a former pupil of the public school academy enrolls and is in regular daily
30 attendance for the next school year to ensure that the district or the education
31 achievement system receives the same amount of membership aid for the pupil as if the pupil
32 were counted in the district or the education achievement system on the supplemental count

1 day of the preceding school year.

2 **(GG) A NONPUBLIC PART-TIME PUPIL ENROLLED IN GRADES 1 TO 12 IN ACCORDANCE WITH**
3 **SECTION 166B SHALL BE COUNTED FOR NO MORE THAN 1/3 OF A FULL-TIME EQUATED MEMBERSHIP.**

4 (5) "Public school academy" means that term as defined in section 5 of the revised
5 school code, MCL 380.5.

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

9 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section
10 166b.

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

13 (c) A pupil enrolled in a public school academy or the education achievement system.

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

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

20 (f) A pupil who has made an official written complaint or whose parent or legal
21 guardian has made an official written complaint to law enforcement officials and to school
22 officials of the pupil's district of residence that the pupil has been the victim of a
23 criminal sexual assault or other serious assault, if the official complaint either
24 indicates that the assault occurred at school or that the assault was committed by 1 or
25 more other pupils enrolled in the school the pupil would otherwise attend in the district
26 of residence or by an employee of the district of residence. A person who intentionally
27 makes a false report of a crime to law enforcement officials for the purposes of this
28 subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL
29 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

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

1 (ii) "Serious assault" means an act that constitutes a felony violation of chapter XI
2 of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that constitutes an
3 assault and infliction of serious or aggravated injury under section 81a of the Michigan
4 penal code, 1931 PA 328, MCL 750.81a.

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

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

11 (i) The pupil has been suspended or expelled from his or her district of residence
12 for any reason, including, but not limited to, a suspension or expulsion under section
13 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

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

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

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

17 (i) A pupil enrolled in the Michigan virtual school, for the pupil's enrollment in
18 the Michigan virtual school.

19 (j) A pupil who is the child of a person who works at the district or who is the
20 child of a person who worked at the district as of the time the pupil first enrolled in the
21 district but who no longer works at the district due to a workforce reduction. As used in
22 this subdivision, "child" includes an adopted child, stepchild, or legal ward.

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

26 (l) A pupil enrolled in a district other than the pupil's district of residence in a
27 middle college program if the pupil's district of residence and the enrolling district are
28 both constituent districts of the same intermediate district.

29 (m) A pupil enrolled in a district other than the pupil's district of residence who
30 attends a United States Olympic Education Center.

31 (n) A pupil enrolled in a district other than the pupil's district of residence
32 pursuant to section 1148(2) of the revised school code, MCL 380.1148.

1 (o) A pupil who enrolls in a district other than the pupil's district of residence as
2 a result of the pupil's school not making adequate yearly progress under the no child left
3 behind act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT OF 2015, PUBLIC**
4 **LAW 114-95.**

5 However, if a district educates pupils who reside in another district and if the
6 primary instructional site for those pupils is established by the educating district after
7 2009-2010 and is located within the boundaries of that other district, the educating
8 district must have the approval of that other district to count those pupils in membership.

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

10 (a) Except as provided in subdivision (b), the first Wednesday in October each school
11 year or, for a district or building in which school is not in session on that Wednesday due
12 to conditions not within the control of school authorities, with the approval of the
13 superintendent, the immediately following day on which school is in session in the district
14 or building.

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

17 (i) Fourth Wednesday in July.

18 (ii) First Wednesday in October.

19 (iii) Second Wednesday in February.

20 (iv) Fourth Wednesday in April.

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

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

13 (9) "Rule" means a rule promulgated pursuant to the administrative procedures act of
14 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

16 (11) "School district of the first class", "first class school district", and
17 "district of the first class" mean, for the purposes of this article only, a district that
18 had at least 40,000 pupils in membership for the immediately preceding fiscal year.

19 (12) "School fiscal year" means a fiscal year that commences July 1 and continues
20 through June 30.

21 (13) "State board" means the state board of education.

22 (14) "Superintendent", unless the context clearly refers to a district or
23 intermediate district superintendent, means the superintendent of public instruction
24 described in section 3 of article VIII of the state constitution of 1963.

25 (15) "Supplemental count day" means the day on which the supplemental pupil count is
26 conducted under section 6a.

27 (16) "Tuition pupil" means a pupil of school age attending school in a district other
28 than the pupil's district of residence for whom tuition may be charged to the district of
29 residence. Tuition pupil does not include a pupil who is a special education pupil, a pupil
30 described in subsection (6) (c) to (p), or a pupil whose parent or guardian voluntarily
31 enrolls the pupil in a district that is not the pupil's district of residence. A pupil's
32 district of residence shall not require a high school tuition pupil, as provided under

1 section 111, to attend another school district after the pupil has been assigned to a
2 school district.

3 (17) "State school aid fund" means the state school aid fund established in section
4 11 of article IX of the state constitution of 1963.

5 (18) "Taxable value" means the taxable value of property as determined under section
6 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

7 (19) "Textbook" means a book, electronic book, or other instructional print or
8 electronic resource that is selected and approved by the governing board of a district or,
9 for an achievement school, by the chancellor of the achievement authority and that contains
10 a presentation of principles of a subject, or that is a literary work relevant to the study
11 of a subject required for the use of classroom pupils, or another type of course material
12 that forms the basis of classroom instruction.

13 (20) "Total state aid" or "total state school aid" means the total combined amount of
14 all funds due to a district, intermediate district, or other entity under all of the
15 provisions of this article.

16 Sec. 11. (1) ~~For the fiscal year ending September 30, 2015, there is appropriated for~~
17 ~~the public schools of this state and certain other state purposes relating to education the~~
18 ~~sum of \$11,814,097,400.00 from the state school aid fund, the sum of \$18,000,000.00 from~~
19 ~~the MPERS retirement obligation reform reserve fund created under section 147b, and the~~
20 ~~sum of \$33,700,000.00 from the general fund.~~ For the fiscal year ending September 30, 2016
21 **2017**, there is appropriated for the public schools of this state and certain other state
22 purposes relating to education the sum of ~~\$12,078,985,100.00~~ **\$12,062,479,300.00** from the
23 state school aid fund, **THE SUM OF \$72,000,000.00 FROM THE DETROIT PUBLIC SCHOOLS TRUST**
24 **FUND**, and the sum of ~~\$45,900,000.00~~ **\$230,000,000.00** from the general fund. In addition, all
25 other available federal funds are appropriated ~~each fiscal year~~ for the fiscal ~~years~~ **YEAR**
26 ending ~~September 30, 2015 and September 30, 2016~~ **2017**.

27 (2) The appropriations under this section shall be allocated as provided in this
28 article. Money appropriated under this section from the general fund shall be expended to
29 fund the purposes of this article before the expenditure of money appropriated under this
30 section from the state school aid fund.

31 (3) Any general fund allocations under this article that are not expended by the end
32 of the state fiscal year are transferred to the school aid stabilization fund created under

1 section 11a.

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

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

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

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

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

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

16 (4) The state treasurer shall direct the investment of the school aid stabilization
17 fund. The state treasurer shall credit to the school aid stabilization fund interest and
18 earnings from fund investments.

19 (5) Money in the school aid stabilization fund at the close of a fiscal year shall
20 remain in the school aid stabilization fund and shall not lapse to the unreserved school
21 aid fund balance or the general fund.

22 (6) If the maximum amount appropriated under section 11 from the state school aid
23 fund for a fiscal year exceeds the amount available for expenditure from the state school
24 aid fund for that fiscal year, there is appropriated from the school aid stabilization fund
25 to the state school aid fund an amount equal to the projected shortfall as determined by
26 the department of treasury, but not to exceed available money in the school aid
27 stabilization fund. If the money in the school aid stabilization fund is insufficient to
28 fully fund an amount equal to the projected shortfall, the state budget director shall
29 notify the legislature as required under section 296(2) and state payments in an amount
30 equal to the remainder of the projected shortfall shall be prorated in the manner provided
31 under section 296(3).

32 (7) For ~~2015-2016~~ **2016-2017**, in addition to the appropriations in section 11, there

1 is appropriated from the school aid stabilization fund to the state school aid fund the
2 amount necessary to fully fund the allocations under this article.

3 Sec. 11j. From the appropriation in section 11, there is allocated an amount not to
4 exceed \$126,500,000.00 for ~~2015-2016~~ **2016-2017** for payments to the school loan bond
5 redemption fund in the department of treasury on behalf of districts and intermediate
6 districts. Notwithstanding section 296 or any other provision of this act, funds allocated
7 under this section are not subject to proration and shall be paid in full.

8 Sec. 11k. For ~~2015-2016~~ **2016-2017**, there is appropriated from the general fund to the
9 school loan revolving fund an amount equal to the amount of school bond loans assigned to
10 the Michigan finance authority, not to exceed the total amount of school bond loans held in
11 reserve as long-term assets. As used in this section, "school loan revolving fund" means
12 that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL
13 141.1066c.

14 Sec. 11m. From the appropriation in section 11, there is allocated for ~~2014-2015 an~~
15 ~~amount not to exceed \$0.00 and there is allocated for 2015-2016~~ **2016-2017** an amount not to
16 exceed ~~\$2,000,000.00~~ **\$3,000,000.00** for fiscal year cash-flow borrowing costs solely related
17 to the state school aid fund established by section 11 of article IX of the state
18 constitution of 1963.

19 **SEC. 11S. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED**
20 **\$10,142,500.00 FOR 2016-2017 FOR THE PURPOSE OF PROVIDING SERVICES AND PROGRAMS TO CHILDREN**
21 **WHO RESIDE WITHIN THE BOUNDARIES OF A DISTRICT WITH THE MAJORITY OF ITS TERRITORY LOCATED**
22 **WITHIN THE BOUNDARIES OF A CITY IN WHICH A DECLARATION OF EMERGENCY WAS ISSUED ON JANUARY**
23 **5, 2016. IN ADDITION TO THE FUNDING APPROPRIATED IN SECTION 11, THERE IS APPROPRIATED AND**
24 **ALLOCATED \$100.00 FROM THE FLINT EMERGENCY RESERVE FUND FOR THE PURPOSES OF THIS SECTION.**

25 **(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED TO A DISTRICT WHOSE**
26 **TERRITORY IS LOCATED OR MOSTLY LOCATED IN A CITY IN WHICH A DECLARATION OF EMERGENCY WAS**
27 **ISSUED ON JANUARY 5, 2016 AND THAT HAS A PUPIL MEMBERSHIP OF AT LEAST 5,000, AN AMOUNT NOT**
28 **TO EXCEED \$1,292,500.00 FOR THE PURPOSE OF EMPLOYING SCHOOL NURSES AND SCHOOL SOCIAL**
29 **WORKERS. THE DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A FORM, MANNER AND**
30 **FREQUENCY APPROVED BY THE DEPARTMENT. THE DEPARTMENT SHALL PROVIDE A COPY OF THAT REPORT TO**
31 **THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL**
32 **AGENCIES AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS OF RECEIPT. THE REPORT SHALL PROVIDE**

1 THE FOLLOWING INFORMATION:

2 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS APPROPRIATED IN THIS SUBSECTION.

3 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO STUDENTS BY THOSE PERSONNEL.

4 (C) HOW MANY STUDENTS RECEIVED EACH TYPE OF SERVICE IDENTIFIED IN SUBDIVISION (B) .

5 (D) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY TO ENSURE THE CHILDREN
6 DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES OF SERVICES.

7 (3) FROM THE ALLOCATION IN SUBSECTION (1) , THERE IS ALLOCATED TO AN INTERMEDIATE
8 DISTRICT THAT HAS A CONSTITUENT DISTRICT DESCRIBED IN SUBSECTION (2) AN AMOUNT NOT TO
9 EXCEED \$950,000.00 TO AUGMENT STAFF FOR THE PURPOSE OF PROVIDING ADDITIONAL EARLY CHILDHOOD
10 SERVICES AND NUTRITIONAL SERVICES TO CHILDREN DESCRIBED IN SUBSECTION (1) , REGARDLESS OF
11 LOCATION OF SCHOOL OF ATTENDANCE. EARLY CHILDHOOD SERVICES MEANS STATE EARLY ON SERVICES AS
12 DEFINED IN SUBSECTION (4) AND EARLY LITERACY SERVICES. IN ADDITION, FUNDS ALLOCATED UNDER
13 THIS SUBSECTION MAY ALSO BE EXPENDED TO PROVIDE INFORMATIONAL RESOURCES TO PARENTS,
14 EDUCATORS AND THE COMMUNITY AND COORDINATE SERVICES WITH OTHER LOCAL AGENCIES. THE
15 INTERMEDIATE DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A FORM, MANNER AND
16 FREQUENCY APPROVED BY THE DEPARTMENT. THE DEPARTMENT SHALL PROVIDE A COPY OF THAT REPORT TO
17 THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL
18 AGENCIES AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS OF RECEIPT. THE REPORT SHALL PROVIDE
19 THE FOLLOWING INFORMATION:

20 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS APPROPRIATED IN THIS SUBSECTION.

21 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO CHILDREN BY THOSE PERSONNEL.

22 (C) WHAT TYPES OF ADDITIONAL NUTRITIONAL SERVICES WERE PROVIDED.

23 (D) HOW MANY CHILDREN RECEIVED EACH TYPE OF SERVICE IDENTIFIED IN SUBDIVISIONS (B)
24 AND (C) .

25 (E) WHAT TYPES OF INFORMATIONAL RESOURCES AND COORDINATION EFFORTS WERE PROVIDED.

26 (F) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY TO ENSURE THE CHILDREN
27 DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES OF SERVICES.

28 (4) FROM THE ALLOCATION IN SUBSECTION (1) , THERE IS ALLOCATED \$6,400,000.00 TO
29 INTERMEDIATE DISTRICTS DESCRIBED IN SUBSECTION (3) TO PROVIDE STATE EARLY ON SERVICES FOR
30 CHILDREN DESCRIBED IN SUBSECTION (1) LESS THAN FOUR YEARS OF AGE AS OF SEPTEMBER 1, 2016.
31 THE DEPARTMENT SHALL ADMINISTER THE STATE EARLY ON SERVICES CONSISTENT WITH THE DEFINITIONS
32 OF SERVICES CONTAINED IN THE EARLY ON MICHIGAN STATE PLAN; HOWEVER, ALL CHILDREN LESS THAN

1 FOUR YEARS OF AGE AS OF SEPTEMBER 1, 2016 DESCRIBED IN SUBSECTION (1) SHALL BE ASSESSED AND
2 EVALUATED AT LEAST TWICE ANNUALLY.

3 (5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED \$1,500,000.00 TO
4 INTERMEDIATE DISTRICTS DESCRIBED IN SUBSECTION (3) TO ENROLL CHILDREN DESCRIBED IN
5 SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS, REGARDLESS OF HOUSEHOLD INCOME
6 ELIGIBILITY REQUIREMENTS CONTAINED IN SECTION 39. THE DEPARTMENT SHALL ADMINISTER THIS
7 FUNDING CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT START READINESS PROGRAMS
8 CONTAINED IN SECTION 32D AND SECTION 39.

9 (6) IN ADDITION TO OTHER FUNDING ALLOCATED AND APPROPRIATED IN THIS SECTION, THERE IS
10 APPROPRIATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR STATE RESTRICTED CONTINGENCY FUNDS.
11 THESE CONTINGENCY FUNDS ARE NOT AVAILABLE FOR EXPENDITURE UNTIL THEY HAVE BEEN TRANSFERRED
12 TO A SECTION WITHIN THIS ARTICLE UNDER SECTION 393(2) OF THE MANAGEMENT AND BUDGET ACT,
13 1984 PA 431, MCL 18.1393.

14 Sec. 15. (1) If a district or intermediate district fails to receive its proper
15 apportionment, the department, upon satisfactory proof that the district or intermediate
16 district was entitled justly, shall apportion the deficiency in the next apportionment.
17 Subject to subsections (2) and (3), if a district or intermediate district has received
18 more than its proper apportionment, the department, upon satisfactory proof, shall deduct
19 the excess in the next apportionment. Notwithstanding any other provision in this article,
20 state aid overpayments to a district, other than overpayments in payments for special
21 education or special education transportation, may be recovered from any payment made under
22 this article other than a special education or special education transportation payment,
23 from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA
24 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under
25 section 1211 of the revised school code, MCL 380.1211. State aid overpayments made in
26 special education or special education transportation payments may be recovered from
27 subsequent special education or special education transportation payments, from the
28 proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL
29 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of
30 the revised school code, MCL 380.1211.

31 (2) If the result of an audit conducted by or for the department affects the current
32 fiscal year membership, affected payments shall be adjusted in the current fiscal year. A

1 deduction due to an adjustment made as a result of an audit conducted by or for the
2 department, or as a result of information obtained by the department from the district, an
3 intermediate district, the department of treasury, or the office of auditor general, shall
4 be deducted from the district's apportionments when the adjustment is finalized. At the
5 request of the district and upon the district presenting evidence satisfactory to the
6 department of the hardship, the department may grant up to an additional 4 years for the
7 adjustment and may advance payments to the district otherwise authorized under this article
8 if the district would otherwise experience a significant hardship in satisfying its
9 financial obligations. ~~For a district that is a strict discipline academy established under~~
10 ~~sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m, and that~~
11 ~~claimed a hardship in 2014-2015 because of an overpayment caused by a miscalculation of its~~
12 ~~pupil membership for 2013-2014, the department shall consider the amount of repayment made~~
13 ~~by the district as of the effective date of the amendatory act that added this sentence to~~
14 ~~constitute full repayment and the district is not required to continue making repayment for~~
15 ~~the overpayment that occurred in 2013-2014.~~

16 (3) If, based on an audit by the department or the department's designee or because
17 of new or updated information received by the department, the department determines that
18 the amount paid to a district or intermediate district under this article for the current
19 fiscal year or a prior fiscal year was incorrect, the department shall make the appropriate
20 deduction or payment in the district's or intermediate district's allocation in the next
21 apportionment after the adjustment is finalized. The deduction or payment shall be
22 calculated according to the law in effect in the fiscal year in which the incorrect amount
23 was paid. If the district does not receive an allocation for the fiscal year or if the
24 allocation is not sufficient to pay the amount of any deduction, the amount of any
25 deduction otherwise applicable shall be satisfied from the proceeds of a loan to the
26 district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or
27 from the proceeds of millage levied or pledged under section 1211 of the revised school
28 code, MCL 380.1211, as determined by the department.

29 (4) The department may conduct audits, or may direct audits by designee of the
30 department, for the current fiscal year and the immediately preceding 3 fiscal years of all
31 records related to a program for which a district or intermediate district has received
32 funds under this article.

1 (5) Expenditures made by the department under this article that are caused by the
2 write-off of prior year accruals may be funded by revenue from the write-off of prior year
3 accruals.

4 (6) In addition to funds appropriated in section 11 for all programs and services,
5 there is appropriated for ~~2014-2015 and for 2015-2016~~ **2016-2017** for obligations in excess
6 of applicable appropriations an amount equal to the collection of overpayments, but not to
7 exceed amounts available from overpayments.

8 Sec. 18. (1) Except as provided in another section of this article, each district or
9 other entity shall apply the money received by the district or entity under this article to
10 salaries and other compensation of teachers and other employees, tuition, transportation,
11 lighting, heating, ventilation, water service, the purchase of textbooks, other supplies,
12 and any other school operating expenditures defined in section 7. However, not more than
13 20% of the total amount received by a district under sections 22a and 22b or received by an
14 intermediate district under section 81 may be transferred by the board to either the
15 capital projects fund or to the debt retirement fund for debt service. The money shall not
16 be applied or taken for a purpose other than as provided in this section. The department
17 shall determine the reasonableness of expenditures and may withhold from a recipient of
18 funds under this article the apportionment otherwise due upon a violation by the recipient.

19 (2) A district or intermediate district shall adopt an annual budget in a manner that
20 complies with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
21 Within 15 days after a district board adopts its annual operating budget for the following
22 school fiscal year, or after a district board adopts a subsequent revision to that budget,
23 the district shall make all of the following available through a link on its website
24 homepage, or may make the information available through a link on its intermediate
25 district's website homepage, in a form and manner prescribed by the department:

26 (a) The annual operating budget and subsequent budget revisions.

27 (b) Using data that have already been collected and submitted to the department, a
28 summary of district expenditures for the most recent fiscal year for which they are
29 available, expressed in the following 2 pie charts:

30 (i) A chart of personnel expenditures, broken into the following subcategories:

31 (A) Salaries and wages.

32 (B) Employee benefit costs, including, but not limited to, medical, dental, vision,

1 life, disability, and long-term care benefits.

2 (C) Retirement benefit costs.

3 (D) All other personnel costs.

4 (ii) A chart of all district expenditures, broken into the following subcategories:

5 (A) Instruction.

6 (B) Support services.

7 (C) Business and administration.

8 (D) Operations and maintenance.

9 (c) Links to all of the following:

10 (i) The current collective bargaining agreement for each bargaining unit.

11 (ii) Each health care benefits plan, including, but not limited to, medical, dental,
12 vision, disability, long-term care, or any other type of benefits that would constitute
13 health care services, offered to any bargaining unit or employee in the district.

14 (iii) The audit report of the audit conducted under subsection (4) for the most
15 recent fiscal year for which it is available.

16 (iv) The bids required under section 5 of the public employees health benefits act,
17 2007 PA 106, MCL 124.75.

18 (v) The district's written policy governing procurement of supplies, materials, and
19 equipment.

20 (vi) The district's written policy establishing specific categories of reimbursable
21 expenses, as described in section 1254(2) of the revised school code, MCL 380.1254.

22 (vii) Either the district's accounts payable check register for the most recent
23 school fiscal year or a statement of the total amount of expenses incurred by board members
24 or employees of the district that were reimbursed by the district for the most recent
25 school fiscal year.

26 (d) The total salary and a description and cost of each fringe benefit included in
27 the compensation package for the superintendent of the district and for each employee of
28 the district whose salary exceeds \$100,000.00.

29 (e) The annual amount spent on dues paid to associations.

30 (f) The annual amount spent on lobbying or lobbying services. As used in this
31 subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.

32 (g) Any deficit elimination plan or enhanced deficit elimination plan the district

1 was required to submit under the revised school code.

2 (h) Identification of all credit cards maintained by the district as district credit
3 cards, the identity of all individuals authorized to use each of those credit cards, the
4 credit limit on each credit card, and the dollar limit, if any, for each individual's
5 authorized use of the credit card.

6 (i) Costs incurred for each instance of out-of-state travel by the school
7 administrator of the district that is fully or partially paid for by the district and the
8 details of each of those instances of out-of-state travel, including at least
9 identification of each individual on the trip, destination, and purpose.

10 (3) For the information required under subsection (2) (a), (2) (b) (i), and (2) (c), an
11 intermediate district shall provide the same information in the same manner as required for
12 a district under subsection (2).

13 (4) For the purposes of determining the reasonableness of expenditures, whether a
14 district or intermediate district has received the proper amount of funds under this
15 article, and whether a violation of this article has occurred, all of the following apply:

16 (a) The department shall require that each district and intermediate district have an
17 audit of the district's or intermediate district's financial and pupil accounting records
18 conducted at least annually, and at such other times as determined by the department, at
19 the expense of the district or intermediate district, as applicable. The audits must be
20 performed by a certified public accountant or by the intermediate district superintendent,
21 as may be required by the department, or in the case of a district of the first class by a
22 certified public accountant, the intermediate superintendent, or the auditor general of the
23 city. A district or intermediate district shall retain these records for the current fiscal
24 year and from at least the 3 immediately preceding fiscal years.

25 (b) If a district operates in a single building with fewer than 700 full-time equated
26 pupils, if the district has stable membership, and if the error rate of the immediately
27 preceding 2 pupil accounting field audits of the district is less than 2%, the district may
28 have a pupil accounting field audit conducted biennially but must continue to have desk
29 audits for each pupil count. The auditor must document compliance with the audit cycle in
30 the pupil auditing manual. As used in this subdivision, "stable membership" means that the
31 district's membership for the current fiscal year varies from the district's membership for
32 the immediately preceding fiscal year by less than 5%.

1 (c) A district's or intermediate district's annual financial audit shall include an
2 analysis of the financial and pupil accounting data used as the basis for distribution of
3 state school aid.

4 (d) The pupil and financial accounting records and reports, audits, and management
5 letters are subject to requirements established in the auditing and accounting manuals
6 approved and published by the department.

7 (e) All of the following shall be done not later than November 1 each year for
8 reporting the prior fiscal year data:

9 (i) A district shall file the annual financial audit reports with the intermediate
10 district and the department.

11 (ii) The intermediate district shall file the annual financial audit reports for the
12 intermediate district with the department.

13 (iii) The intermediate district shall enter the pupil membership audit reports for
14 its constituent districts and for the intermediate district, for the pupil membership count
15 day and supplemental count day, in the Michigan student data system.

16 (f) The annual financial audit reports and pupil accounting procedures reports shall
17 be available to the public in compliance with the freedom of information act, 1976 PA 442,
18 MCL 15.231 to 15.246.

19 (g) Not later than January 31 of each year, the department shall notify the state
20 budget director and the legislative appropriations subcommittees responsible for review of
21 the school aid budget of districts and intermediate districts that have not filed an annual
22 financial audit and pupil accounting procedures report required under this section for the
23 school year ending in the immediately preceding fiscal year.

24 (5) By November 1 each fiscal year, each district and intermediate district shall
25 submit to the center, in a manner prescribed by the center, annual comprehensive financial
26 data **CONSISTENT WITH THE DISTRICT OR INTERMEDIATE DISTRICT'S AUDITED FINANCIAL STATEMENTS**
27 **AND** consistent with accounting manuals and charts of accounts approved and published by the
28 department. For an intermediate district, the report shall also contain the website address
29 where the department can access the report required under section 620 of the revised school
30 code, MCL 380.620. The department shall ensure that the prescribed Michigan public school
31 accounting manual chart of accounts includes standard conventions to distinguish
32 expenditures by allowable fund function and object. The functions shall include at minimum

1 categories for instruction, pupil support, instructional staff support, general
2 administration, school administration, business administration, transportation, facilities
3 operation and maintenance, facilities acquisition, and debt service; and shall include
4 object classifications of salary, benefits, including categories for active employee health
5 expenditures, purchased services, supplies, capital outlay, and other. Districts shall
6 report the required level of detail consistent with the manual as part of the comprehensive
7 annual financial report.

8 (6) By September 30 of each year, each district and intermediate district shall file
9 with the department the special education actual cost report, known as "SE-4096", on a form
10 and in the manner prescribed by the department.

11 (7) By October 7 of each year, each district and intermediate district shall file
12 with the center the transportation expenditure report, known as "SE-4094", on a form and in
13 the manner prescribed by the center.

14 (8) The department shall review its pupil accounting and pupil auditing manuals at
15 least annually and shall periodically update those manuals to reflect changes in this
16 article.

17 (9) If a district that is a public school academy purchases property using money
18 received under this article, the public school academy shall retain ownership of the
19 property unless the public school academy sells the property at fair market value.

20 (10) If a district or intermediate district does not comply with subsections (4),
21 (5), (6), and (7), **OR IF THE DEPARTMENT DETERMINES THAT THE FINANCIAL DATA REQUIRED UNDER**
22 **SUBSECTION (5) IS NOT CONSISTENT WITH AUDITED FINANCIAL STATEMENTS**, the department shall
23 withhold all state school aid due to the district or intermediate district under this
24 article, beginning with the next payment due to the district or intermediate district,
25 until the district or intermediate district complies with subsections (4), (5), (6), and
26 (7). If the district or intermediate district does not comply with subsections (4), (5),
27 (6), and (7) by the end of the fiscal year, the district or intermediate district forfeits
28 the amount withheld.

29 (11) If a district or intermediate district does not comply with subsection (2), the
30 department may withhold up to 10% of the total state school aid due to the district or
31 intermediate district under this article, beginning with the next payment due to the
32 district or intermediate district, until the district or intermediate district complies

1 with subsection (2). If the district or intermediate district does not comply with
2 subsection (2) by the end of the fiscal year, the district or intermediate district
3 forfeits the amount withheld.

4 (12) Not later than November 1, ~~2015~~ **2016**, if a district or intermediate district
5 offers ~~online~~ **VIRTUAL** learning under section 21f, the district or intermediate district
6 shall submit to the department a report that details the per-pupil costs of operating the
7 ~~online~~ **VIRTUAL** learning by vendor type. The report shall include at least all of the
8 following information concerning the operation of ~~online~~ **VIRTUAL** learning for the school
9 fiscal year ending June 30, ~~2015~~ **2016**:

10 (a) The name of the district operating the ~~online~~ **VIRTUAL** learning and of each
11 district that enrolled students in the ~~online~~ **VIRTUAL** learning.

12 (b) The total number of students enrolled in the ~~online~~ **VIRTUAL** learning and the
13 total number of membership pupils enrolled in the ~~online~~ **VIRTUAL** learning.

14 (c) For each pupil who is enrolled in a district other than the district offering
15 ~~online~~ **VIRTUAL** learning, the name of that district.

16 (d) The district in which the pupil was enrolled before enrolling in the district
17 offering ~~online~~ **VIRTUAL** learning.

18 (e) The number of participating students who had previously dropped out of school.

19 (f) The number of participating students who had previously been expelled from
20 school.

21 (g) The total cost to enroll a student in the program. This cost shall be reported on
22 a per-pupil, per-course, per-semester or trimester basis by vendor type. The total shall
23 include costs broken down by cost for content development, content licensing, training,
24 ~~online~~ **VIRTUAL** instruction and instructional support, personnel, hardware and software,
25 payment to each ~~online~~ **VIRTUAL** learning provider, and other costs associated with operating
26 ~~online~~ **VIRTUAL** learning.

27 (h) The name of each ~~online~~ **VIRTUAL** education provider contracted by the district and
28 the state in which each ~~online~~ **VIRTUAL** education provider is headquartered.

29 (13) Not later than March 31, ~~2016~~ **2017**, the department shall submit to the house and
30 senate appropriations subcommittees on state school aid, the state budget director, and the
31 house and senate fiscal agencies a report summarizing the per-pupil costs by vendor type of
32 ~~online~~ **VIRTUAL** courses available under section 21f.

1 (14) As used in subsections (12) and (13), "vendor type" means the following:

2 (a) ~~Online~~ **VIRTUAL** courses provided by the Michigan Virtual University.

3 (b) ~~Online~~ **VIRTUAL** courses provided by a school of excellence that is a cyber school,
4 as defined in section 551 of the revised school code, MCL 380.551.

5 (c) ~~Online~~ **VIRTUAL** courses provided by third party vendors not affiliated with a
6 Michigan public school.

7 (d) ~~Online~~ **VIRTUAL** courses created and offered by a district or intermediate
8 district.

9 (15) An allocation to a district or another entity under this article is contingent
10 upon the district's or entity's compliance with this section.

11 Sec. 19. (1) A district or intermediate district shall comply with all applicable
12 reporting requirements specified in state and federal law. Data provided to the center, in
13 a form and manner prescribed by the center, shall be aggregated and disaggregated as
14 required by state and federal law. In addition, a district or intermediate district shall
15 cooperate with all measures taken by the center to establish and maintain a statewide P-20
16 longitudinal data system.

17 (2) Each district shall furnish to the center not later than 5 weeks after the pupil
18 membership count day and by June 30 of the school fiscal year ending in the fiscal year, in
19 a manner prescribed by the center, the information necessary for the preparation of the
20 district and high school graduation report. This information shall meet requirements
21 established in the pupil auditing manual approved and published by the department. The
22 center shall calculate an annual graduation and pupil dropout rate for each high school,
23 each district, and this state, in compliance with nationally recognized standards for these
24 calculations. The center shall report all graduation and dropout rates to the senate and
25 house education committees and appropriations committees, the state budget director, and
26 the department not later than 30 days after the publication of the list described in
27 subsection (6).

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

31 (4) By June 30 of each year, a district shall furnish to the center, in a manner
32 prescribed by the center, information related to safety practices and criminal incidents as

1 necessary for reporting required by state and federal law.

2 (5) If a district or intermediate district fails to meet the requirements of this
3 section, the department shall withhold 5% of the total funds for which the district or
4 intermediate district qualifies under this article until the district or intermediate
5 district complies with all of those subsections. If the district or intermediate district
6 does not comply with all of those subsections by the end of the fiscal year, the department
7 shall place the amount withheld in an escrow account until the district or intermediate
8 district complies with all of those subsections.

9 (6) Before publishing a list of school or district accountability designations as
10 required by the no child left behind act of 2001, Public Law 107-110 **OR THE EVERY STUDENT**
11 **SUCCEEDS ACT OF 2015, PUBLIC LAW 114-95**, the department shall allow a school or district to
12 appeal that determination. The department shall consider and act upon the appeal within 30
13 days after it is submitted and shall not publish the list until after all appeals have been
14 considered and decided.

15 ~~(7) It is the intent of the legislature to implement not later than 2016-2017,~~
16 ~~statewide standard reporting requirements for education data approved by the department in~~
17 ~~conjunction with the center. The department shall work with the center, intermediate~~
18 ~~districts, districts, and other interested stakeholders to develop recommendations on the~~
19 ~~implementation of this policy change. A district or intermediate district shall implement~~
20 ~~the statewide standard reporting requirements not later than 2014-2015 or when a district~~
21 ~~or intermediate district updates its education data reporting system, whichever is later.~~

22 Sec. 20. (1) For ~~2015-2016~~ **2016-2017**, both of the following apply:

23 (a) The basic foundation allowance is ~~\$8,169.00~~ **\$8,229.00**.

24 (b) The minimum foundation allowance is ~~\$7,391.00~~ **\$7,511.00**.

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

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

31 (a) Except as otherwise provided in this subdivision, for a district that had a
32 foundation allowance for the immediately preceding state fiscal year that was equal to the

1 minimum foundation allowance for the immediately preceding state fiscal year, but less than
2 the basic foundation allowance for the immediately preceding state fiscal year, the
3 district shall receive a foundation allowance in an amount equal to the sum of the
4 district's foundation allowance for the immediately preceding state fiscal year plus the
5 difference between twice the dollar amount of the adjustment from the immediately preceding
6 state fiscal year to the current state fiscal year made in the basic foundation allowance
7 and [(the difference between the basic foundation allowance for the current state fiscal
8 year and basic foundation allowance for the immediately preceding state fiscal year minus
9 ~~\$23.00~~ **\$20.00**) times (the difference between the district's foundation allowance for the
10 immediately preceding state fiscal year and the minimum foundation allowance for the
11 immediately preceding state fiscal year) divided by the difference between the basic
12 foundation allowance for the current state fiscal year and the minimum foundation allowance
13 for the immediately preceding state fiscal year]. However, the foundation allowance for a
14 district that had less than the basic foundation allowance for the immediately preceding
15 state fiscal year shall not exceed the basic foundation allowance for the current state
16 fiscal year. ~~For the purposes of this subdivision, for 2015-2016, the minimum foundation~~
17 ~~allowance for the immediately preceding state fiscal year shall be considered to be~~
18 ~~\$7,251.00.~~

19 (b) Except as otherwise provided in this subsection, for a district that in the
20 immediately preceding state fiscal year had a foundation allowance in an amount equal to
21 the amount of the basic foundation allowance for the immediately preceding state fiscal
22 year, the district shall receive a foundation allowance for 2015-2016 in an amount equal to
23 the basic foundation allowance for 2015-2016.

24 (c) For a district that had a foundation allowance for the immediately preceding
25 state fiscal year that was greater than the basic foundation allowance for the immediately
26 preceding state fiscal year, the district's foundation allowance is an amount equal to the
27 sum of the district's foundation allowance for the immediately preceding state fiscal year
28 plus the lesser of the increase in the basic foundation allowance for the current state
29 fiscal year, as compared to the immediately preceding state fiscal year, or the product of
30 the district's foundation allowance for the immediately preceding state fiscal year times
31 the percentage increase in the United States consumer price index in the calendar year
32 ending in the immediately preceding fiscal year as reported by the May revenue estimating

1 conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL
2 18.1367b.

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

5 ~~(e) For a district that received a payment under section 22c as that section was in~~
6 ~~effect for 2014-2015, the district's 2014-2015 foundation allowance shall be considered to~~
7 ~~have been an amount equal to the sum of the district's actual 2014-2015 foundation~~
8 ~~allowance as otherwise calculated under this section plus the per pupil amount of the~~
9 ~~district's equity payment for 2014-2015 under section 22c as that section was in effect for~~
10 ~~2014-2015.~~

11 (4) Except as otherwise provided in this subsection, the state portion of a
12 district's foundation allowance is an amount equal to the district's foundation allowance
13 or the basic foundation allowance for the current state fiscal year, whichever is less,
14 minus the local portion of the district's foundation allowance divided by the district's
15 membership excluding special education pupils. For a district described in subsection
16 (3) (c), the state portion of the district's foundation allowance is an amount equal to
17 \$6,962.00 plus the difference between the district's foundation allowance for the current
18 state fiscal year and the district's foundation allowance for 1998-99, minus the local
19 portion of the district's foundation allowance divided by the district's membership
20 excluding special education pupils. For a district that has a millage reduction required
21 under section 31 of article IX of the state constitution of 1963, the state portion of the
22 district's foundation allowance shall be calculated as if that reduction did not occur. For
23 a receiving district, if school operating taxes continue to be levied on behalf of a
24 dissolved district that has been attached in whole or in part to the receiving district to
25 satisfy debt obligations of the dissolved district under section 12 of the revised school
26 code, MCL 380.12, the taxable value per membership pupil of property in the receiving
27 district used for the purposes of this subsection does not include the taxable value of
28 property within the geographic area of the dissolved district.

29 (5) The allocation calculated under this section for a pupil shall be based on the
30 foundation allowance of the pupil's district of residence. For a pupil enrolled pursuant to
31 section 105 or 105c in a district other than the pupil's district of residence, the
32 allocation calculated under this section shall be based on the lesser of the foundation

1 allowance of the pupil's district of residence or the foundation allowance of the educating
2 district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in
3 another district in a grade not offered by the pupil's district of residence, the
4 allocation calculated under this section shall be based on the foundation allowance of the
5 educating district if the educating district's foundation allowance is greater than the
6 foundation allowance of the pupil's district of residence. **THE CALCULATION UNDER THIS**
7 **SUBSECTION SHALL TAKE INTO ACCOUNT A DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2).**

8 (6) Except as otherwise provided in this subsection, for pupils in membership, other
9 than special education pupils, in a public school academy, the allocation calculated under
10 this section is an amount per membership pupil other than special education pupils in the
11 public school academy equal to the foundation allowance of the district in which the public
12 school academy is located or the state maximum public school academy allocation, whichever
13 is less. For pupils in membership, other than special education pupils, in a public school
14 academy that is a cyber school and is authorized by a school district, the allocation
15 calculated under this section is an amount per membership pupil other than special
16 education pupils in the public school academy equal to the foundation allowance of the
17 district that authorized the public school academy or the state maximum public school
18 academy allocation, whichever is less. However, a public school academy that had an
19 allocation under this subsection before 2009-2010 that was equal to the sum of the local
20 school operating revenue per membership pupil other than special education pupils for the
21 district in which the public school academy is located and the state portion of that
22 district's foundation allowance shall not have that allocation reduced as a result of the
23 2010 amendment to this subsection. Notwithstanding section 101, for a public school academy
24 that begins operations after the pupil membership count day, the amount per membership
25 pupil calculated under this subsection shall be adjusted by multiplying that amount per
26 membership pupil by the number of hours of pupil instruction provided by the public school
27 academy after it begins operations, as determined by the department, divided by the minimum
28 number of hours of pupil instruction required under section 101(3). The result of this
29 calculation shall not exceed the amount per membership pupil otherwise calculated under
30 this subsection.

31 (7) Except as otherwise provided in this subsection, for pupils attending an
32 achievement school and in membership in the education achievement system, other than

1 special education pupils, the allocation calculated under this section is an amount per
2 membership pupil other than special education pupils equal to the foundation allowance of
3 the district in which the achievement school is located, not to exceed the basic foundation
4 allowance. Notwithstanding section 101, for an achievement school that begins operation
5 after the pupil membership count day, the amount per membership pupil calculated under this
6 subsection shall be adjusted by multiplying that amount per membership pupil by the number
7 of hours of pupil instruction provided by the achievement school after it begins
8 operations, as determined by the department, divided by the minimum number of hours of
9 pupil instruction required under section 101(3). The result of this calculation shall not
10 exceed the amount per membership pupil otherwise calculated under this subsection. For the
11 purposes of this subsection, if a public school is transferred from a district to the state
12 school reform/redesign district or the achievement authority under section 1280c of the
13 revised school code, MCL 380.1280c, that public school is considered to be an achievement
14 school within the education achievement system and not a school that is part of a district,
15 and a pupil attending that public school is considered to be in membership in the education
16 achievement system and not in membership in the district that operated the school before
17 the transfer.

18 (8) Subject to subsection (4), for a district that is formed or reconfigured after
19 June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting
20 district's foundation allowance under this section beginning after the effective date of
21 the consolidation or annexation shall be the lesser of the sum of the average of the
22 foundation allowances of each of the original or affected districts, calculated as provided
23 in this section, weighted as to the percentage of pupils in total membership in the
24 resulting district who reside in the geographic area of each of the original or affected
25 districts plus \$100.00 or the highest foundation allowance among the original or affected
26 districts. This subsection does not apply to a receiving district unless there is a
27 subsequent consolidation or annexation that affects the district. **THE CALCULATION UNDER
28 THIS SUBSECTION SHALL TAKE INTO ACCOUNT A DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION
29 20J(2).**

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

1 (10) State payments related to payment of the foundation allowance for a special
2 education pupil are not calculated under this section but are instead calculated under
3 section 51a.

4 (11) To assist the legislature in determining the basic foundation allowance for the
5 subsequent state fiscal year, each revenue estimating conference conducted under section
6 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil
7 membership factor, a revenue adjustment factor, and an index as follows:

8 (a) The pupil membership factor shall be computed by dividing the estimated
9 membership in the school year ending in the current state fiscal year, excluding
10 intermediate district membership, by the estimated membership for the school year ending in
11 the subsequent state fiscal year, excluding intermediate district membership. If a
12 consensus membership factor is not determined at the revenue estimating conference, the
13 principals of the revenue estimating conference shall report their estimates to the house
14 and senate subcommittees responsible for school aid appropriations not later than 7 days
15 after the conclusion of the revenue conference.

16 (b) The revenue adjustment factor shall be computed by dividing the sum of the
17 estimated total state school aid fund revenue for the subsequent state fiscal year plus the
18 estimated total state school aid fund revenue for the current state fiscal year, adjusted
19 for any change in the rate or base of a tax the proceeds of which are deposited in that
20 fund and excluding money transferred into that fund from the countercyclical budget and
21 economic stabilization fund under the management and budget act, 1984 PA 431, MCL 18.1101
22 to 18.1594, by the sum of the estimated total school aid fund revenue for the current state
23 fiscal year plus the estimated total state school aid fund revenue for the immediately
24 preceding state fiscal year, adjusted for any change in the rate or base of a tax the
25 proceeds of which are deposited in that fund. If a consensus revenue factor is not
26 determined at the revenue estimating conference, the principals of the revenue estimating
27 conference shall report their estimates to the house and senate subcommittees responsible
28 for school aid appropriations not later than 7 days after the conclusion of the revenue
29 conference.

30 (c) The index shall be calculated by multiplying the pupil membership factor by the
31 revenue adjustment factor. If a consensus index is not determined at the revenue estimating
32 conference, the principals of the revenue estimating conference shall report their

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

3 (12) Payments to districts, public school academies, or the education achievement
4 system shall not be made under this section. Rather, the calculations under this section
5 shall be used to determine the amount of state payments under section 22b.

6 (13) If an amendment to section 2 of article VIII of the state constitution of 1963
7 allowing state aid to some or all nonpublic schools is approved by the voters of this
8 state, each foundation allowance or per-pupil payment calculation under this section may be
9 reduced.

10 (14) As used in this section:

11 (a) "Certified mills" means the lesser of 18 mills or the number of mills of school
12 operating taxes levied by the district in 1993-94.

13 (b) "Combined state and local revenue" means the aggregate of the district's state
14 school aid received by or paid on behalf of the district under this section and the
15 district's local school operating revenue.

16 (c) "Combined state and local revenue per membership pupil" means the district's
17 combined state and local revenue divided by the district's membership excluding special
18 education pupils.

19 (d) "Current state fiscal year" means the state fiscal year for which a particular
20 calculation is made.

21 (e) "Dissolved district" means a district that loses its organization, has its
22 territory attached to 1 or more other districts, and is dissolved as provided under section
23 12 of the revised school code, MCL 380.12.

24 (f) "Immediately preceding state fiscal year" means the state fiscal year immediately
25 preceding the current state fiscal year.

26 (g) "Local portion of the district's foundation allowance" means an amount that is
27 equal to the difference between (the sum of the product of the taxable value per membership
28 pupil of all property in the district that is nonexempt property times the district's
29 certified mills and, for a district with certified mills exceeding 12, the product of the
30 taxable value per membership pupil of property in the district that is commercial personal
31 property times the certified mills minus 12 mills) and (the quotient of the product of the
32 captured assessed valuation under tax increment financing acts times the district's

1 certified mills divided by the district's membership excluding special education pupils).

2 (h) "Local school operating revenue" means school operating taxes levied under
3 section 1211 of the revised school code, MCL 380.1211. For a receiving district, if school
4 operating taxes are to be levied on behalf of a dissolved district that has been attached
5 in whole or in part to the receiving district to satisfy debt obligations of the dissolved
6 district under section 12 of the revised school code, MCL 380.12, local school operating
7 revenue does not include school operating taxes levied within the geographic area of the
8 dissolved district.

9 (i) "Local school operating revenue per membership pupil" means a district's local
10 school operating revenue divided by the district's membership excluding special education
11 pupils.

12 (j) "Maximum public school academy allocation", except as otherwise provided in this
13 subdivision, means the maximum per-pupil allocation as calculated by adding the highest
14 per-pupil allocation among all public school academies for the immediately preceding state
15 fiscal year plus the difference between twice the amount of the difference between the
16 basic foundation allowance for the current state fiscal year and the basic foundation
17 allowance for the immediately preceding state fiscal year and [(the amount of the
18 difference between the basic foundation allowance for the current state fiscal year and the
19 basic foundation allowance for the immediately preceding state fiscal year minus ~~\$23.00~~
20 **\$20.00**) times (the difference between the highest per-pupil allocation among all public
21 school academies for the immediately preceding state fiscal year and the minimum foundation
22 allowance for the immediately preceding state fiscal year) divided by the difference
23 between the basic foundation allowance for the current state fiscal year and the minimum
24 foundation allowance for the immediately preceding state fiscal year]. For the purposes of
25 this subdivision, for ~~2015-2016~~ **2016-2017**, the maximum public school academy allocation is
26 ~~\$7,391.00~~ **\$7,511.00**.

27 (k) "Membership" means the definition of that term under section 6 as in effect for
28 the particular fiscal year for which a particular calculation is made.

29 (l) "Nonexempt property" means property that is not a principal residence, qualified
30 agricultural property, qualified forest property, supportive housing property, industrial
31 personal property, commercial personal property, or property occupied by a public school
32 academy.

1 (m) "Principal residence", "qualified agricultural property", "qualified forest
2 property", "supportive housing property", "industrial personal property", and "commercial
3 personal property" mean those terms as defined in section 1211 of the revised school code,
4 MCL 380.1211.

5 (n) "Receiving district" means a district to which all or part of the territory of a
6 dissolved district is attached under section 12 of the revised school code, MCL 380.12.

7 (o) "School operating purposes" means the purposes included in the operation costs of
8 the district as prescribed in sections 7 and 18 and purposes authorized under section 1211
9 of the revised school code, MCL 380.1211.

10 (p) "School operating taxes" means local ad valorem property taxes levied under
11 section 1211 of the revised school code, MCL 380.1211, and retained for school operating
12 purposes.

13 (q) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the
14 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
15 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
16 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor
17 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

18 (r) "Taxable value per membership pupil" means taxable value, as certified by the
19 county treasurer and reported to the department, for the calendar year ending in the
20 current state fiscal year divided by the district's membership excluding special education
21 pupils for the school year ending in the current state fiscal year.

22 Sec. 20d. In making the final determination required under former section 20a of a
23 district's combined state and local revenue per membership pupil in 1993-94 and in making
24 calculations under section 20 for ~~2015-2016~~ **2016-2017**, the department and the department of
25 treasury shall comply with all of the following:

26 (a) For a district that had combined state and local revenue per membership pupil in
27 the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state
28 board designated area vocational education center in the 1993-94 school year, total state
29 school aid received by or paid on behalf of the district pursuant to this act in 1993-94
30 shall exclude payments made under former section 146 and under section 147 on behalf of the
31 district's employees who provided direct services to the area vocational education center.
32 Not later than June 30, 1996, the department shall make an adjustment under this

1 subdivision to the district's combined state and local revenue per membership pupil in the
2 1994-95 state fiscal year and the department of treasury shall make a final certification
3 of the number of mills that may be levied by the district under section 1211 of the revised
4 school code, MCL 380.1211, as a result of the adjustment under this subdivision.

5 (b) If a district had an adjustment made to its 1993-94 total state school aid that
6 excluded payments made under former section 146 and under section 147 on behalf of the
7 district's employees who provided direct services for intermediate district center programs
8 operated by the district under article 5, if nonresident pupils attending the center
9 programs were included in the district's membership for purposes of calculating the
10 combined state and local revenue per membership pupil for 1993-94, and if there is a signed
11 agreement by all constituent districts of the intermediate district that an adjustment
12 under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of
13 all districts that had pupils attending the intermediate district center program operated
14 by the district that had the adjustment shall be calculated as if their combined state and
15 local revenue per membership pupil for 1993-94 included resident pupils attending the
16 center program and excluded nonresident pupils attending the center program.

17 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount
18 not to exceed \$18,000,000.00 for ~~2015-2016~~ **2016-2017** for payments to eligible districts
19 under this section.

20 (2) The funding under this subsection is from the allocation under subsection (1). A
21 district is eligible for funding under this subsection if the district received a payment
22 under this section as it was in effect for 2013-2014. A district was eligible for funding
23 in 2013-2014 if the sum of the following was less than \$5.00:

24 (a) The increase in the district's foundation allowance or per-pupil payment as
25 calculated under section 20 from 2012-2013 to 2013-2014.

26 (b) The district's equity payment per membership pupil under section 22c for 2013-
27 2014.

28 (c) The quotient of the district's allocation under section 147a for 2012-2013
29 divided by the district's membership pupils for 2012-2013 minus the quotient of the
30 district's allocation under section 147a for 2013-2014 divided by the district's membership
31 pupils for 2013-2014.

32 (3) The amount allocated to each eligible district under subsection (2) is an amount

1 per membership pupil equal to the amount per membership pupil the district received under
2 this section in 2013-2014.

3 (4) The funding under this subsection is from the allocation under subsection (1). A
4 district is eligible for funding under this subsection for ~~2015-2016~~ **2016-2017** if the sum
5 of the following is less than \$25.00:

6 (a) The increase in the district's foundation allowance or per-pupil payment as
7 calculated under section 20 from 2014-2015 to 2015-2016.

8 (b) The decrease in the district's best practices per-pupil funding under section 22f
9 from 2014-2015 to 2015-2016.

10 (c) The decrease in the district's pupil performance per-pupil funding under section
11 22j from 2014-2015 to 2015-2016.

12 (d) The quotient of the district's allocation under section 31a for 2015-2016 divided
13 by the district's membership pupils for 2015-2016 minus the quotient of the district's
14 allocation under section 31a for 2014-2015 divided by the district's membership pupils for
15 2014-2015.

16 (5) The amount allocated to each eligible district under subsection (4) is an amount
17 per membership pupil equal to \$25.00 minus the sum of the following:

18 (a) The increase in the district's foundation allowance or per-pupil payment as
19 calculated under section 20 from 2014-2015 to 2015-2016.

20 (b) The decrease in the district's best practices per-pupil funding under section 22f
21 from 2014-2015 to 2015-2016.

22 (c) The decrease in the district's pupil performance per-pupil funding under section
23 22j from 2014-2015 to 2015-2016.

24 (d) The quotient of the district's allocation under section 31a for 2015-2016 divided
25 by the district's membership pupils for 2015-2016 minus the quotient of the district's
26 allocation under section 31a for 2014-2015 divided by the district's membership pupils for
27 2014-2015.

28 (6) If the allocation under subsection (1) is insufficient to fully fund payments
29 under subsections (3) and (5) as otherwise calculated under this section, the department
30 shall prorate payments under this section on an equal per-pupil basis.

31 Sec. 20g. (1) From the money appropriated under section 11, there is allocated an
32 amount not to exceed \$2,200,000.00 for ~~2015-2016~~ **2016-2017** for grants to eligible districts

1 that first received payments under this section in 2013-2014 for transition costs related
2 to the enrollment of pupils who were previously enrolled in a district that was dissolved
3 under section 12 of the revised school code, MCL 380.12, allocated as provided under
4 subsection (3). Payments under this section shall continue for a total of 4 fiscal years
5 following the dissolution of a district, after which the payments shall cease.

6 (2) A receiving school district, as that term is defined in section 12 of the revised
7 school code, MCL 380.12, is an eligible district under this section.

8 (3) The amount allocated to each eligible district under this section is an amount
9 equal to the product of the number of membership pupils enrolled in the eligible district
10 who were previously enrolled in the dissolved school district in the school year
11 immediately preceding the dissolution, or who reside in the geographic area of the
12 dissolved school district and are entering kindergarten, times 10.0% of the lesser of the
13 foundation allowance of the eligible district as calculated under section 20 or the basic
14 foundation allowance under section 20(1).

15 (4) As used in this section, "dissolved school district" means a school district that
16 has been declared dissolved under section 12 of the revised school code, 1976 PA 451, MCL
17 380.12.

18 **SEC. 20J. (1) FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENTS FOR 2016-2017 TO DISTRICTS**
19 **THAT IN THE 2015-2016 FISCAL YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN \$8,169.00 SHALL**
20 **BE CALCULATED UNDER THIS SECTION.**

21 (2) **THE PER PUPIL ALLOCATION TO EACH DISTRICT UNDER THIS SECTION SHALL BE THE**
22 **DIFFERENCE BETWEEN THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING STATE**
23 **FISCAL YEAR TO THE CURRENT STATE FISCAL YEAR IN THE BASIC FOUNDATION ALLOWANCE MINUS THE**
24 **DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING FISCAL YEAR TO THE CURRENT**
25 **STATE FISCAL YEAR IN A QUALIFYING DISTRICT'S FOUNDATION ALLOWANCE.**

26 (3) **IF A DISTRICT'S LOCAL REVENUE PER PUPIL DOES NOT EXCEED THE SUM OF ITS FOUNDATION**
27 **ALLOWANCE UNDER SECTION 20 PLUS THE PER PUPIL ALLOCATION UNDER SUBSECTION (2), THE TOTAL**
28 **PAYMENT TO THE DISTRICT CALCULATED UNDER THIS SECTION SHALL BE THE PRODUCT OF THE PER PUPIL**
29 **ALLOCATION UNDER SUBSECTION (2) MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL**
30 **EDUCATION PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE FOUNDATION ALLOWANCE**
31 **UNDER SECTION 20 BUT DOES NOT EXCEED THE SUM OF THE FOUNDATION ALLOWANCE UNDER SECTION 20**
32 **PLUS THE PER PUPIL ALLOCATION UNDER SUBSECTION (2), THE TOTAL PAYMENT TO THE DISTRICT**

1 CALCULATED UNDER THIS SECTION SHALL BE THE PRODUCT OF THE DIFFERENCE BETWEEN THE SUM OF THE
2 FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER PUPIL ALLOCATION UNDER SUBSECTION (2)
3 MINUS THE LOCAL REVENUE PER PUPIL MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL
4 EDUCATION PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE SUM OF THE FOUNDATION
5 ALLOWANCE UNDER SECTION 20 PLUS THE PER PUPIL ALLOCATION UNDER SUBSECTION (2), THERE IS NO
6 PAYMENT CALCULATED UNDER THIS SECTION FOR THE DISTRICT.

7 (4) PAYMENTS TO DISTRICTS SHALL NOT BE MADE UNDER THIS SECTION. RATHER, THE
8 CALCULATIONS UNDER THIS SECTION SHALL BE MADE AND USED TO DETERMINE THE AMOUNT OF STATE
9 PAYMENTS UNDER SECTION 22B.

10 SEC. 21. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT
11 TO EXCEED \$5,000,000.00 FOR 2016-2017 TO MAKE SUPPLEMENTAL PAYMENTS TO ELIGIBLE DISTRICTS
12 THAT ARE IDENTIFIED AS BEING AMONG THE LOWEST ACHIEVING 5 PERCENT OF ALL PUBLIC SCHOOLS IN
13 THIS STATE.

14 (2) DISTRICTS ARE ELIGIBLE TO RECEIVE THE SUPPLEMENTAL PAYMENTS CALCULATED UNDER THIS
15 SECTION FOR THREE CONSECUTIVE FISCAL YEARS IF THE FOLLOWING CONDITIONS ARE MET:

16 (A) THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS APPOINTED A CHIEF EXECUTIVE OFFICER
17 TO TAKE CONTROL OF ONE OR MORE PUBLIC SCHOOLS IN THE DISTRICT, AS PROVIDED FOR IN SECTION
18 1280C(7) OF THE REVISED SCHOOL CODE, MCL 380.1280C, AND THERE IS A HIGH SCHOOL LOCATED
19 WITHIN THE DISTRICT.

20 (B) AS DETERMINED BY THE SCHOOL REFORM OFFICE, AN INTERVENTION AGREEMENT MEETING
21 MINIMALLY THE FOLLOWING CRITERIA HAS BEEN EXECUTED BY THE STATE SCHOOL REFORM/REDESIGN
22 OFFICER AND THE DISTRICT. THE INTERVENTION AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED TO:

23 (I) THE RIGHTS AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER AS LONG AS THE
24 AGREEMENT IN NO WAY MITIGATES THE AUTHORITY OUTLINED IN APPLICABLE STATUTE INCLUDING
25 FINANCIAL AND EMPLOYMENT AUTHORITY.

26 (II) THE ALLOCATION OF SUPPLEMENTAL PAYMENTS DEFINED IN THIS SECTION.

27 (III) CHIEF EXECUTIVE OFFICER COMPENSATION.

28 (IV) ROLE OF THE DISTRICT'S BOARD AND OFFICERS DURING THE INTERVENTION TERM.

29 (V) TERMINATION AND RENEWAL RIGHTS OF THE SCHOOL REFORM OFFICE.

30 (VI) LIABILITY PROVISIONS FOR THE CHIEF EXECUTIVE OFFICER.

31 (VII) DISPUTE RESOLUTION PROCESS.

32 (VIII) LENGTH OF TERM OF AGREEMENT.

1 (IX) OTHER PROVISIONS AS DETERMINED BY THE SCHOOL REFORM OFFICE FOR SUCCESSFUL
2 IMPLEMENTATION OF THE CHIEF EXECUTIVE OFFICER INTERVENTION.

3 (3) THE SUPPLEMENTAL PAYMENT PROVIDED TO A DISTRICT UNDER THIS SECTION SHALL BE
4 CALCULATED BY MULTIPLYING THE DISTRICT'S FOUNDATION ALLOWANCE BY 20 PERCENT OF THE HIGH
5 SCHOOL'S PUPIL MEMBERSHIP FOR THE PRIOR FISCAL YEAR. THE SAME DOLLAR AMOUNT SHALL CONTINUE
6 TO BE AVAILABLE TO THE DISTRICT FOR A MAXIMUM OF THREE YEARS, SUBJECT TO THE CONDITIONS
7 SPECIFIED IN SUBSECTION (2).

8 (4) FROM THE ALLOCATION IN SUBSECTION (1), IN ADDITION TO THE SUPPLEMENTAL PAYMENTS
9 CALCULATED UNDER SUBSECTION (3), THERE IS ALLOCATED AN AMOUNT SUFFICIENT TO PAY FOR THE
10 APPOINTMENT OF CHIEF EXECUTIVE OFFICERS BY THE STATE SCHOOL REFORM/REDESIGN OFFICER, AS
11 PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED SCHOOL CODE, MCL 380,1280C.

12 (5) FOR THE PURPOSES OF THIS SECTION, A HIGH SCHOOL IS GRADES 9 TO 12.

13 Sec.21f. (1) ~~A pupil enrolled in a district in any of grades 6 to 12 is eligible to~~
14 ~~enroll in an online course as provided for in this section.~~ **A PRIMARY DISTRICT SHALL ENROLL**
15 **AN ELIGIBLE PUPIL IN VIRTUAL COURSES IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. ALL**
16 **VIRTUAL COURSES OFFERED TO ELIGIBLE PUPILS MUST BE PUBLISHED IN THE PRIMARY DISTRICT'S**
17 **CATALOG OF BOARD-APPROVED COURSES OR IN THE STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED**
18 **BY THE MICHIGAN VIRTUAL UNIVERSITY PURSUANT TO SECTION 98. THE PRIMARY DISTRICT SHALL ALSO**
19 **PROVIDE ON ITS PUBLICLY ACCESSIBLE WEBSITE A LINK TO THE STATEWIDE CATALOG OF VIRTUAL**
20 **COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY.**

21 ~~(2) With the consent of the pupil's parent or legal guardian, a district~~ **A PRIMARY**
22 **DISTRICT** shall enroll an eligible pupil in up to 2 ~~online~~ **VIRTUAL** courses as requested by
23 the pupil during an academic term, semester, or trimester. ~~Unless the pupil is newly~~
24 ~~enrolled in the pupil's primary district, the request for online course enrollment must be~~
25 ~~made in the academic term, semester, trimester, or summer preceding the enrollment. A~~
26 ~~district may not establish additional requirements that would prohibit a pupil from taking~~
27 ~~an online course. If a pupil has demonstrated previous success with online courses and the~~
28 ~~school leadership and the pupil's parent or legal guardian determine that it is in the best~~
29 ~~interest of the pupil, a pupil may be enrolled in more than 2 online courses in a specific~~
30 ~~academic term, semester, or trimester. Consent of the pupil's parent or legal guardian is~~
31 ~~not required if the pupil is at least age 18 or is an emancipated minor.~~

32 ~~(3) An eligible pupil may enroll in an online course published in the pupil's primary~~

1 ~~district's catalog of online courses described in subsection (7) (a) or the statewide~~
2 ~~catalog of online courses maintained by the Michigan Virtual University pursuant to section~~
3 ~~98.~~

4 (3) A PUPIL MAY BE ENROLLED IN MORE THAN 2 VIRTUAL COURSES IN A SPECIFIC ACADEMIC
5 TERM, SEMESTER, OR TRIMESTER IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

6 (A) THE PRIMARY DISTRICT HAS DETERMINED THAT IT IS IN THE BEST INTEREST OF THE PUPIL.

7 (B) THE PUPIL AGREES WITH THE RECOMMENDATION OF THE PRIMARY DISTRICT.

8 (C) THE PRIMARY DISTRICT, IN COLLABORATION WITH THE PUPIL, HAS DEVELOPED AN EDUCATION
9 DEVELOPMENT PLAN, IN A FORM AND MANNER SPECIFIED BY THE DEPARTMENT, THAT IS KEPT ON FILE BY
10 THE DISTRICT.

11 (4) ~~A providing district or community college shall determine whether or not it has~~
12 ~~capacity to accept applications for enrollment from nonresident applicants in online~~
13 ~~courses and may use that limit as the reason for refusal to enroll an applicant. If the~~
14 ~~number of nonresident applicants eligible for acceptance in an online~~ A VIRTUAL course does
15 not exceed the capacity of the ~~providing district or community college~~ PROVIDER to provide
16 the ~~online~~ VIRTUAL course, the ~~providing district or community college~~ PROVIDER shall
17 accept for enrollment all of the ~~nonresident~~ applicants eligible for acceptance. If the
18 number of ~~nonresident~~ applicants exceeds the ~~providing district's or community college's~~
19 PROVIDER'S capacity to provide the ~~online~~ VIRTUAL course, the ~~providing district or~~
20 ~~community college~~ PROVIDER shall use a random draw system, subject to the need to abide by
21 state and federal antidiscrimination laws and court orders. A PRIMARY DISTRICT THAT IS ALSO
22 A PROVIDER SHALL DETERMINE WHETHER OR NOT IT HAS THE CAPACITY TO ACCEPT APPLICATIONS FOR
23 ENROLLMENT FROM NONRESIDENT APPLICANTS IN VIRTUAL COURSES AND MAY USE THAT LIMIT AS THE
24 REASON FOR REFUSAL TO ENROLL A NONRESIDENT APPLICANT.

25 (5) A PRIMARY DISTRICT MAY NOT ESTABLISH ADDITIONAL REQUIREMENTS BEYOND THOSE
26 SPECIFIED IN THIS SUBSECTION THAT WOULD PROHIBIT A PUPIL FROM TAKING A VIRTUAL COURSE. A
27 pupil's primary district may deny the pupil enrollment in ~~an online~~ A VIRTUAL course if any
28 of the following apply, as determined by the district:

29 (A) THE PUPIL IS IN ANY OF GRADES KINDERGARTEN THROUGH 5.

30 (B) ~~(a)~~ The pupil has previously gained the credits THAT WOULD BE provided from the
31 completion of the ~~online~~ VIRTUAL course.

32 (C) ~~(b)~~ The ~~online~~ VIRTUAL course is not capable of generating academic credit.

1 (D) ~~(c)~~ The ~~online~~ **VIRTUAL** course is inconsistent with the remaining graduation
2 requirements or career interests of the pupil.

3 (E) ~~(d)~~ The pupil does not possess the prerequisite knowledge and skills to be
4 successful in the online course or has demonstrated failure in previous online coursework
5 in the same subject. **THE PUPIL HAS NOT COMPLETED THE PREREQUISITE COURSEWORK FOR THE**
6 **REQUESTED VIRTUAL COURSE OR HAS NOT DEMONSTRATED PROFICIENCY IN THE PREREQUISITE COURSE**
7 **CONTENT.**

8 (F) **THE PUPIL HAS FAILED A PREVIOUS VIRTUAL COURSE IN THE SAME SUBJECT IN THE 2 MOST**
9 **RECENT ACADEMIC YEARS.**

10 (G) ~~(e)~~ The ~~online~~ **VIRTUAL** course is of insufficient quality or rigor. A **PRIMARY**
11 district that denies a pupil enrollment **REQUEST** for this reason shall ~~make a reasonable~~
12 ~~effort to assist the pupil to find an alternative course~~ **ENROLL THE PUPIL IN A VIRTUAL**
13 **COURSE** in the same or a similar subject that **THE PRIMARY DISTRICT DETERMINES** is of
14 acceptable rigor and quality.

15 (H) ~~(f)~~ The cost of the ~~online~~ **VIRTUAL** course exceeds the amount identified in
16 subsection ~~(10)~~ **(9)**, unless the ~~pupil's parent or legal guardian agrees~~ **PUPIL, PARENT, OR**
17 **LEGAL GUARDIAN AGREE** to pay the cost that exceeds this amount.

18 (I) ~~(g)~~ The online course enrollment request does not occur within the same timelines
19 established by the primary district for enrollment and schedule changes for regular
20 courses. **THE REQUEST FOR A VIRTUAL COURSE ENROLLMENT WAS NOT MADE IN THE ACADEMIC TERM,**
21 **SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE ENROLLMENT. THIS SUBDIVISION DOES NOT APPLY TO**
22 **THE REQUEST OF A PUPIL WHO IS NEWLY ENROLLED IN THE PRIMARY DISTRICT.**

23 (6) If a pupil is denied enrollment in ~~an online~~ **A VIRTUAL** course by the pupil's
24 primary district, the **PRIMARY DISTRICT SHALL PROVIDE WRITTEN NOTIFICATION TO THE PUPIL OF**
25 **THE DENIAL, THE REASON OR REASONS FOR THE DENIAL PURSUANT TO SUBSECTION (5), AND A**
26 **DESCRIPTION OF THE APPEAL PROCESS.** THE pupil may appeal the denial by submitting a letter
27 to the superintendent of the intermediate district in which the pupil's primary district is
28 located. The letter of appeal shall include the reason provided by the primary district for
29 not enrolling the pupil and the reason why the pupil is claiming that the enrollment should
30 be approved. The intermediate district superintendent or designee shall respond to the
31 appeal within 5 days after it is received. If the intermediate district superintendent or
32 designee determines that the denial of enrollment does not meet 1 or more of the reasons

1 specified in subsection (5), the primary district shall ~~allow~~ **ENROLL** the pupil ~~to enroll~~ in
2 the ~~online~~ **VIRTUAL** course.

3 (7) To provide ~~an online~~ **A VIRTUAL** course **TO AN ELIGIBLE PUPIL** under this section,
4 ~~the providing district or intermediate district~~ **A PROVIDER** shall do all of the following:

5 (a) ~~Provide the Michigan Virtual University with the course syllabus in a form and~~
6 ~~method prescribed by the Michigan Virtual University for inclusion in a statewide online~~
7 ~~course catalog. The district or intermediate district shall also provide on its publicly~~
8 ~~accessible website a link to the course syllabi for all of the online courses offered by~~
9 ~~the district or intermediate district and a link to the statewide catalog of online courses~~
10 ~~maintained by the Michigan Virtual University.~~ **ENSURE THAT THE VIRTUAL COURSE HAS BEEN**
11 **PUBLISHED IN THE PUPIL'S PRIMARY DISTRICT'S CATALOG OF BOARD-APPROVED COURSES OR PUBLISHED**
12 **IN THE STATEWIDE CATALOG OF ONLINE COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY.**

13 (b) Assign to each pupil a teacher of record and provide the primary district with
14 the ~~personal~~ **PERSONNEL** identification code **ASSIGNED BY THE CENTER** for the teacher of
15 record. **IF THE PROVIDER IS A COMMUNITY COLLEGE, THE VIRTUAL COURSE MUST BE TAUGHT BY AN**
16 **INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.**

17 (c) Offer the ~~online~~ **VIRTUAL** course on an open entry and exit method, or aligned to a
18 semester, trimester, or accelerated academic term format.

19 **(D) IF THE VIRTUAL COURSE IS OFFERED TO ELIGIBLE PUPILS IN MORE THAN ONE DISTRICT,**
20 **THE FOLLOWING ADDITIONAL REQUIREMENTS MUST ALSO BE MET:**

21 **(I) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH A COURSE SYLLABUS THAT MEETS THE**
22 **REQUIREMENTS UNDER SUBSECTION (13) (F) IN A FORM AND MANNER PRESCRIBED BY THE MICHIGAN**
23 **VIRTUAL UNIVERSITY FOR INCLUSION IN A STATEWIDE CATALOG OF VIRTUAL COURSES.**

24 **(II) ~~(d)~~ Not later than October 1, 2015 2016 AND BY OCTOBER 1 OF EACH YEAR**
25 **THEREAFTER,** provide the Michigan Virtual University with the ~~number of enrollments~~
26 **AGGREGATED COUNT OF ENROLLMENTS FOR** ~~in~~ each ~~online~~ **VIRTUAL** course the ~~district or~~
27 ~~intermediate district~~ **provided PROVIDER DELIVERED** to pupils pursuant to this section ~~in~~
28 **DURING** the immediately preceding school year, and the number of enrollments in which the
29 pupil earned 60% or more of the total course points for each ~~online~~ **VIRTUAL** course.

30 ~~(9) To provide an online course under this section, a community college shall do all~~
31 ~~of the following:~~

32 ~~(a) Provide the Michigan Virtual University with the course syllabus in a form and~~

1 ~~method prescribed by the Michigan Virtual University for inclusion in a statewide online~~
2 ~~course catalog.~~

3 ~~(b) Offer the online course on an open entry and exit method, or aligned to a~~
4 ~~semester, trimester, or accelerated academic term format.~~

5 ~~(c) Ensure that each online course it provides under this section generates~~
6 ~~postsecondary credit.~~

7 ~~(d) Beginning with October 1, 2016, and by October 1 of each year thereafter, provide~~
8 ~~the Michigan Virtual University with the number of enrollments in each online course the~~
9 ~~community college provided to pupils pursuant to this section in the immediately preceding~~
10 ~~school year, and the number of enrollments in which the pupil earned 60% or more of the~~
11 ~~total course points for each online course.~~

12 ~~(e) Be taught by an instructor employed by or contracted through the community~~
13 ~~college.~~

14 **(8)** ~~(9)~~ For any ~~online~~ **VIRTUAL** course a pupil enrolls in under this section, the
15 pupil's primary district must assign to the pupil a mentor ~~to monitor the pupil's progress~~
16 ~~during the online course~~ and shall supply the ~~providing district~~ **PROVIDER** with the mentor's
17 contact information.

18 **(9)** ~~(10)~~ For a pupil enrolled in 1 or more ~~online~~ **VIRTUAL** courses ~~published in the~~
19 ~~pupil's primary district's catalog of online courses under subsection (7) or in the~~
20 ~~statewide catalog of online courses maintained by the Michigan Virtual University,~~ the
21 primary district shall use foundation allowance or per-pupil funds calculated under section
22 20 to pay for the expenses associated with the ~~online~~ **VIRTUAL** course or courses. A **PRIMARY**
23 district is not required to pay toward the cost of ~~an online~~ **A VIRTUAL** course an amount
24 that exceeds 6.67% of the minimum foundation allowance for the current fiscal year as
25 calculated under section 20.

26 **(10)** ~~(11)~~ An ~~online~~ **A VIRTUAL** learning pupil shall have the same rights and access to
27 technology in his or her primary district's school facilities as all other pupils enrolled
28 in the pupil's primary district. **THE DEPARTMENT SHALL ESTABLISH STANDARDS FOR HARDWARE,**
29 **SOFTWARE AND INTERNET ACCESS FOR PUPILS ENROLLED IN MORE THAN 2 VIRTUAL COURSES IN AN**
30 **ACADEMIC TERM, SEMESTER, OR TRIMESTER TAKEN AT A LOCATION OTHER THAN A SCHOOL FACILITY. THE**
31 **PRIMARY DISTRICT SHALL BE RESPONSIBLE FOR PROVIDING THE PUPIL WITH THE APPROPRIATE**
32 **HARDWARE, SOFTWARE AND INTERNET ACCESS WITHOUT CHARGE TO THE PUPIL AND IN ADDITION TO ANY**

1 **COSTS INCURRED UNDER SUBSECTION (9) .**

2 (11) ~~(12)~~ If a pupil successfully completes ~~an online~~ **A VIRTUAL** course, as determined
3 by the pupil's primary district, the pupil's primary district shall grant appropriate
4 academic credit for completion of the course and shall count that credit toward completion
5 of graduation and subject area requirements. A pupil's school record and transcript shall
6 identify the ~~online~~ **VIRTUAL** course title as it appears in the ~~online~~ **VIRTUAL** course
7 syllabus.

8 (12) ~~(13)~~ The enrollment of a pupil in 1 or more ~~online~~ **VIRTUAL** courses shall not
9 result in a pupil being counted as more than 1.0 full-time equivalent ~~pupils~~ **PUPIL** under
10 this article. **THE DEPARTMENT SHALL ESTABLISH THE MINIMUM REQUIREMENTS TO COUNT THE PUPIL IN**
11 **PUPIL MEMBERSHIP.**

12 ~~(14) The portion of the full-time equated pupil membership for which a pupil is~~
13 ~~enrolled in 1 or more online courses under this section shall not be transferred under the~~
14 ~~pupil transfer process under section 25e.~~

15 (13) ~~(15)~~ As used in this section:

16 (A) **"INSTRUCTOR" AS USED IN THIS SECTION MEANS A PERSON WHO IS EMPLOYED BY OR**
17 **CONTRACTED THROUGH A COMMUNITY COLLEGE.**

18 (B) ~~(a)~~ "Mentor" means a professional employee of the primary district who monitors
19 the pupil's progress, ensures the pupil has access to needed technology, is available for
20 assistance, and ensures access to the teacher of record. A mentor may also serve as the
21 teacher of record if **THE PRIMARY DISTRICT IS THE PROVIDER FOR THE VIRTUAL COURSE AND** the
22 mentor meets the requirements under subdivision ~~(g)~~ **(D)** .

23 ~~(b) "Online course" means a course of study that is capable of generating a credit or~~
24 ~~a grade, that is provided in an interactive Internet-connected learning environment, in~~
25 ~~which pupils are separated from their teachers by time or location, or both, and, if the~~
26 ~~course is provided by a district or intermediate district, in which a teacher who holds a~~
27 ~~valid Michigan teaching certificate that qualifies the teacher to teach the course is~~
28 ~~responsible for providing instruction, determining appropriate instructional methods for~~
29 ~~each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention~~
30 ~~strategies, reporting outcomes, and evaluating the effects of instruction and support~~
31 ~~strategies.~~

32 ~~(c) "Online course syllabus" means a document that includes all of the following:~~

- 1 ~~(i) The state academic standards addressed in an online course.~~
- 2 ~~(ii) The online course content outline.~~
- 3 ~~(iii) The online course required assessments.~~
- 4 ~~(iv) The online course prerequisites.~~
- 5 ~~(v) Expectations for actual instructor contact time with the online learning pupil~~
6 ~~and other pupil-to-instructor communications.~~
- 7 ~~(vi) Academic support available to the online learning pupil.~~
- 8 ~~(vii) The online course learning outcomes and objectives.~~
- 9 ~~(viii) The name of the institution or organization providing the online content.~~
- 10 ~~(ix) The name of the institution or organization providing the online instructor.~~
- 11 ~~(x) The course titles assigned by the district or intermediate district and the~~
12 ~~course titles and course codes from the National Center for Education Statistics (NCES)~~
13 ~~school codes for the exchange of data (SCEB).~~
- 14 ~~(xi) The number of eligible nonresident pupils that will be accepted by the district~~
15 ~~or intermediate district in the online course.~~
- 16 ~~(xii) The results of the online course quality review using the guidelines and model~~
17 ~~review process published by the Michigan Virtual University.~~
- 18 ~~(d) "Online learning pupil" means a pupil enrolled in 1 or more online courses.~~
- 19 (C) ~~(e)~~—"Primary district" means the district that enrolls the pupil and reports the
20 pupil as a full-time equated pupil for pupil membership purposes.
- 21 (D) ~~(f)~~—"Providing district" "**PROVIDER**" means the district, intermediate district,
22 **MICHIGAN VIRTUAL UNIVERSITY**, or community college that the primary district pays to provide
23 the online **VIRTUAL** course.
- 24 (E) ~~(g)~~ "Teacher of record" means a teacher who **MEETS ALL OF THE FOLLOWING**
25 **REQUIREMENTS:** holds a valid Michigan teaching certificate; who, if applicable, is endorsed
26 in the subject area and grade of the online course; and is responsible for providing
27 instruction, determining instructional methods for each pupil, diagnosing learning needs,
28 assessing pupil learning, prescribing intervention strategies, reporting outcomes, and
29 evaluating the effects of instruction and support strategies.
- 30 (I) **HOLDS A VALID MICHIGAN TEACHING CERTIFICATE OR A TEACHING PERMIT RECOGNIZED BY**
31 **THE DEPARTMENT.**
- 32 (II) **IF APPLICABLE, IS ENDORSED IN THE SUBJECT AREA AND GRADE OF THE VIRTUAL COURSE.**

1 (III) IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR
2 EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION
3 STRATEGIES AND MODIFYING LESSONS, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF
4 INSTRUCTION AND SUPPORT STRATEGIES.

5 (IV) HAS A PERSONNEL IDENTIFICATION CODE PROVIDED BY THE CENTER.

6 (V) IF THE PROVIDER IS A COMMUNITY COLLEGE, THE VIRTUAL COURSE MUST BE TAUGHT BY AN
7 INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.

8 (F) "VIRTUAL COURSE" MEANS A COURSE OF STUDY THAT IS CAPABLE OF GENERATING A CREDIT
9 OR A GRADE, THAT IS PROVIDED IN AN INTERACTIVE LEARNING ENVIRONMENT WHERE THE MAJORITY OF
10 THE CURRICULUM IS DELIVERED USING THE INTERNET AND IN WHICH PUPILS MAY BE SEPARATED FROM
11 THEIR INSTRUCTOR OR TEACHER OF RECORD BY TIME OR LOCATION, OR BOTH.

12 (G) "VIRTUAL COURSE SYLLABUS" MEANS A DOCUMENT THAT INCLUDES ALL OF THE FOLLOWING:

13 (I) AN ALIGNMENT DOCUMENT DETAILING HOW THE COURSE MEETS APPLICABLE STATE STANDARDS
14 OR, IF THE STATE DOES NOT HAVE STANDARDS, NATIONALLY RECOGNIZED STANDARDS.

15 (II) THE VIRTUAL COURSE CONTENT OUTLINE.

16 (III) THE VIRTUAL COURSE REQUIRED ASSESSMENTS.

17 (IV) THE VIRTUAL COURSE PREREQUISITES.

18 (V) EXPECTATIONS FOR ACTUAL INSTRUCTOR OR TEACHER OF RECORD CONTACT TIME WITH THE
19 VIRTUAL LEARNING PUPIL AND OTHER PUPIL-TO-INSTRUCTOR OR TEACHER OF RECORD COMMUNICATIONS.

20 (VI) ACADEMIC SUPPORT AVAILABLE TO THE VIRTUAL LEARNING PUPIL.

21 (VII) THE VIRTUAL COURSE LEARNING OUTCOMES AND OBJECTIVES.

22 (VIII) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE VIRTUAL CONTENT.

23 (IX) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE VIRTUAL INSTRUCTOR OR
24 TEACHER OF RECORD.

25 (X) THE COURSE TITLES ASSIGNED BY THE PROVIDER AND THE COURSE TITLES AND COURSE CODES
26 FROM THE NATIONAL CENTER FOR EDUCATION STATISTICS (NCES) SCHOOL CODES FOR THE EXCHANGE OF
27 DATA (SCED).

28 (XI) THE NUMBER OF ELIGIBLE PUPILS THAT WILL BE ACCEPTED BY THE PROVIDER IN THE
29 VIRTUAL COURSE. PRIMARY DISTRICTS THAT ARE ALSO THE PROVIDER MAY LIMIT THE NUMBER OF
30 ELIGIBLE PUPILS TO THOSE PUPILS ENROLLED IN THE PRIMARY DISTRICT.

31 (XII) THE RESULTS OF THE VIRTUAL COURSE QUALITY REVIEW USING THE GUIDELINES AND MODEL
32 REVIEW PROCESS PUBLISHED BY THE MICHIGAN VIRTUAL UNIVERSITY.

1 (H) "VIRTUAL LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR MORE VIRTUAL COURSES. THE
2 CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN TO ENROLL IN A VIRTUAL COURSE IS REQUIRED
3 IF THE PUPIL IS LESS THAN AGE 18, BUT IS NOT REQUIRED IF THE PUPIL IS AT LEAST AGE 18 OR IS
4 AN EMANCIPATED MINOR.

5 Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not
6 to exceed ~~\$5,377,000,000.00 for 2014-2015~~ and an amount not to exceed ~~\$5,281,700,000.00~~
7 **\$5,206,000,000.00** for ~~2015-2016~~ **2016-2017** for payments to districts and qualifying public
8 school academies to guarantee each district and qualifying public school academy an amount
9 equal to its 1994-95 total state and local per pupil revenue for school operating purposes
10 under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of
11 article IX of the state constitution of 1963, this guarantee does not apply to a district
12 in a year in which the district levies a millage rate for school district operating
13 purposes less than it levied in 1994. However, subsection (2) applies to calculating the
14 payments under this section. Funds allocated under this section that are not expended in
15 the state fiscal year for which they were allocated, as determined by the department, may
16 be used to supplement the allocations under sections 22b and 51c in order to fully fund
17 those calculated allocations for the same fiscal year.

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

22 (a) Except as otherwise provided in this subsection, the state portion of a
23 district's 1994-95 foundation allowance is an amount equal to the district's 1994-95
24 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum
25 of the product of the taxable value per membership pupil of all property in the district
26 that is nonexempt property times the district's certified mills and, for a district with
27 certified mills exceeding 12, the product of the taxable value per membership pupil of
28 property in the district that is commercial personal property times the certified mills
29 minus 12 mills and the quotient of the ad valorem property tax revenue of the district
30 captured under tax increment financing acts divided by the district's membership. For a
31 district that has a millage reduction required under section 31 of article IX of the state
32 constitution of 1963, the state portion of the district's foundation allowance shall be

1 calculated as if that reduction did not occur. For a receiving district, if school
2 operating taxes are to be levied on behalf of a dissolved district that has been attached
3 in whole or in part to the receiving district to satisfy debt obligations of the dissolved
4 district under section 12 of the revised school code, MCL 380.12, taxable value per
5 membership pupil of all property in the receiving district that is nonexempt property and
6 taxable value per membership pupil of property in the receiving district that is commercial
7 personal property do not include property within the geographic area of the dissolved
8 district; ad valorem property tax revenue of the receiving district captured under tax
9 increment financing acts does not include ad valorem property tax revenue captured within
10 the geographic boundaries of the dissolved district under tax increment financing acts; and
11 certified mills do not include the certified mills of the dissolved district.

12 (b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00,
13 the state payment under this subsection shall be the sum of the amount calculated under
14 subdivision (a) plus the amount calculated under this subdivision. The amount calculated
15 under this subdivision shall be equal to the difference between the district's 1994-95
16 foundation allowance minus \$6,500.00 and the current year hold harmless school operating
17 taxes per pupil. If the result of the calculation under subdivision (a) is negative, the
18 negative amount shall be an offset against any state payment calculated under this
19 subdivision. If the result of a calculation under this subdivision is negative, there shall
20 not be a state payment or a deduction under this subdivision. The taxable values per
21 membership pupil used in the calculations under this subdivision are as adjusted by ad
22 valorem property tax revenue captured under tax increment financing acts divided by the
23 district's membership. For a receiving district, if school operating taxes are to be levied
24 on behalf of a dissolved district that has been attached in whole or in part to the
25 receiving district to satisfy debt obligations of the dissolved district under section 12
26 of the revised school code, MCL 380.12, ad valorem property tax revenue captured under tax
27 increment financing acts do not include ad valorem property tax revenue captured within the
28 geographic boundaries of the dissolved district under tax increment financing acts.

29 (3) Beginning in 2003-2004, for pupils in membership in a qualifying public school
30 academy, there is allocated under this section to the authorizing body that is the fiscal
31 agent for the qualifying public school academy for forwarding to the qualifying public
32 school academy an amount equal to the 1994-95 per pupil payment to the qualifying public

1 school academy under section 20.

2 (4) A district or qualifying public school academy may use funds allocated under this
3 section in conjunction with any federal funds for which the district or qualifying public
4 school academy otherwise would be eligible.

5 (5) Except as otherwise provided in this subsection, for a district that is formed or
6 reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation,
7 the resulting district's 1994-95 foundation allowance under this section beginning after
8 the effective date of the consolidation or annexation shall be the average of the 1994-95
9 foundation allowances of each of the original or affected districts, calculated as provided
10 in this section, weighted as to the percentage of pupils in total membership in the
11 resulting district in the state fiscal year in which the consolidation takes place who
12 reside in the geographic area of each of the original districts. If an affected district's
13 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the
14 amount of that district's 1994-95 foundation allowance shall be considered for the purpose
15 of calculations under this subsection to be equal to the amount of the 1994-95 basic
16 foundation allowance. This subsection does not apply to a receiving district unless there
17 is a subsequent consolidation or annexation that affects the district.

18 (6) Payments under this section are subject to section 25f.

19 (7) As used in this section:

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

23 (b) "Certified mills" means the lesser of 18 mills or the number of mills of school
24 operating taxes levied by the district in 1993-94.

25 (c) "Current state fiscal year" means the state fiscal year for which a particular
26 calculation is made.

27 (d) "Current year hold harmless school operating taxes per pupil" means the per pupil
28 revenue generated by multiplying a district's 1994-95 hold harmless millage by the
29 district's current year taxable value per membership pupil. For a receiving district, if
30 school operating taxes are to be levied on behalf of a dissolved district that has been
31 attached in whole or in part to the receiving district to satisfy debt obligations of the
32 dissolved district under section 12 of the revised school code, MCL 380.12, taxable value

1 per membership pupil does not include the taxable value of property within the geographic
2 area of the dissolved district.

3 (e) "Dissolved district" means a district that loses its organization, has its
4 territory attached to 1 or more other districts, and is dissolved as provided under section
5 12 of the revised school code, MCL 380.12.

6 (f) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance
7 greater than \$6,500.00, the number of mills by which the exemption from the levy of school
8 operating taxes on a homestead, qualified agricultural property, qualified forest property,
9 supportive housing property, industrial personal property, commercial personal property,
10 and property occupied by a public school academy could be reduced as provided in section
11 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating
12 taxes that could be levied on all property as provided in section 1211(2) of the revised
13 school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax
14 year. For a receiving district, if school operating taxes are to be levied on behalf of a
15 dissolved district that has been attached in whole or in part to the receiving district to
16 satisfy debt obligations of the dissolved district under section 12 of the revised school
17 code, MCL 380.12, school operating taxes do not include school operating taxes levied
18 within the geographic area of the dissolved district.

19 (g) "Homestead", "qualified agricultural property", "qualified forest property",
20 "supportive housing property", "industrial personal property", and "commercial personal
21 property" mean those terms as defined in section 1211 of the revised school code, MCL
22 380.1211.

23 (h) "Membership" means the definition of that term under section 6 as in effect for
24 the particular fiscal year for which a particular calculation is made.

25 (i) "Nonexempt property" means property that is not a principal residence, qualified
26 agricultural property, qualified forest property, supportive housing property, industrial
27 personal property, commercial personal property, or property occupied by a public school
28 academy.

29 (j) "Qualifying public school academy" means a public school academy that was in
30 operation in the 1994-95 school year and is in operation in the current state fiscal year.

31 (k) "Receiving district" means a district to which all or part of the territory of a
32 dissolved district is attached under section 12 of the revised school code, MCL 380.12.

1 (l) "School operating taxes" means local ad valorem property taxes levied under
2 section 1211 of the revised school code, MCL 380.1211, and retained for school operating
3 purposes as defined in section 20.

4 (m) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the
5 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
6 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
7 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor
8 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

9 (n) "Taxable value per membership pupil" means each of the following divided by the
10 district's membership:

11 (i) For the number of mills by which the exemption from the levy of school operating
12 taxes on a homestead, qualified agricultural property, qualified forest property,
13 supportive housing property, industrial personal property, commercial personal property,
14 and property occupied by a public school academy may be reduced as provided in section 1211
15 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified
16 agricultural property, qualified forest property, supportive housing property, industrial
17 personal property, commercial personal property, and property occupied by a public school
18 academy for the calendar year ending in the current state fiscal year. For a receiving
19 district, if school operating taxes are to be levied on behalf of a dissolved district that
20 has been attached in whole or in part to the receiving district to satisfy debt obligations
21 of the dissolved district under section 12 of the revised school code, MCL 380.12, mills do
22 not include mills within the geographic area of the dissolved district.

23 (ii) For the number of mills of school operating taxes that may be levied on all
24 property as provided in section 1211(2) of the revised school code, MCL 380.1211, the
25 taxable value of all property for the calendar year ending in the current state fiscal
26 year. For a receiving district, if school operating taxes are to be levied on behalf of a
27 dissolved district that has been attached in whole or in part to the receiving district to
28 satisfy debt obligations of the dissolved district under section 12 of the revised school
29 code, MCL 380.12, school operating taxes do not include school operating taxes levied
30 within the geographic area of the dissolved district.

31 Sec. 22b. (1) From the **SCHOOL AID FUND** appropriation in section 11, there is
32 allocated an amount not to exceed ~~\$3,440,000,000.00 for 2014-2015 and an amount not to~~

1 ~~exceed \$3,728,000,000.00~~ **\$3,828,000,000.00** for ~~2015-2016~~ **2016-2017, AND FROM THE DETROIT**
2 **PUBLIC SCHOOLS TRUST FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO**
3 **EXCEED \$72,000,000.00 FOR 2016-2017** for discretionary nonmandated payments to districts
4 under this section. Funds allocated under this section that are not expended in the state
5 fiscal year for which they were allocated, as determined by the department, may be used to
6 supplement the allocations under sections 22a and 51c in order to fully fund those
7 calculated allocations for the same fiscal year.

8 (2) Subject to subsection (3) and section 296, the allocation to a district under
9 this section shall be an amount equal to the sum of the amounts calculated under sections
10 20, **20J**, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district
11 under sections 22a and 51c.

12 (3) In order to receive an allocation under subsection (1), each district shall do
13 all of the following:

14 (a) Comply with section 1280b of the revised school code, MCL 380.1280b.

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

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

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

21 (e) Comply with section 21f.

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

26 (5) From the allocation in subsection (1), the department shall pay up to
27 \$1,000,000.00 in litigation costs incurred by this state related to commercial or
28 industrial property tax appeals, including, but not limited to, appeals of classification,
29 that impact revenues dedicated to the state school aid fund.

30 (6) From the allocation in subsection (1), the department shall pay up to
31 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by
32 1 or more districts or intermediate districts against this state. If the allocation under

1 this section is insufficient to fully fund all payments required under this section, the
2 payments under this subsection shall be made in full before any proration of remaining
3 payments under this section.

4 (7) It is the intent of the legislature that all constitutional obligations of this
5 state have been fully funded under sections 22a, 31d, 51a, 51c, and 152a. If a claim is
6 made by an entity receiving funds under this article that challenges the legislative
7 determination of the adequacy of this funding or alleges that there exists an unfunded
8 constitutional requirement, the state budget director may escrow or allocate from the
9 discretionary funds for nonmandated payments under this section the amount as may be
10 necessary to satisfy the claim before making any payments to districts under subsection
11 (2). If funds are escrowed, the escrowed funds are a work project appropriation and the
12 funds are carried forward into the following fiscal year. The purpose of the work project
13 is to provide for any payments that may be awarded to districts as a result of litigation.
14 The work project shall be completed upon resolution of the litigation.

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

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

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

32 (11) If a lawsuit challenging payments made to districts related to costs reimbursed

1 by federal title XIX Medicaid funds is filed against this state, then, for the purpose of
2 addressing potential liability under such a lawsuit, the state budget director may place
3 funds allocated under this section in escrow or allocate money from the funds otherwise
4 allocated under this section, up to a maximum of 50% of the amount allocated in subsection
5 (1). If funds are placed in escrow under this subsection, those funds are a work project
6 appropriation and the funds are carried forward into the following fiscal year. The purpose
7 of the work project is to provide for any payments that may be awarded to districts as a
8 result of the litigation. The work project shall be completed upon resolution of the
9 litigation. In addition, this state reserves the right to terminate future federal title
10 XIX Medicaid reimbursement payments to districts if the amount or allocation of reimbursed
11 funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX
12 of the social security act, 42 USC 1396 to 1396v.

13 ~~(12) Payments under this section are subject to section 25g.~~

14 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed
15 \$5,000,000.00 is allocated for ~~2015-2016~~ **2016-2017** for supplemental payments to rural
16 districts under this section.

17 (2) From the allocation under subsection (1), there is allocated for ~~2015-2016~~ **2016-**
18 **2017** an amount not to exceed \$957,300.00 for payments under this subsection to districts
19 that meet all of the following:

20 (a) Operates grades K to 12.

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

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

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

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

26 (3) The amount of the additional funding to each eligible district under subsection
27 (2) shall be determined under a spending plan developed as provided in this subsection and
28 approved by the superintendent of public instruction. The spending plan shall be developed
29 cooperatively by the intermediate superintendents of each intermediate district in which an
30 eligible district is located. The intermediate superintendents shall review the financial
31 situation of each eligible district, determine the minimum essential financial needs of
32 each eligible district, and develop and agree on a spending plan that distributes the

1 available funding under subsection (2) to the eligible districts based on those financial
2 needs. The intermediate superintendents shall submit the spending plan to the
3 superintendent of public instruction for approval. Upon approval by the superintendent of
4 public instruction, the amounts specified for each eligible district under the spending
5 plan are allocated under subsection (2) and shall be paid to the eligible districts in the
6 same manner as payments under section 22b.

7 (4) Subject to subsection (6), from the allocation in subsection (1), there is
8 allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed \$4,042,700.00 for payments under
9 this subsection to districts that have 7.3 or fewer pupils per square mile as determined by
10 the department.

11 (5) The funds allocated under subsection (4) shall be allocated on an equal per-pupil
12 basis.

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

15 Sec. 22g. (1) From the funds appropriated in section 11, there is allocated for ~~2015-~~
16 ~~2016~~ **2016-2017** only an amount not to exceed \$5,000,000.00 for competitive assistance grants
17 to districts and intermediate districts.

18 (2) Funds received under this section may be used for reimbursement of transition
19 costs associated with the **DISSOLUTION**, consolidation or annexation of districts or
20 intermediate districts. Grant funding shall be available for **DISSOLUTIONS**, consolidations
21 or annexations that occur on or after June 1, ~~2015~~ **2016**. Districts may spend funds
22 allocated under this section over 3 fiscal years.

23 Sec. 23a. (1) A dropout recovery program operated by a district qualifies for the
24 special membership counting provisions of section 6(4) (dd) and the hours and day of pupil
25 instruction exemption under section 101(12) if the dropout recovery program meets all of
26 the following:

27 (a) Enrolls only eligible pupils.

28 (b) Provides an advocate. An advocate may serve in that role for more than 1 pupil
29 but no more than 50 pupils. An advocate may be employed by the district or may be provided
30 by an education management organization that is partnering with the district. Before an
31 individual is assigned to be an advocate for a pupil in the dropout recovery program, the
32 district shall comply with sections 1230 and 1230a of the revised school code, MCL 380.1230

1 and 380.1230a, with respect to that individual.

2 (c) Develops a written learning plan.

3 (d) Monitors the pupil's progress against the written learning plan.

4 (e) Requires each pupil to make satisfactory monthly progress, as defined by the
5 district under subsection (2).

6 (f) Reports the pupil's progress results to the partner district at least monthly.

7 (g) The program may be operated on or off a district school campus, but may be
8 operated using distance learning online only if the program provides a computer and
9 Internet access for each eligible pupil participating in the program.

10 (h) Is operated throughout the entire calendar year.

11 (i) If the district partners with an education management organization for the
12 program, the education management organization has a dropout recovery program partnership
13 relationship with at least 1 other district.

14 (2) A district operating a dropout recovery program under this section shall adopt a
15 definition of satisfactory monthly progress that is consistent with the definition of that
16 term under subsection (3).

17 (3) As used in this section:

18 (a) "Advocate" means an adult available to meet in person with assigned pupils, as
19 needed, to conduct social interventions, to proctor final examinations, and to provide
20 academic and social support to pupils enrolled in the district's dropout recovery program.

21 (b) "Education management organization" means a private provider that operates 1 or
22 more other dropout recovery programs that meet the requirements of this section in
23 partnership with 1 or more districts.

24 (c) "Eligible pupil" means a pupil who has been expelled from school under the
25 mandatory expulsion provisions in section 1311 or 1311a of the revised school code, MCL
26 380.1311 and 380.1311a, a pupil who has been suspended or expelled from school under a
27 local policy, a pupil who is referred by a court, a pupil who is pregnant or is a parent, a
28 pupil who was previously a dropout, or a pupil who is determined by the district to be at
29 risk of dropping out.

30 (d) "Satisfactory monthly progress" means an amount of progress that is measurable on
31 a monthly basis and that, if continued for a full 12 months, would result in the same
32 amount of academic credit being awarded to the pupil as would be awarded to a general

1 education pupil completing a full school year. Satisfactory monthly progress may include a
2 lesser required amount of progress for the first 2 months a pupil participates in the
3 program.

4 **(E) FOR PURPOSES OF THIS SECTION, "TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A**
5 **VALID MICHIGAN TEACHING CERTIFICATE; WHO, IF APPLICABLE, IS ENDORSED IN THE SUBJECT AREA**
6 **AND GRADE OF THE COURSE; AND IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING**
7 **INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING,**
8 **PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF**
9 **INSTRUCTION AND SUPPORT STRATEGIES.**

10 **(F)** ~~(e)~~ "Written learning plan" means a written plan developed in conjunction with
11 the advocate that includes the plan start and end dates, courses to be taken, credit to be
12 earned for each course, teacher of record for each course, and advocate name and contact
13 information.

14 Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2015-2016~~
15 **2016-2017** an amount not to exceed \$8,000,000.00 for payments to the educating district or
16 intermediate district for educating pupils assigned by a court or the department of health
17 and human services to reside in or to attend a juvenile detention facility or child caring
18 institution licensed by the department of health and human services and approved by the
19 department to provide an on-grounds education program. The amount of the payment under this
20 section to a district or intermediate district shall be calculated as prescribed under
21 subsection (2).

22 (2) The total amount allocated under this section shall be allocated by paying to the
23 educating district or intermediate district an amount equal to the lesser of the district's
24 or intermediate district's added cost or the department's approved per-pupil allocation for
25 the district or intermediate district. For the purposes of this subsection:

26 (a) "Added cost" means 100% of the added cost each fiscal year for educating all
27 pupils assigned by a court or the department of health and human services to reside in or
28 to attend a juvenile detention facility or child caring institution licensed by the
29 department of health and human services or the department of licensing and regulatory
30 affairs and approved by the department to provide an on-grounds education program. Added
31 cost shall be computed by deducting all other revenue received under this article for
32 pupils described in this section from total costs, as approved by the department, in whole

1 or in part, for educating those pupils in the on-grounds education program or in a program
2 approved by the department that is located on property adjacent to a juvenile detention
3 facility or child caring institution. Costs reimbursed by federal funds are not included.

4 (b) "Department's approved per-pupil allocation" for a district or intermediate
5 district shall be determined by dividing the total amount allocated under this section for
6 a fiscal year by the full-time equated membership total for all pupils approved by the
7 department to be funded under this section for that fiscal year for the district or
8 intermediate district.

9 (3) A district or intermediate district educating pupils described in this section at
10 a residential child caring institution may operate, and receive funding under this section
11 for, a department-approved on-grounds educational program for those pupils that is longer
12 than 181 days, but not longer than 233 days, if the child caring institution was licensed
13 as a child caring institution and offered in 1991-92 an on-grounds educational program that
14 was longer than 181 days but not longer than 233 days and that was operated by a district
15 or intermediate district.

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

18 Sec. 24a. From the appropriation in section 11, there is allocated an amount not to
19 exceed ~~\$2,189,800.00~~ **\$1,328,100.00** for ~~2015-2016~~ **2016-2017** for payments to intermediate
20 districts for pupils who are placed in juvenile justice service facilities operated by the
21 department of health and human services. Each intermediate district shall receive an amount
22 equal to the state share of those costs that are clearly and directly attributable to the
23 educational programs for pupils placed in facilities described in this section that are
24 located within the intermediate district's boundaries. The intermediate districts receiving
25 payments under this section shall cooperate with the department of health and human
26 services to ensure that all funding allocated under this section is utilized by the
27 intermediate district and department of health and human services for educational programs
28 for pupils described in this section. Pupils described in this section are not eligible to
29 be funded under section 24. However, a program responsibility or other fiscal
30 responsibility associated with these pupils shall not be transferred from the department of
31 health and human services to a district or intermediate district unless the district or
32 intermediate district consents to the transfer.

1 Sec. 24c. From the appropriation in section 11, there is allocated an amount not to
2 exceed ~~\$1,497,400.00~~ **\$1,522,400.00** for ~~2015-2016~~ **2016-2017** for payments to districts for
3 pupils who are enrolled in a nationally administered community-based education and youth
4 mentoring program, known as the youth challenge program, that is administered by the
5 department of military and veterans affairs. Both of the following apply to a district
6 receiving payments under this section:

7 (a) The district shall contract with the department of military and veterans affairs
8 to ensure that all funding allocated under this section is utilized by the district and the
9 department of military and veterans affairs for the youth challenge program.

10 (b) The district may retain for its administrative expenses an amount not to exceed
11 3% of the amount of the payment the district receives under this section.

12 Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there
13 is allocated an amount not to exceed ~~\$1,000,000.00~~ **\$250,000.00** for ~~2015-2016~~ **2016-2017** for
14 payments to strict discipline academies established under sections 1311b to 1311m of the
15 revised school code, MCL 380.1311b to 380.1311m, as provided under this section.

16 ~~(2) In order to receive funding under this section, a strict discipline academy shall~~
17 ~~first comply with section 25e and use the pupil transfer process under that section for~~
18 ~~changes in enrollment as prescribed under that section.~~

19 **(2)(3)** The total amount allocated to a strict discipline academy under this section
20 is an amount equal to the lesser of the strict discipline academy's added cost or the
21 department's approved per-pupil allocation for the strict discipline academy. However, the
22 sum of the amounts received by a strict discipline academy under this section and under
23 section 24 shall not exceed the product of the strict discipline academy's per-pupil
24 allocation calculated under section 20 multiplied by the strict discipline academy's full-
25 time equated membership. The department shall allocate funds to strict discipline academies
26 under this section on a monthly basis. For the purposes of this subsection:

27 (a) "Added cost" means 100% of the added cost each fiscal year for educating all
28 pupils enrolled and in regular daily attendance at a strict discipline academy. Added cost
29 shall be computed by deducting all other revenue received under this article for pupils
30 described in this subsection from total costs, as approved by the department, in whole or
31 in part, for educating those pupils in a strict discipline academy. The department shall
32 include all costs including, but not limited to, educational costs, insurance, management

1 fees, technology costs, legal fees, auditing fees, interest, pupil accounting costs, and
2 any other administrative costs necessary to operate the program or to comply with statutory
3 requirements. Costs reimbursed by federal funds are not included.

4 (b) "Department's approved per-pupil allocation" for a strict discipline academy
5 shall be determined by dividing the total amount allocated under this subsection for a
6 fiscal year by the full-time equated membership total for all pupils approved by the
7 department to be funded under this subsection for that fiscal year for the strict
8 discipline academy.

9 ~~(3)(4)~~ Special education pupils funded under section 53a shall not be funded under
10 this section.

11 ~~(4)(5)~~ If the funds allocated under this section are insufficient to fully fund the
12 adjustments under subsection (3), payments under this section shall be prorated on an equal
13 per-pupil basis.

14 ~~(5)(6)~~ Payments to districts under this section shall be made according to the
15 payment schedule under section 17b.

16 Sec. 25g. (1) From the state school aid fund money appropriated in section 11, there
17 is allocated an amount not to exceed ~~\$1,000,000.00~~ **\$250,000.00** for ~~2015-2016~~ **2016-2017** for
18 the purposes of this section. If the operation of the special membership counting
19 provisions under section 6(4)(dd) and the other membership counting provisions under
20 section 6(4) result in a pupil being counted as more than 1.0 FTE in a fiscal year, then
21 the payment made for the pupil under sections 22a and 22b shall not be based on more than
22 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 shall be paid under
23 this section in an amount equal to that portion multiplied by the educating district's
24 foundation allowance or per-pupil payment calculated under section 20.

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

27 (3) If the funds allocated under this section are insufficient to fully fund the
28 adjustments under subsection (1), payments under this section shall be prorated on an equal
29 per-pupil basis.

30 (4) Payments to districts under this section shall be made according to the payment
31 schedule under section 17b.

32 Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not

1 to exceed ~~\$26,300,000.00~~ **\$20,000,000.00** for ~~2015-2016~~ **2016-2017** to reimburse districts and
2 intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA
3 376, MCL 125.2692, for taxes levied in ~~2015~~ **2016**. The allocations shall be made not later
4 than 60 days after the department of treasury certifies to the department and to the state
5 budget director that the department of treasury has received all necessary information to
6 properly determine the amounts due to each eligible recipient.

7 Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2015-2016~~
8 **2016-2017** an amount not to exceed ~~\$4,276,800.00~~ **\$4,405,100.00** for payments to districts,
9 intermediate districts, and community college districts for the portion of the payment in
10 lieu of taxes obligation that is attributable to districts, intermediate districts, and
11 community college districts pursuant to section 2154 of the natural resources and
12 environmental protection act, 1994 PA 451, MCL 324.2154.

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

16 Sec. 26c. (1) From the appropriation in section 11, there is allocated an amount not
17 to exceed ~~\$610,000.00~~ **\$1,000,000.00** for ~~2015-2016~~ **2016-2017** to the promise zone fund
18 created in subsection (3).

19 (2) Funds allocated to the promise zone fund under this section shall be used solely
20 for payments to eligible districts and intermediate districts that have a promise zone
21 development plan approved by the department of treasury under section 7 of the Michigan
22 promise zone authority act, 2008 PA 549, MCL 390.1667.

23 (3) The promise zone fund is created as a separate account within the state school
24 aid fund to be used solely for the purposes of the Michigan promise zone authority act,
25 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

26 (a) The state treasurer shall direct the investment of the promise zone fund. The
27 state treasurer shall credit to the promise zone fund interest and earnings from fund
28 investments.

29 (b) Money in the promise zone fund at the close of a fiscal year shall remain in the
30 promise zone fund and shall not lapse to the general fund.

31 (4) Subject to subsection (2), the state treasurer may make payments from the promise
32 zone fund to eligible districts and intermediate districts pursuant to the Michigan promise

1 zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used for the purposes of a
2 promise zone authority created under that act.

3 Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there
4 is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed \$389,695,500.00 for payments
5 to eligible districts, eligible public school academies, and the education achievement
6 system for the purposes of ensuring that pupils are proficient in reading by the end of
7 grade 3 and that high school graduates are career and college ready and for the purposes
8 under subsections (7) and (8).

9 (2) For a district or public school academy, or the education achievement system, to
10 be eligible to receive funding under this section, other than funding under subsection (7)
11 or (8), the sum of the district's or public school academy's or the education achievement
12 system's combined state and local revenue per membership pupil in the current state fiscal
13 year, as calculated under section 20, **PLUS THE AMOUNT OF THE DISTRICT'S PER PUPIL**
14 **ALLOCATION UNDER SECTION 20J(2)**, must be less than or equal to the basic foundation
15 allowance under section 20 for the current state fiscal year.

16 (3) For a district or public school academy that operates grades K to 3, or the
17 education achievement system, to be eligible to receive funding under this section, other
18 than funding under subsection (7) or (8), the district or public school academy, or the
19 education achievement system, must implement, for at least grades K to 3, a multi-tiered
20 system of supports that is an evidence-based model that uses data-driven problem solving to
21 integrate academic and behavioral instruction and that uses intervention delivered to all
22 pupils in varying intensities based on pupil needs. This multi-tiered system of supports
23 must provide at least all of the following essential elements:

24 (a) Implements effective instruction for all learners.

25 (b) Intervenes early.

26 (c) Provides a multi-tiered model of instruction and intervention that provides the
27 following:

28 (i) A core curriculum and classroom interventions available to all pupils that meet
29 the needs of most pupils.

30 (ii) Targeted group interventions.

31 (iii) Intense individual interventions.

32 (d) Monitors pupil progress to inform instruction.

1 (e) Uses data to make instructional decisions.

2 (f) Uses assessments including universal screening, diagnostics, and progress
3 monitoring.

4 (g) Engages families and the community.

5 (h) Implements evidence-based, scientifically validated, instruction and
6 intervention.

7 (i) Implements instruction and intervention practices with fidelity.

8 (j) Uses a collaborative problem-solving model.

9 (4) Except as otherwise provided in this subsection, an eligible district or eligible
10 public school academy or the education achievement system shall receive under this section
11 for each membership pupil in the district or public school academy or the education
12 achievement system who met the income eligibility criteria for free breakfast, lunch, or
13 milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to
14 1769, and as reported to the department in the form and manner prescribed by the department
15 not later than the fifth Wednesday after the pupil membership count day of the immediately
16 preceding fiscal year and adjusted not later than December 31 of the immediately preceding
17 fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation
18 allowance or the public school academy's or the education achievement system's per pupil
19 amount calculated under section 20, **PLUS THE AMOUNT OF THE DISTRICT'S PER PUPIL ALLOCATION**
20 **UNDER SECTION 20J(2)**, not to exceed the basic foundation allowance under section 20 for the
21 current state fiscal year, or of the public school academy's or the education achievement
22 system's per membership pupil amount calculated under section 20 for the current state
23 fiscal year. However, a public school academy that began operations as a public school
24 academy, or an achievement school that began operations as an achievement school, after the
25 pupil membership count day of the immediately preceding school year shall receive under
26 this section for each membership pupil in the public school academy or in the education
27 achievement system who met the income eligibility criteria for free breakfast, lunch, or
28 milk, as determined under the Richard B. Russell national school lunch act and as reported
29 to the department not later than the fifth Wednesday after the pupil membership count day
30 of the current fiscal year and adjusted not later than December 31 of the current fiscal
31 year, an amount per pupil equal to 11.5% of the public school academy's or the education
32 achievement system's per membership pupil amount calculated under section 20 for the

1 current state fiscal year.

2 (5) Except as otherwise provided in this section, a district or public school
3 academy, or the education achievement system, receiving funding under this section shall
4 use that money only to provide instructional programs and direct noninstructional services,
5 including, but not limited to, medical, mental health, or counseling services, for at-risk
6 pupils; for school health clinics; and for the purposes of subsection (6), (7), (8), or
7 (11). In addition, a district that is a school district of the first class or a district or
8 public school academy in which at least 50% of the pupils in membership met the income
9 eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state
10 fiscal year, as determined and reported as described in subsection (4), or the education
11 achievement system if it meets this requirement, may use not more than 20% of the funds it
12 receives under this section for school security. A district, the public school academy, or
13 the education achievement system shall not use any of that money for administrative costs.
14 The instruction or direct noninstructional services provided under this section may be
15 conducted before or after regular school hours or by adding extra school days to the school
16 year.

17 (6) A district or public school academy that receives funds under this section and
18 that operates a school breakfast program under section 1272a of the revised school code,
19 MCL 380.1272a, or the education achievement system if it operates a school breakfast
20 program, shall use from the funds received under this section an amount, not to exceed
21 \$10.00 per pupil for whom the district or public school academy or the education
22 achievement system receives funds under this section, necessary to pay for costs associated
23 with the operation of the school breakfast program.

24 (7) From the funds allocated under subsection (1), there is allocated for ~~2015-2016~~
25 **2016-2017** an amount not to exceed ~~\$3,557,300.00~~ **\$5,557,300.00** to support child and
26 adolescent health centers. These grants shall be awarded for 5 consecutive years beginning
27 with 2003-2004 in a form and manner approved jointly by the department and the department
28 of health and human services. Each grant recipient shall remain in compliance with the
29 terms of the grant award or shall forfeit the grant award for the duration of the 5-year
30 period after the noncompliance. To continue to receive funding for a child and adolescent
31 health center under this section a grant recipient shall ensure that the child and
32 adolescent health center has an advisory committee and that at least one-third of the

1 members of the advisory committee are parents or legal guardians of school-aged children. A
2 child and adolescent health center program shall recognize the role of a child's parents or
3 legal guardian in the physical and emotional well-being of the child. Funding under this
4 subsection shall be used to support child and adolescent health center services provided to
5 children up to age 21. If any funds allocated under this subsection are not used for the
6 purposes of this subsection for the fiscal year in which they are allocated, those unused
7 funds shall be used that fiscal year to avoid or minimize any proration that would
8 otherwise be required under subsection (12) for that fiscal year. ~~In addition to the funds
9 otherwise allocated under this subsection, from the money allocated in subsection (1),
10 there is allocated an amount not to exceed \$2,000,000.00 for 2015-2016 only for child and
11 adolescent health centers to increase access to nurses and behavioral health services in
12 schools, using 3 existing school clinics as hubs for services and using mobile teams to
13 serve satellite school sites.~~

14 (8) From the funds allocated under subsection (1), there is allocated for ~~2015-2016~~
15 **2016-2017** an amount not to exceed \$5,150,000.00 for the state portion of the hearing and
16 vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL
17 333.9301. A local public health department shall pay at least 50% of the total cost of the
18 screenings. The frequency of the screenings shall be as required under R 325.13091 to R
19 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be
20 awarded in a form and manner approved jointly by the department and the department of
21 health and human services. Notwithstanding section 17b, payments to eligible entities under
22 this subsection shall be paid on a schedule determined by the department.

23 (9) Each district or public school academy receiving funds under this section and the
24 education achievement system shall submit to the department by July 15 of each fiscal year
25 a report, not to exceed 10 pages, on the usage by the district or public school academy or
26 the education achievement system of funds under this section, which report shall include a
27 brief description of each program conducted or services performed by the district or public
28 school academy or the education achievement system using funds under this section, the
29 amount of funds under this section allocated to each of those programs or services, the
30 total number of at-risk pupils served by each of those programs or services, and the data
31 necessary for the department and the department of health and human services to verify
32 matching funds for the temporary assistance for needy families program. If a district or

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

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

12 (11) Subject to subsections (6), (7), and (8), a district may use up to 100% of the
13 funds it receives under this section to implement schoolwide reform in schools with 40% or
14 more of their pupils identified as at-risk pupils by providing ~~supplemental~~ instructional
15 or noninstructional services consistent with the school improvement plan.

16 (12) If necessary, and before any proration required under section 296, the
17 department shall prorate payments under this section by reducing the amount of the per
18 pupil payment under this section by a dollar amount calculated by determining the amount by
19 which the amount necessary to fully fund the requirements of this section exceeds the
20 maximum amount allocated under this section and then dividing that amount by the total
21 statewide number of pupils who met the income eligibility criteria for free breakfast,
22 lunch, or milk in the immediately preceding fiscal year, as described in subsection (4).

23 (13) If a district is formed by consolidation after June 1, 1995, and if 1 or more of
24 the original districts were not eligible before the consolidation for an additional
25 allowance under this section, the amount of the additional allowance under this section for
26 the consolidated district shall be based on the number of pupils described in subsection
27 (1) enrolled in the consolidated district who reside in the territory of an original
28 district that was eligible before the consolidation for an additional allowance under this
29 section. In addition, if a district is dissolved pursuant to section 12 of the revised
30 school code, MCL 380.12, the intermediate district to which the dissolved school district
31 was constituent shall determine the estimated number of pupils that meet the income
32 eligibility criteria for free breakfast, lunch, or milk, as described under subsection (4),

1 enrolled in each of the other districts within the intermediate district and provide that
2 estimate to the department for the purposes of distributing funds under this section within
3 60 days after the school district is declared dissolved.

4 (14) As used in this section, "at-risk pupil" means a pupil for whom the district has
5 documentation that the pupil meets any of the following criteria:

6 (a) Is a victim of child abuse or neglect.

7 (b) Is a pregnant teenager or teenage parent.

8 (c) Has a family history of school failure, incarceration, or substance abuse.

9 (d) For pupils for whom the results of the state summative assessment have been
10 received, is a pupil who did not achieve proficiency on the English language arts,
11 mathematics, science, or social studies content area assessment.

12 (e) Is a pupil who is at risk of not meeting the district's core academic curricular
13 objectives in English language arts or mathematics, as demonstrated on local assessments.

14 (f) The pupil is enrolled in a priority or priority-successor school, as defined in
15 the elementary and secondary education act of 2001 flexibility waiver approved by the
16 United States Department of Education.

17 (g) In the absence of state or local assessment data, the pupil meets at least 2 of
18 the following criteria, as documented in a form and manner approved by the department:

19 (i) The pupil is eligible for free or reduced price breakfast, lunch, or milk.

20 (ii) The pupil is absent more than 10% of enrolled days or 10 school days during the
21 school year.

22 (iii) The pupil is homeless.

23 (iv) The pupil is a migrant.

24 (v) The pupil is an English language learner.

25 (vi) The pupil is an immigrant who has immigrated within the immediately preceding 3
26 years.

27 (vii) The pupil did not complete high school in 4 years and is still continuing in
28 school as identified in the Michigan cohort graduation and dropout report.

29 (15) Beginning in 2018-2019, if a district, public school academy, or the education
30 achievement system does not demonstrate to the satisfaction of the department that at least
31 50% of at-risk pupils are ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the
32 end of grade 3 as measured by the state assessment for the immediately preceding school

1 year and demonstrate to the satisfaction of the department improvement over each of the 3
2 immediately preceding school years in the percentage of at-risk pupils that are career- and
3 college-ready as determined by proficiency on the English language arts, mathematics, and
4 science content area assessments on the grade 11 summative assessment under section
5 1279g(2) (a) of the revised school code, MCL 380.1279g, the district, public school academy,
6 or education achievement system shall ensure all of the following:

7 (a) The district, public school academy, or the education achievement system shall
8 determine the proportion of total at-risk pupils that represents the number of pupils in
9 grade 3 that are not ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the end
10 of grade 3, and the district, public school academy, or the education achievement system
11 shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this
12 section on tutoring and other methods of improving grade 3 ~~reading levels~~ **ENGLISH LANGUAGE**
13 **ARTS PROFICIENCY.**

14 (b) The district, public school academy, or the education achievement system shall
15 determine the proportion of total at-risk pupils that represent the number of pupils in
16 grade 11 that are not career- and college-ready as measured by the student's score on the
17 English language arts, mathematics, and science content area assessments on the grade 11
18 summative assessment under section 1279g(2) (a) of the revised school code, MCL 380.1279g,
19 and the district, public school academy, or the education achievement system shall expend
20 that same proportion multiplied by 1/2 of its total at-risk funds under this section on
21 tutoring and other activities to improve scores on the college entrance examination portion
22 of the Michigan merit examination.

23 (16) As used in subsection (15), "total at-risk pupils" means the sum of the number
24 of pupils in grade 3 that are not reading at grade level by the end of third grade as
25 measured on the state assessment and the number of pupils in grade 11 that are not career-
26 and college-ready as measured by the student's score on the English language arts,
27 mathematics, and science content area assessments on the grade 11 summative assessment
28 under section 1279g(2) (a) of the revised school code, MCL 380.1279g.

29 (17) A district or public school academy that receives funds under this section or
30 the education achievement system may use funds received under this section to provide an
31 anti-bullying or crisis intervention program.

32 (18) The department shall collaborate with the department of health and human

1 services to prioritize assigning Pathways to Potential Success coaches to elementary
2 schools that have a high percentage of pupils in grades K to 3 who are not reading at grade
3 level.

4 Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not
5 to exceed \$22,495,100.00 for ~~2015-2016~~ **2016-2017** for the purpose of making payments to
6 districts and other eligible entities under this section.

7 (2) The amounts allocated from state sources under this section shall be used to pay
8 the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state
9 mandated portion of the school lunch programs provided by those districts. The amount due
10 to each district under this section shall be computed by the department using the methods
11 of calculation adopted by the Michigan supreme court in the consolidated cases known as
12 *Durant v State of Michigan*, Michigan supreme court docket no. 104458-104492.

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

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

21 (5) From the federal funds appropriated in section 11, there is allocated for ~~2015-~~
22 ~~2016~~ **2016-2017** all available federal funding, estimated at \$510,000,000.00 for the national
23 school lunch program and all available federal funding, estimated at \$3,200,000.00 for the
24 emergency food assistance program.

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

27 (7) In purchasing food for a school lunch program funded under this section,
28 preference shall be given to food that is grown or produced by Michigan businesses if it is
29 competitively priced and of comparable quality.

30 Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not
31 to exceed ~~\$5,625,000.00~~ **\$2,500,000.00** for ~~2015-2016~~ **2016-2017** for the purpose of making
32 payments to districts to reimburse for the cost of providing breakfast.

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

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

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

7 (3) The payment for a district under this section is at a per meal rate equal to the
8 lesser of the district's actual cost or 100% of the statewide average cost of a breakfast
9 served, as determined and approved by the department, less federal reimbursement,
10 participant payments, and other state reimbursement. The statewide average cost shall be
11 determined by the department using costs as reported in a manner approved by the department
12 for the preceding school year.

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

15 (5) In purchasing food for a school breakfast program funded under this section,
16 preference shall be given to food that is grown or produced by Michigan businesses if it is
17 competitively priced and of comparable quality.

18 Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to
19 eligible intermediate districts and consortia of intermediate districts for great start
20 readiness programs an amount not to exceed \$243,600,000.00 for ~~2015-2016~~ **2016-2017**. Funds
21 allocated under this section for great start readiness programs shall be used to provide
22 part-day, school-day, or GSRP/head start blended comprehensive free compensatory classroom
23 programs designed to improve the readiness and subsequent achievement of educationally
24 disadvantaged children who meet the participant eligibility and prioritization guidelines
25 as defined by the department. For a child to be eligible to participate in a program under
26 this section, the child shall be at least 4, but less than 5, years of age as of ~~the date~~
27 ~~specified for determining a child's eligibility to attend school under section 1147 of the~~
28 ~~revised school code, MCL 380.1147~~ **SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH PROGRAMS ARE**
29 **OFFERED AND MEET PROGRAM ELIGIBILITY.**

30 (2) Funds allocated under subsection (1) shall be allocated to intermediate districts
31 or consortia of intermediate districts based on the formula in section 39. An intermediate
32 district or consortium of intermediate districts receiving funding under this section shall

1 act as the fiduciary for the great start readiness programs. In order to be eligible to
2 receive funds allocated under this subsection from an intermediate district or consortium
3 of intermediate districts, a district, a consortium of districts, or a public or private
4 for-profit or nonprofit legal entity or agency shall comply with this section and section
5 39.

6 (3) In addition to the allocation under subsection (1), from the general fund money
7 appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for
8 ~~2015-2016~~ **2016-2017** for a competitive grant to continue a longitudinal evaluation of
9 children who have participated in great start readiness programs.

10 (4) To be eligible for funding under this section, a program shall prepare children
11 for success in school through comprehensive part-day, school-day, or GSRP/head start
12 blended programs that contain all of the following program components, as determined by the
13 department:

14 (a) Participation in a collaborative recruitment and enrollment process to assure
15 that each child is enrolled in the program most appropriate to his or her needs and to
16 maximize the use of federal, state, and local funds.

17 (b) An age-appropriate educational curriculum that is in compliance with the early
18 childhood standards of quality for prekindergarten children adopted by the state board.

19 (c) Nutritional services for all program participants supported by federal, state,
20 and local resources as applicable.

21 (d) Physical and dental health and developmental screening services for all program
22 participants.

23 (e) Referral services for families of program participants to community social
24 service agencies, including mental health services, as appropriate.

25 (f) Active and continuous involvement of the parents or guardians of the program
26 participants.

27 (g) A plan to conduct and report annual great start readiness program evaluations and
28 continuous improvement plans using criteria approved by the department.

29 (h) Participation in a school readiness advisory committee convened as a workgroup of
30 the great start collaborative that provides for the involvement of classroom teachers,
31 parents or guardians of program participants, and community, volunteer, and social service
32 agencies and organizations, as appropriate. The advisory committee annually shall review

1 and make recommendations regarding the program components listed in this subsection. The
2 advisory committee also shall make recommendations to the great start collaborative
3 regarding other community services designed to improve all children's school readiness.

4 (i) The ongoing articulation of the kindergarten and first grade programs offered by
5 the program provider.

6 (j) Participation in this state's great start to quality process with a rating of at
7 least 3 stars.

8 (5) An application for funding under this section shall provide for the following, in
9 a form and manner determined by the department:

10 (a) Ensure compliance with all program components described in subsection (4).

11 (b) Except as otherwise provided in this subdivision, ensure that at least 90% of the
12 children participating in an eligible great start readiness program for whom the
13 intermediate district is receiving funds under this section are children who live with
14 families with a household income that is equal to or less than 250% of the federal poverty
15 level. If the intermediate district determines that all eligible children are being served
16 and that there are no children on the waiting list under section 39(1)(d) who live with
17 families with a household income that is equal to or less than 250% of the federal poverty
18 level, the intermediate district may then enroll children who live with families with a
19 household income that is equal to or less than 300% of the federal poverty level. The
20 enrollment process shall consider income and risk factors, such that children determined
21 with higher need are enrolled before children with lesser need. For purposes of this
22 subdivision, all age-eligible children served in foster care or who are experiencing
23 homelessness or who have individualized education plans recommending placement in an
24 inclusive preschool setting shall be considered to live with families with household income
25 equal to or less than 250% of the federal poverty level regardless of actual family income
26 **AND BE PRIORITIZED WITHIN THE LOWEST QUINTILE FOR ENROLLMENT.**

27 (c) Ensure that the applicant only uses qualified personnel for this program, as
28 follows:

29 (i) Teachers possessing proper training. A lead teacher must have a valid teaching
30 certificate with an early childhood (ZA or ZS) endorsement or a bachelor's degree **OR HIGHER**
31 in child development or early ~~child development~~ **CHILDHOOD EDUCATION** with specialization in
32 preschool teaching. However, if an applicant demonstrates to the department that it is

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

8 (ii) Paraprofessionals possessing proper training in early childhood ~~development~~
9 **EDUCATION**, including an associate's degree in early childhood education or child
10 development or the equivalent, or a child development associate (CDA) credential. However,
11 if an applicant demonstrates to the department that it is unable to fully comply with this
12 subparagraph after making reasonable efforts to comply, the applicant may use
13 paraprofessionals who have completed at least 1 course that earns college credit in early
14 childhood education or child development if the applicant provides to the department, and
15 the department approves, a plan for each paraprofessional to come into compliance with the
16 standards in this subparagraph. A paraprofessional's compliance plan must be completed
17 within 2 years of the date of employment. Progress toward completion of the compliance plan
18 shall consist of at least 2 courses or 60 clock hours of training per calendar year.

19 (d) Include a program budget that contains only those costs that are not reimbursed
20 or reimbursable by federal funding, that are clearly and directly attributable to the great
21 start readiness program, and that would not be incurred if the program were not being
22 offered. Eligible costs include transportation costs. The program budget shall indicate the
23 extent to which these funds will supplement other federal, state, local, or private funds.
24 Funds received under this section shall not be used to supplant any federal funds received
25 by the applicant to serve children eligible for a federally funded preschool program that
26 has the capacity to serve those children.

27 (6) For a grant recipient that enrolls pupils in a school-day program funded under
28 this section, each child enrolled in the school-day program shall be counted as ~~2 children~~
29 ~~served by the program~~ **DESCRIBED IN SECTION 39** for purposes of determining ~~the number of~~
30 ~~children to be served and for determining~~ the amount of the grant award. ~~A grant award~~
31 ~~shall not be increased solely on the basis of providing a school day program.~~

32 (7) For a grant recipient that enrolls pupils in a GSRP/head start blended program,

1 the grant recipient shall ensure that all head start and GSRP policies and regulations are
2 applied to the blended slots, with adherence to the highest standard from either program,
3 to the extent allowable under federal law.

4 (8) An intermediate district or consortium of intermediate districts receiving a
5 grant under this section shall designate an early childhood coordinator, and may provide
6 services directly or may contract with 1 or more districts or public or private for-profit
7 or nonprofit providers that meet all requirements of ~~subsection (4)~~ **SUBSECTIONS (4) AND**
8 **(5)**.

9 (9) Funds received under this section may be retained for administrative services as
10 follows:

11 (a) For the portion of the total grant amount for which services are provided
12 directly by an intermediate district or consortium of intermediate districts, the
13 intermediate district or consortium of intermediate districts may retain an amount equal to
14 not more than 7% of that portion of the grant amount.

15 (b) For the portion of the total grant amount for which services are contracted, the
16 intermediate district or consortium of intermediate districts receiving the grant may
17 retain an amount equal to not more than 4% of that portion of the grant amount and the
18 subrecipients engaged by the intermediate district to provide program services may retain
19 for administrative services an amount equal to not more than 4% of that portion of the
20 grant amount.

21 (10) An intermediate district or consortium of intermediate districts may expend not
22 more than 2% of the total grant amount for outreach, recruiting, and public awareness of
23 the program.

24 (11) Each grant recipient shall enroll children identified under subsection (5) (b)
25 according to how far the child's household income is below 250% of the federal poverty
26 level by ranking each applicant child's household income from lowest to highest and
27 dividing the applicant children into quintiles based on how far the child's household
28 income is below 250% of the federal poverty level, and then enrolling children in the
29 quintile with the lowest household income before enrolling children in the quintile with
30 the next lowest household income until slots are completely filled. If the grant recipient
31 determines that all eligible children are being served and that there are no children on
32 the waiting list under section 39(1) (d) who live with families with a household income that

1 is equal to or less than 250% of the federal poverty level, the grant recipient may then
2 enroll children who live with families with a household income that is equal to or less
3 than 300% of the federal poverty level. The enrollment process shall consider income and
4 risk factors, such that children determined with higher need are enrolled before children
5 with lesser need. For purposes of this subdivision, all age-eligible children served in
6 foster care or who are experiencing homelessness or who have individualized education plans
7 recommending placement in an inclusive preschool setting shall be considered to live with
8 families with household income equal to or less than 250% of the federal poverty level
9 regardless of actual family income **AND BE PRIORITIZED WITHIN THE LOWEST QUINTILE FOR**
10 **ENROLLMENT.**

11 (12) An intermediate district or consortium of intermediate districts receiving a
12 grant under this section shall allow parents of eligible children who are residents of the
13 intermediate district or within the consortium to choose a program operated by or
14 contracted with another intermediate district or consortium of intermediate districts and
15 shall ~~pay to the educating intermediate district or consortium the per child amount~~
16 ~~attributable to each child enrolled pursuant to this sentence, as determined under section~~
17 ~~99~~ **ENTER INTO A WRITTEN AGREEMENT, IN A MANNER PRESCRIBED BY THE DEPARTMENT.**

18 (13) An intermediate district or consortium of intermediate districts receiving a
19 grant under this section shall conduct a local process to contract with interested and
20 eligible public and private for-profit and nonprofit community-based providers that meet
21 all requirements of subsection (4) for at least 30% of its total slot allocation. The
22 intermediate district or consortium shall report to the department, in a manner prescribed
23 by the department, a detailed list of community-based providers by provider type, including
24 private for-profit, private nonprofit, community college or university, head start grantee
25 or delegate, and district or intermediate district, and the number and proportion of its
26 total slot allocation allocated to each provider as subrecipient. If the intermediate
27 district or consortium is not able to contract for at least 30% of its total slot
28 allocation, the grant recipient shall notify the department and, if the department verifies
29 that the intermediate district or consortium attempted to contract for at least 30% of its
30 total slot allocation and was not able to do so, then the intermediate district or
31 consortium may retain and use all of its allocated slots as provided under this section. To
32 be able to use this exemption, the intermediate district or consortium shall demonstrate to

1 the department that the intermediate district or consortium increased the percentage of its
2 total slot allocation for which it contracts with a community-based provider and the
3 intermediate district or consortium shall submit evidence satisfactory to the department,
4 and the department must be able to verify this evidence, demonstrating that the
5 intermediate district or consortium took measures to contract for at least 30% of its total
6 slot allocation as required under this subsection, including, but not limited to, at least
7 all of the following measures:

8 (a) The intermediate district or consortium notified each **NONPARTICIPATING** licensed
9 child care center located in the service area of the intermediate district or consortium ~~at~~
10 ~~least twice~~ regarding the center's eligibility to participate, ~~One of these notifications~~
11 ~~may be made electronically, but at least 1 of these notifications shall be made via hard~~
12 ~~copy through the United States mail. At least 1 of these notifications shall be made within~~
13 ~~7 days after the intermediate district or consortium receives notice from the department of~~
14 ~~its slot allocations.~~ **IN A MANNER PRESCRIBED BY THE DEPARTMENT.**

15 (b) The intermediate district or consortium provided to each **NONPARTICIPATING**
16 licensed child care center located in the service area of the intermediate district or
17 consortium information regarding great start readiness program requirements and a
18 description of the application and selection process for community-based providers.

19 (c) The intermediate district or consortium provided to the public and to
20 participating families a list of community-based great start readiness program
21 subrecipients with a great start to quality rating of at least 3 stars.

22 (14) If an intermediate district or consortium of intermediate districts receiving a
23 grant under this section fails to submit satisfactory evidence to demonstrate its effort to
24 contract for at least 30% of its total slot allocation, as required under subsection (1),
25 the department shall reduce the slots allocated to the intermediate district or consortium
26 by a percentage equal to the difference between the percentage of an intermediate
27 district's or consortium's total slot allocation awarded to community-based providers and
28 30% of its total slot allocation.

29 (15) In order to assist intermediate districts and consortia in complying with the
30 requirement to contract with community-based providers for at least 30% of their total slot
31 allocation, the department shall do all of the following:

32 (a) Ensure that a great start resource center or the department provides each

1 intermediate district or consortium receiving a grant under this section with the contact
2 information for each licensed child care center located in the service area of the
3 intermediate district or consortium by March 1 of each year.

4 (b) Provide, or ensure that an organization with which the department contracts
5 provides, a community-based provider with a validated great start to quality rating within
6 90 days of the provider's having submitted a request and self-assessment.

7 (c) Ensure that all intermediate district, district, community college or university,
8 head start grantee or delegate, private for-profit, and private nonprofit providers are
9 subject to a single great start to quality rating system. The rating system shall ensure
10 that regulators process all prospective providers at the same pace on a first-come, first-
11 served basis and shall not allow 1 type of provider to receive a great start to quality
12 rating ahead of any other type of provider.

13 (d) Not later than ~~November~~ **DECEMBER** 1 of each year, compile the results of the
14 information reported by each intermediate district or consortium under subsection (10) and
15 report to the legislature a list by intermediate district or consortium with the number and
16 percentage of each intermediate district's or consortium's total slot allocation allocated
17 to community-based providers by provider type, including private for-profit, private
18 nonprofit, community college or university, head start grantee or delegate, and district or
19 intermediate district.

20 (16) A recipient of funds under this section shall report to the department in a form
21 and manner prescribed by the department the number of children participating in the program
22 who meet the income eligibility criteria under subsection (5) (b) and the total number of
23 children participating in the program. For children participating in the program who meet
24 the income eligibility criteria specified under subsection (5) (b), a recipient shall also
25 report whether or not a parent is available to provide care based on employment status. For
26 the purposes of this subsection, "employment status" shall be defined by the department of
27 health and human services in a manner consistent with maximizing the amount of spending
28 that may be claimed for temporary assistance for needy families maintenance of effort
29 purposes.

30 (17) As used in this section:

31 (a) "GSRP/head start blended program" means a part-day program funded under this
32 section and a head start program, which are combined for a school-day program.

1 (b) "Part-day program" means a program that operates at least 4 days per week, 30
2 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer
3 hours of teacher-child contact time per day than a school-day program.

4 (c) "School-day program" means a program that operates for at least the same length
5 of day as a district's first grade program for a minimum of 4 days per week, 30 weeks per
6 year. A classroom that offers a school-day program must enroll all children for the school
7 day to be considered a school-day program.

8 (18) An intermediate district or consortium of intermediate districts receiving funds
9 under this section shall establish a sliding scale of tuition rates based upon household
10 income for children participating in an eligible great start readiness program who live
11 with families with a household income that is more than 250% of the federal poverty level
12 to be used by all of its providers, as approved by the department. A grant recipient shall
13 charge tuition according to that sliding scale of tuition rates on a uniform basis for any
14 child who does not meet the income eligibility requirements under this section.

15 (19) From the amount appropriated in subsection (1), there is allocated an amount not
16 to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending
17 great start readiness programs funded under this section. To receive reimbursement under
18 this subsection, not later than November 1, ~~2015~~ **2016**, a program funded under this section
19 that provides transportation shall submit to the intermediate district that is the fiscal
20 agent for the program a projected transportation budget. The amount of the reimbursement
21 for transportation under this subsection shall be no more than the projected transportation
22 budget or \$150.00 multiplied by the number of slots funded for the program under this
23 section. If the amount allocated under this subsection is insufficient to fully reimburse
24 the transportation costs for all programs that provide transportation and submit the
25 required information, the reimbursement shall be prorated in an equal amount per slot
26 funded. Payments shall be made to the intermediate district that is the fiscal agent for
27 each program, and the intermediate district shall then reimburse the program provider for
28 transportation costs as prescribed under this subsection.

29 Sec. 32p. (1) From the school aid fund appropriation in section 11, there is
30 allocated an amount not to exceed \$13,400,000.00 to intermediate districts for ~~2015-2016~~
31 **2016-2017** for the purpose of providing early childhood funding to intermediate school
32 districts to support the activities under subsection (2) and subsection (4), and to provide

1 early childhood programs for children from birth through age 8. The funding provided to
2 each intermediate district under this section shall be determined by the distribution
3 formula established by the department's office of great start to provide equitable funding
4 statewide. In order to receive funding under this section, each intermediate district shall
5 provide an application to the office of great start not later than September 15 of the
6 immediately preceding fiscal year indicating the activities planned to be provided.

7 (2) Each intermediate district or consortium of intermediate districts that receives
8 funding under this section shall convene a local great start collaborative and a parent
9 coalition. The goal of each great start collaborative and parent coalition shall be to
10 ensure the coordination and expansion of local early childhood infrastructure and programs
11 that allow every child in the community to achieve the following outcomes:

12 (a) Children born healthy.

13 (b) Children healthy, thriving, and developmentally on track from birth to third
14 grade.

15 (c) Children developmentally ready to succeed in school at the time of school entry.

16 (d) Children prepared to succeed in fourth grade and beyond by reading proficiently
17 by the end of third grade.

18 (3) Each local great start collaborative and parent coalition shall convene
19 workgroups to make recommendations about community services designed to achieve the
20 outcomes described in subsection (2) and to ensure that its local great start system
21 includes the following supports for children from birth through age 8:

22 (a) Physical health.

23 (b) Social-emotional health.

24 (c) Family supports and basic needs.

25 (d) Parent education.

26 (e) Early education and care.

27 (4) From the funds allocated in subsection (1), at least \$2,500,000.00 shall be used
28 for the purpose of providing home visits to at-risk children and their families. The home
29 visits shall be conducted as part of a locally coordinated, family-centered, evidence-
30 based, data-driven home visit strategic plan that is approved by the department. The goals
31 of the home visits funded under this subsection shall be to improve school readiness,
32 reduce the number of pupils retained in grade level, and reduce the number of pupils

1 requiring special education services. The department shall coordinate the goals of the home
2 visit strategic plans approved under this subsection with other state agency home visit
3 programs in a way that strengthens Michigan's home visiting infrastructure and maximizes
4 federal funds available for the purposes of at-risk family home visits.

5 (5) Not later than December 1 of each year, each intermediate district shall provide
6 a report to the department detailing the activities actually provided during the
7 immediately preceding school year and the families and children actually served. At a
8 minimum, the report shall include an evaluation of the services provided with additional
9 funding under subsection (4) for home visits, using the goals identified in subsection (4)
10 as the basis for the evaluation, including the degree to which school readiness was
11 improved, any change in the number of pupils retained at grade level, and any change in the
12 number of pupils receiving special education services. The department shall compile and
13 summarize these reports and submit its summary to the house and senate appropriations
14 subcommittees on school aid and to the house and senate fiscal agencies not later than
15 February 15 of each year.

16 (6) An intermediate district or consortium of intermediate districts that receives
17 funding under this section may carry over any unexpended funds received under this section
18 into the next fiscal year and may expend those unused funds through June 30 of the next
19 fiscal year. A recipient of a grant shall return any unexpended grant funds to the
20 department in the manner prescribed by the department not later than September 30 of the
21 next fiscal year after the fiscal year in which the funds are received.

22 Sec. 35. (1) The funds allocated under section 35a shall be used for programs to
23 ensure children are reading at grade level by the end of grade 3. The superintendent shall
24 designate staff or contracted employees funded under section 35a as critical shortage.
25 Programs funded under section 35a are intended to ensure that this state will be in the top
26 10 most improved states in grade 4 reading proficiency by the 2019 National Assessment of
27 Educational Progress (NAEP) and will be in the top 10 states overall in grade 4 reading
28 proficiency by 2025.

29 (2) From the general fund appropriation in section 11, there is allocated to the
30 department an amount not to exceed \$1,000,000.00 for ~~2015-2016~~ **2016-2017** for implementation
31 costs associated with programs funded under section 35a.

32 ~~(3) From the amount allocated under subsection (2), there is allocated an amount not~~

1 ~~to exceed \$100,000.00 for the purpose of performing an evaluation of the pilot programs~~
2 ~~under section 35a(2) in a manner approved by the department. The evaluation report shall~~
3 ~~include at least all of the following:~~

4 ~~(a) A description of the components of the pilot programs that were effective in~~
5 ~~helping parents prepare their children for success in school.~~

6 ~~(b) A description of any barriers that parents and their children encountered that~~
7 ~~prevented them from participating in the pilot programs.~~

8 ~~(c) An assessment of whether these pilot programs should be expanded to other~~
9 ~~locations in the state.~~

10 Sec. 35a. (1) From the appropriations in section 11, there is allocated for ~~2015-2016~~
11 **2016-2017** for the purposes of this section an amount not to exceed ~~\$23,900,000.00 from the~~
12 ~~state school aid fund appropriation and an amount not to exceed \$1,500,000.00 from the~~
13 ~~general fund appropriation~~ **\$22,900,000.00.**

14 ~~(2) From the allocations under subsection (1), there is allocated an amount not to~~
15 ~~exceed \$1,000,000.00 for 2015-2016 for the purpose of conducting parent education pilot~~
16 ~~programs for parents of children less than 4 years of age so that children are~~
17 ~~developmentally ready to succeed in school at the time of school entry. All of the~~
18 ~~following apply to programs funded under this subsection:~~

19 ~~(a) The department shall develop a competitive application process and method of~~
20 ~~grant distribution consistent with the provisions of this subsection. The amount of a grant~~
21 ~~award to a pilot program shall be an amount equal to the number of children residing in the~~
22 ~~district or consortium of districts operating the program who are younger than 4 years of~~
23 ~~age as of the date specified for determining a child's eligibility to attend school under~~
24 ~~section 1147 of the revised school code, MCL 380.1147, multiplied by \$120.00 per child or~~
25 ~~\$130,000.00, whichever is less. The department shall ensure that grants are awarded in each~~
26 ~~prosperity region or subregion.~~

27 ~~(b) An application for a competitive grant under this subsection shall be submitted~~
28 ~~by an intermediate district on behalf of a district or consortium of districts within the~~
29 ~~intermediate district. The application shall be submitted in a form and manner approved by~~
30 ~~the department and shall contain at least the following components:~~

31 ~~(i) A description of the program design including the names of the district or~~
32 ~~consortium of districts that will operate the program, the physical location of the~~

1 ~~program, and the anticipated number of families that will be served.~~

2 ~~(ii) An assurance that the program will be supervised by a teacher who has a valid~~
3 ~~teaching certificate with an early childhood (ZA or ZS) endorsement, a valid teaching~~
4 ~~certificate in career education with both a KH and VH endorsement, a bachelor's degree in~~
5 ~~child development or early child development, or a bachelor's degree related to adult~~
6 ~~learning.~~

7 ~~(iii) An estimate of the number of families residing in the district or consortium of~~
8 ~~districts that will operate the pilot program that have at least 1 child less than 4 years~~
9 ~~of age as of the date specified for determining a child's eligibility to attend school~~
10 ~~under section 1147 of the revised school code, MCL 380.1147.~~

11 ~~(iv) A description of the public awareness and outreach efforts that will be made.~~

12 ~~(v) An assurance that the intermediate district and the district or consortium of~~
13 ~~districts operating the program will provide information in a form and manner as approved~~
14 ~~by the department to allow for an evaluation of the pilot projects.~~

15 ~~(vi) A description of the sliding fee scale that will be established for tuition,~~
16 ~~with fees reduced or waived for those unable to pay.~~

17 ~~(vii) A budget for the program. A program may use not more than 5% of a grant to~~
18 ~~administer the program.~~

19 ~~(c) To be eligible for a grant under this subsection, a program shall provide at~~
20 ~~least 2 hours per week throughout the school year for parents and their eligible children~~
21 ~~to participate in parent education programs and meet at least the following minimum~~
22 ~~requirements:~~

23 ~~(i) Require that parents be physically present in classes with their children or be~~
24 ~~in concurrent classes.~~

25 ~~(ii) Use research-based information to educate parents about the physical, cognitive,~~
26 ~~social, and emotional development of children.~~

27 ~~(iii) Provide structured learning activities requiring interaction between children~~
28 ~~and their parents.~~

29 ~~(iv) Provide structured learning activities for children that promote positive~~
30 ~~interaction with their peers.~~

31 ~~(d) For a child to be eligible to participate in a program under this subsection, the~~
32 ~~child shall be less than 4 years of age as of the date specified for determining a child's~~

1 ~~eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.~~

2 (2) ~~(3)~~ From the allocations under subsection (1), there is allocated an amount not
3 to exceed \$950,000.00 for ~~2015-2016~~ **2016-2017** for professional development purposes under
4 this subsection. This allocation represents the ~~first~~ **SECOND** of 2 years of funding for the
5 purposes of this subsection. All of the following apply to funding under this subsection:

6 (a) The department shall award grants to districts to support professional
7 development for educators in a department-approved research-based training program related
8 to current state literacy standards for pupils in grades K to 3. The professional
9 development shall also include training in the use of screening and diagnostic tools,
10 progress monitoring, and intervention methods used to address barriers to learning and
11 delays in learning that are diagnosed through the use of these tools. The department shall
12 determine the amount of the grant awards.

13 (b) In addition to other methods of professional development delivery, the department
14 shall collaborate with the Michigan Virtual University to provide this training online to
15 all educators of pupils in grades K to 3.

16 (c) The funds allocated under this subsection are a work project appropriation, and
17 any unexpended funds for ~~2015-2016~~ **2016-2017** are carried forward into ~~2016-2017~~ **2017-2018**.
18 The purpose of the work project is to continue to implement the professional development
19 training described in this subsection. The estimated completion date of the work project is
20 September 30, ~~2017~~ **2018**.

21 (3) ~~(4)~~ From the allocations under subsection (1), there is allocated an amount not
22 to exceed \$1,450,000.00 for ~~2015-2016~~ **2016-2017** for grants under this subsection. This
23 allocation represents the ~~first~~ **SECOND** of 2 years of funding. All of the following apply to
24 grants under this subsection:

25 (a) The department shall award grants to districts to administer department-approved
26 screening and diagnostic tools to monitor the development of early literacy and early
27 reading skills of pupils in grades K to 3 and to support research-based professional
28 development for educators in administering screening and diagnostic tools and in data
29 interpretation of the results obtained through the use of those tools for the purpose of
30 implementing a multi-tiered system of support to improve reading proficiency among pupils
31 in grades K to 3. The department shall award grants to eligible districts in an amount
32 determined by the department.

1 (b) In addition to other methods of professional development delivery, the department
2 shall collaborate with the Michigan Virtual University to provide this training online to
3 all educators of pupils in grades K to 3.

4 (c) The funds allocated under this subsection are a work project appropriation, and
5 any unexpended funds for ~~2015-2016~~ **2016-2017** are carried forward into ~~2016-2017~~ **2017-2018**.
6 The purpose of the work project is to continue to implement the professional development
7 training described in this subsection. The estimated completion date of the work project is
8 September 30, ~~2017~~ **2018**.

9 **(4)** ~~(5)~~ From the allocations under subsection (1), there is allocated an amount not
10 to exceed \$3,000,000.00 **FOR 2016-2017** for the purpose of providing early literacy coaches
11 at intermediate districts to assist teachers in developing and implementing instructional
12 strategies for pupils in grades K to 3 so that pupils are reading at grade level by the end
13 of grade 3. All of the following apply to funding under this subsection:

14 (a) The department shall develop an application process consistent with the
15 provisions of this subsection. An application shall provide assurances that literacy
16 coaches funded under this subsection are knowledgeable about at least the following:

17 (i) Current state literacy standards for pupils in grades K to 3.

18 (ii) Implementing an instructional delivery model based on frequent use of formative,
19 screening, and diagnostic tools, known as a multi-tiered system of support, to determine
20 individual progress for pupils in grades K to 3 so that pupils are reading at grade level
21 by the end of grade 3.

22 (iii) The use of data from diagnostic tools to determine the necessary additional
23 supports and interventions needed by individual pupils in grades K to 3 in order to be
24 reading at grade level.

25 (b) From the allocation under this subsection, the department shall award grants to
26 intermediate districts for the support of early literacy coaches. An intermediate district
27 must provide matching funds for at least 50% of the cost of the literacy coach. The
28 department shall provide this funding in the following manner:

29 (i) Each intermediate district shall be awarded grant funding to support the cost of
30 1 early literacy coach in an equal amount per early literacy coach, not to exceed
31 \$37,500.00.

32 (ii) After distribution of the grant funding under subparagraph (i), the department

1 shall distribute the remainder of grant funding for additional early literacy coaches in an
2 amount not to exceed \$37,500.00 per early literacy coach. The number of funded early
3 literacy coaches for each intermediate district shall be based on the percentage of the
4 total statewide number of pupils in grades K to 3 who meet the income eligibility standards
5 for the federal free and reduced-price lunch programs who are enrolled in districts in the
6 intermediate district. For each additional early literacy coach funded under this
7 subparagraph, the department shall not make an award to an intermediate district under this
8 subparagraph in an amount that is less than the amount necessary to pay 1/2 of the total
9 cost of that additional early literacy coach.

10 (c) The funds allocated under this subsection are a work project appropriation, and
11 any unexpended funds for ~~2015-2016~~ **2016-2017** are carried forward into ~~2016-2017~~ **2017-2018**.
12 The purpose of the work project is to continue to provide early literacy coaches as
13 described in this subsection. The estimated completion date of the work project is
14 September 30, ~~2017-2018~~.

15 (5) ~~(6)~~ From the allocations under subsection (1), there is allocated an amount not
16 to exceed \$17,500,000.00 for ~~2015-2016~~ **2016-2017** to districts that provide additional
17 instructional time to those pupils in grades K to 3 who have been identified by using
18 department-approved screening and diagnostic tools as needing additional supports and
19 interventions in order to be reading at grade level by the end of grade 3. Additional
20 instructional time may be provided before, during, and after regular school hours or as
21 part of a year-round balanced school calendar. All of the following apply to funding under
22 this subsection:

23 (a) In order to be eligible to receive funding, a district shall demonstrate to the
24 satisfaction of the department that the district has done all of the following:

25 (i) Implemented a multi-tiered system of support instructional delivery model that is
26 an evidence-based model that uses data-driven problem solving to integrate academic and
27 behavioral instruction and that uses intervention delivered to all pupils in varying
28 intensities based on pupil needs. The multi-tiered system of supports must provide at least
29 all of the following essential elements:

30 (A) Implements effective instruction for all learners.

31 (B) Intervenes early.

32 (C) Provides a multi-tiered model of instruction and intervention that provides the

1 following:

2 (I) ~~a~~ A core curriculum and classroom interventions available to all pupils that meet
3 the needs of most pupils~~+~~.

4 (II) ~~targeted~~ TARGETED group interventions~~+~~.

5 (III) ~~and intense~~ INTENSE individual interventions.

6 (D) Monitors pupil progress to inform instruction.

7 (E) Uses data to make instructional decisions.

8 (F) Uses assessments including universal screening, diagnostics, and progress
9 monitoring.

10 (G) Engages families and the community.

11 (H) Implements evidence-based, scientifically validated, instruction and
12 intervention.

13 (I) Implements instruction and intervention practices with fidelity.

14 (J) Uses a collaborative problem-solving model.

15 (ii) Used department-approved research-based diagnostic tools to identify individual
16 pupils in need of additional instructional time.

17 (iii) Used a reading instruction method that focuses on the 5 fundamental building
18 blocks of reading: phonics, phonemic awareness, fluency, vocabulary, and comprehension and
19 content knowledge.

20 (iv) Provided teachers of pupils in grades K to 3 with research-based professional
21 development in diagnostic data interpretation.

22 (b) Funding allocated under this subsection shall be distributed to eligible
23 districts by multiplying the number of full-time-equivalent pupils in grade 1 in the
24 district by \$165.00.

25 (c) If the funds allocated under this subsection are insufficient to fully fund the
26 payments under this subsection, payments under this subsection shall be prorated on an
27 equal per-pupil basis based on grade 1 pupils.

28 ~~(7) From the general fund money allocated in subsection (1), the department shall~~
29 ~~allocate the amount of \$1,000,000.00 for 2015-2016 to the Michigan Education Corps. All of~~
30 ~~the following apply to funding under this subsection:~~

31 ~~(a) By August 1, 2016, the Michigan Education Corps shall provide a report concerning~~
32 ~~its use of the funding to the senate and house appropriations subcommittees on state school~~

1 aid, the senate and house fiscal agencies, and the senate and house caucus policy offices
2 on outcomes and performance measures of the Michigan Education Corps, including, but not
3 limited to, the degree to which the Michigan Education Corps's replication of the Michigan
4 Reading Corps program is demonstrating sufficient efficacy and impact. The report must
5 include data pertaining to at least all of the following:

6 ~~(i) The current impact of the Michigan Reading Corps on this state in terms of~~
7 ~~numbers of children and programs receiving support. This portion of the report shall~~
8 ~~specify the number of children tutored, including dosage and completion, and the~~
9 ~~demographics of those children.~~

10 ~~(ii) Whether the assessments and interventions are implemented with fidelity. This~~
11 ~~portion of the report shall include details on the total number of assessments and~~
12 ~~interventions completed and the range, median, mean, and standard deviation for all~~
13 ~~assessments.~~

14 ~~(iii) Whether the literacy improvement of children participating in the Michigan~~
15 ~~Reading Corps is consistent with expectations. This portion of the report shall detail at~~
16 ~~least all of the following:~~

17 ~~(A) Growth rate by grade level, in comparison to targeted growth rate.~~

18 ~~(B) Average linear growth rates.~~

19 ~~(C) Exit rates.~~

20 ~~(D) Percentage of children who exit who also meet or exceed spring benchmarks.~~

21 ~~(iv) The impact of the Michigan Reading Corps on organizations and stakeholders,~~
22 ~~including, but not limited to, school administrators, internal coaches, and AmeriCorps~~
23 ~~members.~~

24 ~~(b) If the department determines that the Michigan Education Corps has misused the~~
25 ~~funds allocated under this subsection, the Michigan Education Corps shall reimburse this~~
26 ~~state for the amount of state funding misused.~~

27 ~~(8) From the general fund money allocated under subsection (1), there is allocated to~~
28 ~~the department an amount not to exceed \$500,000.00 for 2015-2016 for the adoption of a~~
29 ~~certification test to ensure that all newly certificated elementary teachers have the~~
30 ~~skills to deliver evidence-based literacy instruction.~~

31 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an
32 application, in a form and manner prescribed by the department, by a date specified by the

1 department in the immediately preceding state fiscal year. The application shall include a
2 comprehensive needs assessment using aggregated data from the applicant's entire service
3 area and a community collaboration plan that is endorsed by the local great start
4 collaborative and is part of the community's great start strategic plan that includes, but
5 is not limited to, great start readiness program and head start providers, and shall
6 identify all of the following:

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

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

12 (c) The number of **SLOTS THE APPLICANT WILL BE ABLE TO FILL WITH** children ~~the~~
13 ~~applicant will be able to serve~~ who meet the criteria of section 32d including a
14 verification of physical facility and staff resources capacity.

15 (d) The estimated number of **SLOTS WHICH WILL REMAIN UNFILLED AND** children who meet
16 the criteria of section 32d who will remain unserved after the applicant and community
17 early childhood programs have met their funded enrollments. The applicant shall maintain a
18 waiting list of identified unserved eligible children who would be served when openings are
19 available.

20 (2) After notification of funding allocations, an applicant receiving funds under
21 section 32d shall also submit an implementation plan for approval, in a form and manner
22 prescribed by the department, by a date specified by the department, that details how the
23 applicant complies with the program components established by the department pursuant to
24 section 32d.

25 (3) The number of prekindergarten children construed to be in need of special
26 readiness assistance under section 32d shall be calculated for each applicant in the
27 following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in all
28 districts served by the applicant who are eligible for free lunch, as determined using the
29 district's pupil membership count as of the pupil membership count day in the school year
30 prior to the fiscal year for which the calculation is made, under the Richard B. Russell
31 national school lunch act, 42 USC 1751 to 1769i, shall be multiplied by the average
32 kindergarten enrollment of the districts served by the applicant on the pupil membership

1 count day of the 2 immediately preceding fiscal years.

2 (4) The initial allocation for each fiscal year to each eligible applicant under
3 section 32d shall be determined by multiplying the number of ~~children~~ **SLOTS** determined by
4 the formula under subsection (3) or the number of ~~children~~ **SLOTS** the applicant indicates it
5 will be able to ~~serve~~ **FILL** under subsection (1)(c), whichever is less, by \$3,625.00 and
6 shall be distributed among applicants in decreasing order of concentration of eligible
7 children as determined by the formula under subsection (3). If the number of ~~children~~ **SLOTS**
8 an applicant indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c) includes
9 children able to be served in a school-day program, then the ~~number able to be served in~~
10 **SLOTS FOR** a school-day program shall be doubled for the purposes of making this calculation
11 of the lesser of the number of ~~children~~ **SLOTS** determined by the formula under subsection
12 (3) and the number of ~~children~~ **SLOTS** the applicant indicates it will be able to ~~serve~~ **FILL**
13 under subsection (1)(c) and determining the amount of the initial allocation to the
14 applicant under section 32d. A district may contract with a head start agency to serve
15 children enrolled in head start with a school-day program by blending head start funds with
16 a part-day great start readiness program allocation. All head start and great start
17 readiness program policies and regulations apply to the blended program.

18 (5) If funds allocated for eligible applicants under section 32d remain after the
19 initial allocation under subsection (4), the allocation under this subsection shall be
20 distributed to each eligible applicant under section 32d in decreasing order of
21 concentration of eligible children as determined by the formula under subsection (3). The
22 allocation shall be determined by multiplying the number of ~~children~~ **SLOTS** in each district
23 within the applicant's service area ~~served~~ **FILLED** in the immediately preceding fiscal year
24 or the number of ~~children~~ **SLOTS** the applicant indicates it will be able to ~~serve~~ **FILL** under
25 subsection (1)(c), whichever is less, minus the number of ~~children~~ **SLOTS** for which the
26 applicant received funding in subsection (4) by \$3,625.00.

27 (6) If funds allocated for eligible applicants under section 32d remain after the
28 allocations under subsections (4) and (5), remaining funds shall be distributed to each
29 eligible applicant under section 32d in decreasing order of concentration of eligible
30 children as determined by the formula under subsection (3). If the number of ~~children~~ **SLOTS**
31 the applicant indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c) exceeds the
32 number of ~~children~~ **SLOTS** for which funds have been received under subsections (4) and (5),

1 the allocation under this subsection shall be determined by multiplying the number of
2 ~~children~~ **SLOTS** the applicant indicates it will be able to ~~serve~~ **FILL** under subsection
3 (1)(c) less the number of ~~children~~ **SLOTS** for which funds have been received under
4 subsections (4) and (5) by \$3,625.00 until the funds allocated for eligible applicants in
5 section 32d are distributed.

6 ~~(7) An applicant that offers supplementary child care funded by funds other than~~
7 ~~those received under section 32d and therefore offers full day programs as part of its~~
8 ~~early childhood development program shall receive priority in the allocation of funds under~~
9 ~~section 32d over other eligible applicants. As used in this subsection, "full-day program"~~
10 ~~means a program that provides supplementary child care that totals at least 10 hours of~~
11 ~~programming per day.~~

12 ~~(7)~~ ~~(8)~~ If, taking into account the total amount to be allocated to the applicant as
13 calculated under this section, an applicant determines that it is able to include
14 additional eligible children in the great start readiness program without additional funds
15 under section 32d, the applicant may include additional eligible children but shall not
16 receive additional funding under section 32d for those children.

17 Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated
18 for ~~2015-2016~~ **2016-2017** to districts, intermediate districts, and other eligible entities
19 all available federal funding, estimated at ~~\$779,076,400.00~~ **\$821,939,900.00** for the federal
20 programs under the no child left behind act of 2001, Public Law 107-110 **OR THE EVERY**
21 **STUDENT SUCCEEDS ACT OF 2015, PUBLIC LAW 114-95**. These funds are allocated as follows:

22 (a) An amount estimated at ~~\$5,000,000.00~~ **\$2,000,000.00** to provide students with drug-
23 and violence-prevention programs and to implement strategies to improve school safety,
24 funded from DED-OESE, drug-free schools and communities funds.

25 (b) An amount estimated at \$111,111,900.00 for the purpose of preparing, training,
26 and recruiting high-quality teachers and class size reduction, funded from DED-OESE,
27 improving teacher quality funds.

28 (c) An amount estimated at \$12,200,000.00 for programs to teach English to limited
29 English proficient (LEP) children, funded from DED-OESE, language acquisition state grant
30 funds.

31 (d) An amount estimated at ~~\$10,286,500.00~~ **\$250,000.00** for the Michigan charter school
32 subgrant program, funded from DED-OESE, charter school funds.

1 (e) An amount estimated at \$3,000,000.00 for rural and low income schools, funded
2 from DED-OESE, rural and low income school funds.

3 (f) An amount estimated at \$565,000,000.00 to provide supplemental programs to enable
4 educationally disadvantaged children to meet challenging academic standards, funded from
5 DED-OESE, title I, disadvantaged children funds.

6 (g) An amount estimated at \$8,878,000.00 for the purpose of identifying and serving
7 migrant children, funded from DED-OESE, title I, migrant education funds.

8 (h) An amount estimated at \$39,000,000.00 for the purpose of providing high-quality
9 extended learning opportunities, after school and during the summer, for children in low-
10 performing schools, funded from DED-OESE, twenty-first century community learning center
11 funds.

12 (i) An amount estimated at \$24,600,000.00 to help support local school improvement
13 efforts, funded from DED-OESE, title I, local school improvement grants.

14 **(J) AN AMOUNT ESTIMATED AT \$55,900,000.00 TO IMPROVE THE ACADEMIC ACHIEVEMENT OF**
15 **STUDENTS, FUNDED FROM DED-OESE, TITLE IV, STUDENT SUPPORT AND ACADEMIC ENRICHMENT GRANTS.**

16 (2) From the federal funds appropriated in section 11, there is allocated for ~~2015-~~
17 ~~2016~~ **2016-2017** to districts, intermediate districts, and other eligible entities all
18 available federal funding, estimated at \$30,800,000.00 for the following programs that are
19 funded by federal grants:

20 (a) An amount estimated at \$200,000.00 for acquired immunodeficiency syndrome
21 education grants, funded from HHS - Centers for Disease Control and Prevention, AIDS
22 funding.

23 (b) An amount estimated at \$2,600,000.00 to provide services to homeless children and
24 youth, funded from DED-OVAE, homeless children and youth funds.

25 (c) An amount estimated at \$4,000,000.00 to provide mental health, substance abuse,
26 or violence prevention services to students, funded from HHS-SAMHSA.

27 (d) An amount estimated at \$24,000,000.00 for providing career and technical
28 education services to pupils, funded from DED-OVAE, basic grants to states.

29 (3) All federal funds allocated under this section shall be distributed in accordance
30 with federal law and with flexibility provisions outlined in Public Law 107-116, and in the
31 education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section
32 17b, payments of federal funds to districts, intermediate districts, and other eligible

1 entities under this section shall be paid on a schedule determined by the department.

2 (4) For the purposes of applying for federal grants appropriated under this article,
3 the department shall allow an intermediate district to submit a consortium application on
4 behalf of 2 or more districts with the agreement of those districts as appropriate
5 according to federal rules and guidelines.

6 (5) As used in this section:

7 (a) "DED" means the United States Department of Education.

8 (b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

9 (c) "DED-OVAE" means the DED Office of Vocational and Adult Education.

10 (d) "HHS" means the United States Department of Health and Human Services.

11 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services
12 Administration.

13 Sec. 41. From the appropriation in section 11, there is allocated an amount not to
14 exceed \$1,200,000.00 for ~~2015-2016~~ **2016-2017** to applicant districts and intermediate
15 districts offering programs of instruction for pupils of limited English-speaking ability
16 under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a
17 per-pupil basis and shall be based on the number of pupils of limited English-speaking
18 ability in membership on the pupil membership count day. Funds allocated under this section
19 shall be used solely for instruction in speaking, reading, writing, or comprehension of
20 English. A pupil shall not be counted under this section or instructed in a program under
21 this section for more than 3 years.

22 Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not
23 to exceed ~~\$901,946,100.00 for 2014-2015 and an amount not to exceed \$918,546,100.00~~
24 **\$973,046,100.00** for **2016-2017** from state sources and all available federal funding under
25 sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC
26 1411 to 1419, estimated at \$370,000,000.00 ~~each fiscal year for 2014-2015 and for 2015-2016~~
27 **2016-2017**, plus any carryover federal funds from previous year appropriations. The
28 allocations under this subsection are for the purpose of reimbursing districts and
29 intermediate districts for special education programs, services, and special education
30 personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766;
31 net tuition payments made by intermediate districts to the Michigan schools for the deaf
32 and blind; and special education programs and services for pupils who are eligible for

1 special education programs and services according to statute or rule. For meeting the costs
2 of special education programs and services not reimbursed under this article, a district or
3 intermediate district may use money in general funds or special education funds, not
4 otherwise restricted, or contributions from districts to intermediate districts, tuition
5 payments, gifts and contributions from individuals or other entities, or federal funds that
6 may be available for this purpose, as determined by the intermediate district plan prepared
7 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. Notwithstanding
8 section 17b, payments of federal funds to districts, intermediate districts, and other
9 eligible entities under this section shall be paid on a schedule determined by the
10 department.

11 (2) From the funds allocated under subsection (1), there is allocated the amount
12 necessary, estimated at ~~\$248,100,000.00 for 2014-2015 and estimated at \$251,800,000.00~~
13 **\$271,600,000.00** for ~~2015-2016~~ **2016-2017**, for payments toward reimbursing districts and
14 intermediate districts for 28.6138% of total approved costs of special education, excluding
15 costs reimbursed under section 53a, and 70.4165% of total approved costs of special
16 education transportation. Allocations under this subsection shall be made as follows:

17 (a) The initial amount allocated to a district under this subsection toward
18 fulfilling the specified percentages shall be calculated by multiplying the district's
19 special education pupil membership, excluding pupils described in subsection (11), times
20 the foundation allowance under section 20 of the pupil's district of residence **PLUS THE**
21 **AMOUNT OF THE DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2)**, not to exceed the basic
22 foundation allowance under section 20 for the current fiscal year, or, for a special
23 education pupil in membership in a district that is a public school academy, times an
24 amount equal to the amount per membership pupil calculated under section 20(6) or, for a
25 pupil described in this subsection who is counted in membership in the education
26 achievement system, times an amount equal to the amount per membership pupil under section
27 20(7). For an intermediate district, the amount allocated under this subdivision toward
28 fulfilling the specified percentages shall be an amount per special education membership
29 pupil, excluding pupils described in subsection (11), and shall be calculated in the same
30 manner as for a district, using the foundation allowance under section 20 of the pupil's
31 district of residence, not to exceed the basic foundation allowance under section 20 for
32 the current fiscal year **AND THAT DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2)**.

1 (b) After the allocations under subdivision (a), districts and intermediate districts
2 for which the payments calculated under subdivision (a) do not fulfill the specified
3 percentages shall be paid the amount necessary to achieve the specified percentages for the
4 district or intermediate district.

5 (3) From the funds allocated under subsection (1), there is allocated for ~~2014-2015~~
6 ~~an amount not to exceed \$1,000,000.00 and there is allocated for 2015-2016~~ **2016-2017** an
7 amount not to exceed ~~\$1,300,000.00~~ **\$1,100,000.00** to make payments to districts and
8 intermediate districts under this subsection. If the amount allocated to a district or
9 intermediate district for a fiscal year under subsection (2) (b) is less than the sum of the
10 amounts allocated to the district or intermediate district for 1996-97 under sections 52
11 and 58, there is allocated to the district or intermediate district for the fiscal year an
12 amount equal to that difference, adjusted by applying the same proration factor that was
13 used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's
14 or intermediate district's necessary costs of special education used in calculations for
15 the fiscal year. This adjustment is to reflect reductions in special education program
16 operations or services between 1996-97 and subsequent fiscal years. Adjustments for
17 reductions in special education program operations or services shall be made in a manner
18 determined by the department and shall include adjustments for program or service shifts.

19 (4) If the department determines that the sum of the amounts allocated for a fiscal
20 year to a district or intermediate district under subsection (2) (a) and (b) is not
21 sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall
22 be paid to the district or intermediate district during the fiscal year beginning on the
23 October 1 following the determination and payments under subsection (3) shall be adjusted
24 as necessary. If the department determines that the sum of the amounts allocated for a
25 fiscal year to a district or intermediate district under subsection (2) (a) and (b) exceeds
26 the sum of the amount necessary to fulfill the specified percentages in subsection (2),
27 then the department shall deduct the amount of the excess from the district's or
28 intermediate district's payments under this article for the fiscal year beginning on the
29 October 1 following the determination and payments under subsection (3) shall be adjusted
30 as necessary. However, if the amount allocated under subsection (2) (a) in itself exceeds
31 the amount necessary to fulfill the specified percentages in subsection (2), there shall be
32 no deduction under this subsection.

1 (5) State funds shall be allocated on a total approved cost basis. Federal funds
2 shall be allocated under applicable federal requirements, except that an amount not to
3 exceed \$3,500,000.00 may be allocated by the department ~~each fiscal year for 2014-2015 and~~
4 ~~for 2015-2016~~ **2016-2017** to districts, intermediate districts, or other eligible entities on
5 a competitive grant basis for programs, equipment, and services that the department
6 determines to be designed to benefit or improve special education on a statewide scale.

7 (6) From the amount allocated in subsection (1), there is allocated an amount not to
8 exceed \$2,200,000.00 ~~each fiscal year for 2014-2015 and for 2015-2016~~ **2016-2017** to
9 reimburse 100% of the net increase in necessary costs incurred by a district or
10 intermediate district in implementing the revisions in the administrative rules for special
11 education that became effective on July 1, 1987. As used in this subsection, "net increase
12 in necessary costs" means the necessary additional costs incurred solely because of new or
13 revised requirements in the administrative rules minus cost savings permitted in
14 implementing the revised rules. Net increase in necessary costs shall be determined in a
15 manner specified by the department.

16 (7) For purposes of sections 51a to 58, all of the following apply:

17 (a) "Total approved costs of special education" shall be determined in a manner
18 specified by the department and may include indirect costs, but shall not exceed 115% of
19 approved direct costs for section 52 and section 53a programs. The total approved costs
20 include salary and other compensation for all approved special education personnel for the
21 program, including payments for social security and Medicare and public school employee
22 retirement system contributions. The total approved costs do not include salaries or other
23 compensation paid to administrative personnel who are not special education personnel as
24 defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal
25 funds, other than those federal funds included in the allocation made under this article,
26 are not included. Special education approved personnel not utilized full time in the
27 evaluation of students or in the delivery of special education programs, ancillary, and
28 other related services shall be reimbursed under this section only for that portion of time
29 actually spent providing these programs and services, with the exception of special
30 education programs and services provided to youth placed in child caring institutions or
31 juvenile detention programs approved by the department to provide an on-grounds education
32 program.

1 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate district
2 that employed special education support services staff to provide special education support
3 services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-
4 2004 receives the same type of support services from another district or intermediate
5 district shall report the cost of those support services for special education
6 reimbursement purposes under this article. This subdivision does not prohibit the transfer
7 of special education classroom teachers and special education classroom aides if the pupils
8 counted in membership associated with those special education classroom teachers and
9 special education classroom aides are transferred and counted in membership in the other
10 district or intermediate district in conjunction with the transfer of those teachers and
11 aides.

12 (c) If the department determines before bookclosing for a fiscal year that the
13 amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and
14 sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections
15 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate
16 district whose reimbursement for that fiscal year would otherwise be affected by
17 subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for
18 that district or intermediate district and reimbursement for that district or intermediate
19 district shall be calculated in the same manner as it was for 2003-2004. If the amount of
20 the excess allocations under subsections (2), (3), (6), and (11) and sections 53a, 54, and
21 56 is not sufficient to fully fund the calculation of reimbursement to those districts and
22 intermediate districts under this subdivision, then the calculations and resulting
23 reimbursement under this subdivision shall be prorated on an equal percentage basis.
24 Beginning in 2015-2016, the amount of reimbursement under this subdivision for a fiscal
25 year shall not exceed \$2,000,000.00 for any district or intermediate district.

26 (d) Reimbursement for ancillary and other related services, as defined by R 340.1701c
27 of the Michigan administrative code, shall not be provided when those services are covered
28 by and available through private group health insurance carriers or federal reimbursed
29 program sources unless the department and district or intermediate district agree otherwise
30 and that agreement is approved by the state budget director. Expenses, other than the
31 incidental expense of filing, shall not be borne by the parent. In addition, the filing of
32 claims shall not delay the education of a pupil. A district or intermediate district shall

1 be responsible for payment of a deductible amount and for an advance payment required until
2 the time a claim is paid.

3 (e) Beginning with calculations for 2004-2005, if an intermediate district purchases
4 a special education pupil transportation service from a constituent district that was
5 previously purchased from a private entity; if the purchase from the constituent district
6 is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the
7 intermediate district to the constituent does not result in any net change in the revenue
8 the constituent district receives from payments under sections 22b and 51c, then upon
9 application by the intermediate district, the department shall direct the intermediate
10 district to continue to report the cost associated with the specific identified special
11 education pupil transportation service and shall adjust the costs reported by the
12 constituent district to remove the cost associated with that specific service.

13 (8) A pupil who is enrolled in a full-time special education program conducted or
14 administered by an intermediate district or a pupil who is enrolled in the Michigan schools
15 for the deaf and blind shall not be included in the membership count of a district, but
16 shall be counted in membership in the intermediate district of residence.

17 (9) Special education personnel transferred from 1 district to another to implement
18 the revised school code shall be entitled to the rights, benefits, and tenure to which the
19 person would otherwise be entitled had that person been employed by the receiving district
20 originally.

21 (10) If a district or intermediate district uses money received under this section
22 for a purpose other than the purpose or purposes for which the money is allocated, the
23 department may require the district or intermediate district to refund the amount of money
24 received. Money that is refunded shall be deposited in the state treasury to the credit of
25 the state school aid fund.

26 (11) From the funds allocated in subsection (1), there is allocated the amount
27 necessary, estimated at ~~\$3,400,000.00 for 2014-2015 and estimated at \$3,300,000.00~~
28 **\$3,700,000.00 for 2015-2016 2016-2017**, to pay the foundation allowances for pupils
29 described in this subsection. The allocation to a district under this subsection shall be
30 calculated by multiplying the number of pupils described in this subsection who are counted
31 in membership in the district times the **SUM OF THE** foundation allowance under section 20 of
32 the pupil's district of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER PUPIL ALLOCATION**

1 **UNDER SECTION 20J(2)**, not to exceed the basic foundation allowance under section 20 for the
2 current fiscal year, or, for a pupil described in this subsection who is counted in
3 membership in a district that is a public school academy, times an amount equal to the
4 amount per membership pupil under section 20(6) or, for a pupil described in this
5 subsection who is counted in membership in the education achievement system, times an
6 amount equal to the amount per membership pupil under section 20(7). The allocation to an
7 intermediate district under this subsection shall be calculated in the same manner as for a
8 district, using the foundation allowance under section 20 of the pupil's district of
9 residence, not to exceed the basic foundation allowance under section 20 for the current
10 fiscal year, **AND THAT DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2)**. This subsection
11 applies to all of the following pupils:

12 (a) Pupils described in section 53a.

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

16 (c) Pupils with an emotional impairment counted in membership by an intermediate
17 district and provided educational services by the department of health and human services.

18 (12) If it is determined that funds allocated under subsection (2) or (11) or under
19 section 51c will not be expended, funds up to the amount necessary and available may be
20 used to supplement the allocations under subsection (2) or (11) or under section 51c in
21 order to fully fund those allocations. After payments under subsections (2) and (11) and
22 section 51c, the remaining expenditures from the allocation in subsection (1) shall be made
23 in the following order:

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

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

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

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

28 (e) 100% of the payments under section 56.

29 (13) The allocations under subsections (2), (3), and (11) shall be allocations to
30 intermediate districts only and shall not be allocations to districts, but instead shall be
31 calculations used only to determine the state payments under section 22b.

32 (14) If a public school academy enrolls pursuant to this section a pupil who resides

1 outside of the intermediate district in which the public school academy is located and who
2 is eligible for special education programs and services according to statute or rule, or
3 who is a child with disabilities, as defined under the individuals with disabilities
4 education act, Public Law 108-446, the provision of special education programs and services
5 and the payment of the added costs of special education programs and services for the pupil
6 are the responsibility of the district and intermediate district in which the pupil resides
7 unless the enrolling district or intermediate district has a written agreement with the
8 district or intermediate district in which the pupil resides or the public school academy
9 for the purpose of providing the pupil with a free appropriate public education and the
10 written agreement includes at least an agreement on the responsibility for the payment of
11 the added costs of special education programs and services for the pupil.

12 ~~(15) It is the intent of the legislature that, beginning in 2016-2017, a district,~~
13 ~~public school academy, or intermediate district that fails to comply with subsection (14)~~
14 ~~or with the requirements of federal regulations regarding the treatment of public school~~
15 ~~academies and public school academy pupils for the purposes of special education, 34 CFR~~
16 ~~300.209, forfeits from its total state aid an amount equal to 10% of its total state aid.~~

17 Sec. 51c. As required by the court in the consolidated cases known as Durant v State
18 of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under
19 section 51a(1), there is allocated ~~each fiscal year for 2014-2015 and for 2015-2016~~ the
20 amount necessary, estimated at ~~\$597,300,000.00~~ **\$644,500,000.00** for ~~2014-2015 and estimated~~
21 ~~at \$610,000,000.00 for 2015-2016,~~ **2016-2017** for payments to reimburse districts for
22 28.6138% of total approved costs of special education excluding costs reimbursed under
23 section 53a, and 70.4165% of total approved costs of special education transportation.
24 Funds allocated under this section that are not expended in the state fiscal year for which
25 they were allocated, as determined by the department, may be used to supplement the
26 allocations under sections 22a and 22b in order to fully fund those calculated allocations
27 for the same fiscal year.

28 Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated
29 for ~~2015-2016~~ **2016-2017**, all available federal funding, estimated at \$71,000,000.00, for
30 special education programs and services that are funded by federal grants. All federal
31 funds allocated under this section shall be distributed in accordance with federal law.
32 Notwithstanding section 17b, payments of federal funds to districts, intermediate

1 districts, and other eligible entities under this section shall be paid on a schedule
2 determined by the department.

3 (2) From the federal funds allocated under subsection (1), the following amounts are
4 allocated for ~~2015-2016~~ **2016-2017**:

5 (a) An amount estimated at \$14,000,000.00 for handicapped infants and toddlers,
6 funded from DED-OSERS, handicapped infants and toddlers funds.

7 (b) An amount estimated at \$12,000,000.00 for preschool grants (Public Law 94-142),
8 funded from DED-OSERS, handicapped preschool incentive funds.

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

11 (3) As used in this section, "DED-OSERS" means the United States Department of
12 Education Office of Special Education and Rehabilitative Services.

13 Sec.53a. (1) For districts, reimbursement for pupils described in subsection (2)
14 shall be 100% of the total approved costs of operating special education programs and
15 services approved by the department and included in the intermediate district plan adopted
16 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the
17 district's foundation allowance calculated under section 20 **AND MINUS THE AMOUNT CALCULATED**
18 **FOR THE DISTRICT UNDER SECTION 20J**. For intermediate districts, reimbursement for pupils
19 described in subsection (2) shall be calculated in the same manner as for a district, using
20 the foundation allowance under section 20 of the pupil's district of residence, not to
21 exceed the basic foundation allowance under section 20 for the current fiscal year, **AND**
22 **UNDER SECTION 20J**.

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

24 (a) Pupils assigned to a district or intermediate district through the community
25 placement program of the courts or a state agency, if the pupil was a resident of another
26 intermediate district at the time the pupil came under the jurisdiction of the court or a
27 state agency.

28 (b) Pupils who are residents of institutions operated by the department of health and
29 human services.

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

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

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

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

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

14 (5) Not more than \$10,500,000.00 of the allocation for ~~2015-2016~~ **2016-2017** in section
15 51a(1) shall be allocated under this section.

16 Sec. 54. Each intermediate district shall receive an amount per-pupil for each pupil
17 in attendance at the Michigan schools for the deaf and blind. The amount shall be
18 proportionate to the total instructional cost at each school. Not more than \$1,688,000.00
19 of the allocation for ~~2015-2016~~ **2016-2017** in section 51a(1) shall be allocated under this
20 section.

21 **SEC. 54B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED**
22 **\$1,370,000.00 FOR 2016-2017 TO BEGIN IMPLEMENTATION OF THE RECOMMENDATIONS OF THE SPECIAL**
23 **EDUCATION REFORM TASK FORCE PUBLISHED IN JANUARY 2016.**

24 **(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED \$750,000.00 FOR THE**
25 **PURPOSE OF PILOTING STATEWIDE IMPLEMENTATION OF THE MICHIGAN INTEGRATED BEHAVIOR AND**
26 **LEARNING SUPPORT INITIATIVE (MIBLSI), A NATIONALLY-RECOGNIZED PROGRAM THAT INCLUDES**
27 **POSITIVE BEHAVIORAL INTERVENTION AND SUPPORTS AND PROVIDES A STATEWIDE STRUCTURE TO SUPPORT**
28 **LOCAL INITIATIVES FOR AN INTEGRATED BEHAVIOR AND READING PROGRAM. WITH THE ASSISTANCE OF**
29 **THE INTERMEDIATE DISTRICTS INVOLVED IN MIBLSI, THE DEPARTMENT SHALL IDENTIFY AT LEAST 3**
30 **INTERMEDIATE DISTRICTS TO PARTICIPATE IN THE PILOT TO ENSURE THAT MIBLSI CAN BE IMPLEMENTED**
31 **STATEWIDE WITH FIDELITY AND SUSTAINABILITY. IN ADDITION, THE DEPARTMENT SHALL IDENTIFY AN**
32 **INTERMEDIATE DISTRICT TO ACT AS A FISCAL AGENT FOR THESE FUNDS.**

1 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED \$620,000.00 FOR THE
2 PURPOSE OF PROVIDING TRAINING TO INTERMEDIATE DISTRICTS AND DISTRICTS RELATED TO THE SAFE
3 IMPLEMENTATION OF EMERGENCY RESTRAINTS AND SECLUSION. THE DEPARTMENT SHALL DEVELOP AND
4 IMPLEMENT A TRAINING PROGRAM THAT IS BASED ON THE STATE BOARD OF EDUCATION'S ADOPTED
5 STANDARDS AND ANY OTHER LEGISLATION ENACTED BY THE LEGISLATURE REGARDING THE EMERGENCY USE
6 OF SECLUSION AND RESTRAINT.

7 Sec. 55. (1) From the money appropriated in section 11, there is allocated an amount
8 not to exceed \$150,000.00 for ~~2015-2016~~ 2016-2017 to Michigan State University, Department
9 of Epidemiology, for a study of the Conductive Learning Center located at Aquinas College.
10 This funding shall be used to develop and implement an evaluation of the effectiveness of
11 conductive education for children with cerebral palsy. The evaluation shall be
12 multidimensional and shall include a control group of children with cerebral palsy not
13 enrolled in conductive education. It should include an assessment of the motor system
14 itself as well as the impact of conductive education on each of the following:

- 15 (a) The acquisition of skills permitting complex motor functions.
- 16 (b) The performance of tasks essential to daily living.
- 17 (c) The attitudes and feelings of both children and parents.
- 18 (d) The long-term need for special education for children with cerebral palsy.

19 (2) ~~It is the intent of the legislature that this~~ **THIS** funding is for the ~~first~~
20 **SECOND** of 2 years of funding for this purpose.

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

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

25 (b) "Millage levied" means the millage levied for special education pursuant to part
26 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service
27 obligations.

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

1 (2) From the allocation under section 51a(1), there is allocated an amount not to
2 exceed \$37,758,100.00 for ~~2015-2016~~ **2016-2017** to reimburse intermediate districts levying
3 millages for special education pursuant to part 30 of the revised school code, MCL 380.1711
4 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if
5 the funds were generated by these millages and governed by the intermediate district plan
6 adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a
7 condition of receiving funds under this section, an intermediate district distributing any
8 portion of special education millage funds to its constituent districts shall submit for
9 departmental approval and implement a distribution plan.

10 (3) Reimbursement for those millages levied in ~~2014-2015~~ **2015-2016** shall be made in
11 ~~2015-2016~~ **2016-2017** at an amount per ~~2014-2015~~ **2015-2016** membership pupil computed by
12 subtracting from ~~\$174,400.00~~ **\$179,100.00** the ~~2014-2015~~ **2015-2016** taxable value behind each
13 membership pupil and multiplying the resulting difference by the ~~2014-2015~~ **2015-2016**
14 millage levied.

15 (4) The amount paid to a single intermediate district under this section shall not
16 exceed 62.9% of the total amount allocated under subsection (2).

17 (5) The amount paid to a single intermediate district under this section shall not be
18 less than 75% of the amount allocated to the intermediate district under this section for
19 the immediately preceding fiscal year.

20 Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not
21 to exceed \$36,611,300.00 for ~~2015-2016~~ **2016-2017** to reimburse on an added cost basis
22 districts, except for a district that served as the fiscal agent for a vocational education
23 consortium in the 1993-94 school year, and secondary area vocational-technical education
24 centers for secondary-level career and technical education programs according to rules
25 approved by the superintendent. Applications for participation in the programs shall be
26 submitted in the form prescribed by the department. The department shall determine the
27 added cost for each career and technical education program area. The allocation of added
28 cost funds shall be prioritized based on the capital and program expenditures needed to
29 operate the career and technical education programs provided; the number of pupils
30 enrolled; the advancement of pupils through the instructional program; the existence of an
31 articulation agreement with at least 1 postsecondary institution that provides pupils with
32 opportunities to earn postsecondary credit during the pupil's participation in the career

1 and technical education program and transfers those credits to the postsecondary
2 institution upon completion of the career and technical education program; the program rank
3 in student placement, job openings, and wages, ~~and the length of the training period~~
4 ~~provided~~, and shall not exceed 75% of the added cost of any program. Notwithstanding any
5 rule or department determination to the contrary, when determining a district's allocation
6 or the formula for making allocations under this section, the department shall include the
7 participation of pupils in grade 9 in all of those determinations and in all portions of
8 the formula. With the approval of the department, the board of a district maintaining a
9 secondary career and technical education program may offer the program for the period from
10 the close of the school year until September 1. The program shall use existing facilities
11 and shall be operated as prescribed by rules promulgated by the superintendent.

12 (2) Except for a district that served as the fiscal agent for a vocational education
13 consortium in the 1993-94 school year, districts and intermediate districts shall be
14 reimbursed for local career and technical education administration, shared time career and
15 technical education administration, and career education planning district career and
16 technical education administration. The definition of what constitutes administration and
17 reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than
18 \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

19 (3) A career and technical education program funded under this section may provide an
20 opportunity for participants who are eligible to be funded under section 107 to enroll in
21 the career and technical education program funded under this section if the participation
22 does not occur during regular school hours.

23 Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not
24 to exceed ~~\$10,000,000.00~~ **\$15,000,000.00** for ~~2015-2016~~ **2016-2017** for CTE early/middle
25 college programs authorized under this section. The purpose of these programs is to
26 increase the number of Michigan residents with high-quality degrees or credentials, and to
27 increase the number of students who are college and career ready upon high school
28 graduation.

29 (2) From the funds allocated under subsection (1), an amount as determined under this
30 subsection shall be allocated to each intermediate district serving as a fiscal agent for
31 state-approved CTE early/middle college programs in each of the prosperity regions and
32 subregions identified by the department. An intermediate district shall not use more than

1 5% of the funds allocated under this subsection for administrative costs for serving as the
2 fiscal agent.

3 (3) To be an eligible fiscal agent, an intermediate district must agree to do all of
4 the following in a form and manner determined by the department:

5 (a) Distribute funds to eligible CTE early/middle college programs in a prosperity
6 region or subregion as described in this section.

7 (b) Collaborate with the talent district career council that is located in the
8 prosperity region or subregion to develop a regional strategic plan under subsection (4)
9 that aligns CTE programs and services into an efficient and effective delivery system for
10 high school students.

11 (c) Implement a regional process to rank career clusters in the prosperity region or
12 subregion as described under subsection (4). Regional processes shall be approved by the
13 department before the ranking of career clusters.

14 (d) Report CTE early/middle college program and student data and information as
15 prescribed by the department.

16 (4) A regional strategic plan must be approved by the talent district career council
17 before submission to the department. A regional strategic plan shall include, but not be
18 limited to, the following:

19 (a) An identification of regional employer need based on a ranking of all career
20 clusters in the prosperity region or subregion ranked by 10-year job openings projections
21 and median wage for each standard occupational code in each career cluster as obtained from
22 the United States Bureau of Labor Statistics. Standard occupational codes within high-
23 ranking clusters also may be further ranked by median wage. The rankings shall be reviewed
24 by the talent district career council located in the prosperity region or subregion and
25 modified if necessary to accurately reflect employer demand for talent in the prosperity
26 region or subregion. **THE REVIEW SHALL BE DOCUMENTED AND DEEMED ACCURATE BY THE TALENT**
27 **DISTRICT CAREER COUNCILS.** These career cluster rankings shall be determined and updated
28 once every 3 years.

29 (b) An identification of educational entities in the prosperity region or subregion
30 that will provide eligible CTE early/middle college programs including districts,
31 intermediate districts, postsecondary institutions, and noncredit occupational training
32 programs leading to an industry-recognized credential.

1 (c) A strategy to inform parents and students of CTE early/middle college programs in
2 the prosperity region or subregion.

3 (d) Any other requirements as defined by the department.

4 (5) An eligible CTE early/middle college program is a 5-year high school program that
5 meets all of the following:

6 (a) Has been identified in the highest 5 career cluster rankings in any of the 10
7 regional strategic plans jointly approved by the Michigan talent investment agency in the
8 department of talent and economic development and the department.

9 (b) Has a coherent sequence of courses that will allow a student to earn a high
10 school diploma and achieve at least 1 of the following in a specific career cluster:

11 (i) An associate degree.

12 (ii) An industry-recognized technical certification approved by the Michigan talent
13 investment agency in the department of talent and economic development.

14 (iii) Up to 60 transferable college credits.

15 (iv) Participation in a registered apprenticeship.

16 (c) Is aligned with the Michigan merit curriculum.

17 (d) Has an articulation agreement with at least 1 postsecondary institution that
18 provides students with opportunities to receive postsecondary credits during the student's
19 participation in the CTE early/middle college program and transfers those credits to the
20 postsecondary institution upon completion of the CTE early/middle college program.

21 (e) Provides instruction that is supervised, directed, or coordinated by an
22 appropriately certificated CTE teacher or, for concurrent enrollment courses, a
23 postsecondary faculty member.

24 (f) Provides for highly integrated student support services that include at least the
25 following:

26 (i) Teachers as academic advisors.

27 (ii) Supervised course selection.

28 (iii) Monitoring of student progress and completion.

29 (iv) Career planning services provided by a local one-stop service center as
30 described in the Michigan works one-stop service center system act, 2006 PA 491, MCL
31 408.111 to 408.135, or by a high school counselor or advisor.

32 (g) Has courses that are taught on a college campus, are college courses offered at

1 the high school and taught by college faculty, or are courses taught in combination with
2 online instruction.

3 (6) Funds to eligible CTE early/middle college programs shall be distributed as
4 follows:

5 (a) The department shall calculate statewide average CTE costs per ~~full-time equated~~
6 pupil for each career cluster by dividing total prior year statewide costs for each career
7 cluster by prior year ~~full-time equated~~ pupils for each career cluster.

8 (b) Distribution to each eligible CTE early/middle college program shall be the
9 product of 50% of CTE costs per ~~full-time equated~~ pupil times the current year ~~full-time~~
10 ~~equated~~ pupil enrollment of each career cluster in an eligible CTE early/middle college
11 program.

12 (7) In order to receive funds under this section, a CTE early/middle college program
13 shall furnish to the intermediate district that is the fiscal agent identified in
14 subsection (1), in a form and manner determined by the department, all information needed
15 to administer this program and meet federal reporting requirements; shall allow the
16 department or the department's designee to review all records related to the program for
17 which it receives funds; and shall reimburse the state for all disallowances found in the
18 review, as determined by the department.

19 (8) Funds distributed under this section may be used to fund program expenditures
20 that would otherwise be paid from foundation allowances. **PROGRAMS RECEIVING FUNDING UNDER**
21 **SECTION 61A MAY RECEIVE FUNDING UNDER THIS SECTION FOR ALLOWABLE COSTS THAT EXCEED THE**
22 **REIMBURSEMENT THE PROGRAM RECEIVED UNDER SECTION 61A. THE COMBINED PAYMENTS RECEIVED BY A**
23 **PROGRAM UNDER SECTION 61A AND THIS SECTION SHALL NOT EXCEED THE TOTAL ALLOWABLE COSTS OF**
24 **THE PROGRAM.** A program provider shall not use more than 5% of the funds allocated under
25 this section to the program for administrative costs.

26 (9) If the allocation under subsection (1) is insufficient to fully fund payments as
27 otherwise calculated under this section, the department shall prorate payments under this
28 section on an equal percentage basis.

29 (10) If pupils enrolled in a career cluster in an eligible CTE early/middle college
30 program qualify to be reimbursed under this section, those pupils continue to qualify for
31 reimbursement until graduation, even if the career cluster is no longer identified as being
32 in the highest 5 career cluster rankings.

1 (11) As used in this section:

2 (a) "Allowable costs" means those costs directly attributable to the program as
3 jointly determined by the Michigan talent investment agency and the department.

4 (b) "CTE" means career and technical education.

5 (c) "Talent district career council" means an advisory council to the local workforce
6 development boards located in a prosperity region consisting of educational, employer,
7 labor, and parent representatives.

8 **SEC. 61C. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2016-2017**
9 **AN AMOUNT NOT TO EXCEED \$10,000,000.00 TO ELIGIBLE DISTRICTS AND INTERMEDIATE DISTRICTS FOR**
10 **THE CTE SKILLED TRADES EQUIPMENT INITIATIVE.**

11 **(2) THE DEPARTMENT SHALL DEVELOP CRITERIA FOR A COMPETITIVE GRANT PROGRAM TO IMPROVE**
12 **THE CAPITAL INFRASTRUCTURE NEEDED TO ENSURE THAT CAREER AND TECHNICAL PROGRAMS CAN DELIVER**
13 **EDUCATIONAL PROGRAMS IN HIGH-WAGE, HIGH-SKILL AND HIGH-DEMAND OCCUPATIONS BASED ON**
14 **STANDARDS AND CRITERIA DEVELOPED BY MISTEM ADVISORY COUNCIL CREATED IN SECTION 99S.**

15 **(3) AT A MINIMUM, THE DEPARTMENT SHALL CONSIDER THE FINDINGS OF THE STUDY CONDUCTED**
16 **UNDER FORMER SECTION 64C REGARDING CURRENT CAPITAL INFRASTRUCTURE AND REGIONAL STRATEGIC**
17 **PLANS APPROVED BY THE TALENT DISTRICT CAREER COUNCILS LOCATED IN A PROSPERITY REGIONS AS**
18 **DESCRIBED UNDER SECTION 61B.**

19 **(4) APPLICATIONS SHALL BE SUBMITTED IN A FORM AND MANNER APPROVED BY THE DEPARTMENT.**
20 **THE DEPARTMENT, IN COLLABORATION WITH THE MISTEM ADVISORY COUNCIL, SHALL MAKE THE AWARDS.**
21 **NO GRANT AWARD SHALL EXCEED \$500,000.00.**

22 **(5) ELIGIBLE COSTS INCLUDE THE COSTS OF EQUIPMENT, RENOVATIONS RELATED TO**
23 **INSTALLATION OF THE EQUIPMENT, INSTALLATION COSTS OF THE EQUIPMENT AND TRAINING FOR**
24 **INSTRUCTORS THAT WILL BE PROVIDING INSTRUCTION USING THE EQUIPMENT.**

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

26 (a) "Membership" means for a particular fiscal year the total membership for the
27 immediately preceding fiscal year of the intermediate district and the districts
28 constituent to the intermediate district or the total membership for the immediately
29 preceding fiscal year of the area vocational-technical program.

30 (b) "Millage levied" means the millage levied for area vocational-technical education
31 pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690,
32 including a levy for debt service obligations incurred as the result of borrowing for

1 capital outlay projects and in meeting capital projects fund requirements of area
2 vocational-technical education.

3 (c) "Taxable value" means the total taxable value of the districts constituent to an
4 intermediate district or area vocational-technical education program, except that if a
5 district has elected not to come under sections 681 to 690 of the revised school code, MCL
6 380.681 to 380.690, the membership and taxable value of that district shall not be included
7 in the membership and taxable value of the intermediate district. However, the membership
8 and taxable value of a district that has elected not to come under sections 681 to 690 of
9 the revised school code, MCL 380.681 to 380.690, shall be included in the membership and
10 taxable value of the intermediate district if the district meets both of the following:

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

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

17 (2) From the appropriation in section 11, there is allocated an amount not to exceed
18 \$9,190,000.00 for ~~2015-2016~~ **2016-2017** to reimburse intermediate districts and area
19 vocational-technical education programs established under section 690(3) of the revised
20 school code, MCL 380.690, levying millages for area vocational-technical education pursuant
21 to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose,
22 use, and expenditure of the reimbursement shall be limited as if the funds were generated
23 by those millages.

24 (3) Reimbursement for the millages levied in ~~2014-2015~~ **2015-2016** shall be made in
25 ~~2015-2016~~ **2016-2017** at an amount per ~~2014-2015~~ **2015-2016** membership pupil computed by
26 subtracting from ~~\$189,400.00~~ **\$196,100.00** the ~~2014-2015~~ **2015-2016** taxable value behind each
27 membership pupil and multiplying the resulting difference by the ~~2014-2015~~ **2015-2016**
28 millage levied.

29 (4) The amount paid to a single intermediate district under this section shall not
30 exceed 38.4% of the total amount allocated under subsection (2).

31 (5) The amount paid to a single intermediate district under this section shall not be
32 less than 75% of the amount allocated to the intermediate district under this section for

1 the immediately preceding fiscal year.

2 Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount not
3 to exceed \$1,750,000.00 for ~~2015-2016~~ **2016-2017** for supplemental payments to districts that
4 support the attendance of district pupils in grades 9 to 12 under the postsecondary
5 enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and
6 technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent with section
7 21b, or that support the attendance of district pupils in a concurrent enrollment program
8 if the district meets the requirements under subsection (3). Programs funded under this
9 section are intended to increase the number of pupils who are college- and career-ready
10 upon high school graduation.

11 (2) To be eligible for payments under this section for supporting the attendance of
12 district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
13 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to
14 388.1913, a district shall do all of the following:

15 (a) Provide information to all high school pupils on postsecondary enrollment
16 options, including enrollment eligibility, the institutions and types of courses that are
17 eligible for participation, the decision-making process for granting academic credit, and
18 an explanation of eligible charges that will be paid by the district.

19 (b) Enter into a written agreement with a postsecondary institution before the
20 enrollment of district pupils.

21 (c) Agree to pay all eligible charges pursuant to section 21b.

22 (d) Award high school credit for the postsecondary course if the pupil successfully
23 completes the course.

24 (3) To be eligible for payments under this section for pupils enrolled in a
25 concurrent enrollment program, a district shall do all of the following:

26 (a) Provide information to all high school pupils on postsecondary enrollment
27 options, including enrollment eligibility, the institutions and types of courses that are
28 eligible for participation, the decision-making process for granting academic credit, and
29 an explanation of eligible charges that will be paid by the district.

30 (b) Enter into a written agreement with a postsecondary institution establishing the
31 concurrent enrollment program before the enrollment of district pupils in a postsecondary
32 course through the postsecondary institution.

1 (c) Ensure that the course is taught by either a high school teacher or postsecondary
2 faculty pursuant to standards established by the postsecondary institution with which the
3 district has entered into a written agreement to operate the concurrent enrollment program.

4 (d) Ensure that the written agreement provides that the postsecondary institution
5 agrees not to charge the pupil for any cost of the program.

6 (e) Ensure that the course is taught in the local district or intermediate district.

7 (f) Ensure that the pupil is awarded both high school and college credit at ~~any~~ **A**
8 community college or state public university in this state upon successful completion of
9 the course as outlined in the agreement with the postsecondary institution.

10 (4) Funds shall be awarded to eligible districts under this section in the following
11 manner:

12 (a) A payment of \$10.00 per credit, for up to 3 credits, for a credit-bearing course
13 in which a pupil enrolls during the ~~2015-2016~~ **2016-2017** school year as described under
14 either subsection (2) or (3).

15 (b) An additional payment of \$30.00 per-pupil per course identified in subdivision
16 (a), if the pupil successfully completes, and is awarded both high school and postsecondary
17 credit for, the course during the ~~2015-2016~~ **2016-2017** school year.

18 (5) A district requesting payment under this section shall submit an application to
19 the department in the form and manner prescribed by the department. Notwithstanding section
20 17b, payments under this section shall be made on a schedule determined by the department.

21 Sec. 65. (1) From the general fund money appropriated under section 11, there is
22 allocated an amount not to exceed \$340,000.00 for ~~2015-2016~~ **2016-2017** for a pre-college
23 engineering K-12 educational program that is focused on the development of a diverse future
24 Michigan workforce, that serves multiple communities within southeast Michigan, that
25 enrolls pupils from multiple districts, and that received funds appropriated for this
26 purpose in the appropriations act that provided the Michigan strategic fund budget for
27 2014-2015.

28 (2) To be eligible for funding under this section, a program must have the ability to
29 expose pupils to, and motivate and prepare pupils for, science, technology, engineering,
30 and mathematics careers and postsecondary education with special attention given to groups
31 of pupils who are at-risk and underrepresented in technical professions and careers.

32 Sec. 67. (1) From the general fund amount appropriated in section 11, there is

1 allocated an amount not to exceed ~~\$3,600,000.00~~ **\$3,050,000.00** for ~~2015-2016~~ **2016-2017** for
2 college and career preparation activities. The programs funded under this section are
3 intended to inform students of college and career options and to provide a wide array of
4 tools and resources intended to increase the number of pupils who are adequately prepared
5 with the information needed to make informed decisions on college and career. The funds
6 appropriated under this section are intended to be used to increase the number of Michigan
7 residents with high-quality degrees or credentials. Funds appropriated under this section
8 shall not be used to supplant funding for counselors already funded by districts.

9 (2) From the amount allocated in subsection (1), an amount not to exceed
10 \$3,000,000.00 shall be used for the college access program. The talent investment agency of
11 the department of talent and economic development shall administer these funds in
12 collaboration with the Michigan college access network. These funds may be used for any of
13 the following purposes:

14 (a) Michigan college access network operations, programming, and services to local
15 college access networks.

16 (b) Local college access networks, which are community-based college access/success
17 partnerships committed to increasing the college participation and completion rates within
18 geographically defined communities through a coordinated strategy.

19 (c) The Michigan college advising program, a program intended to place trained,
20 recently graduated college advisors in high schools that serve significant numbers of low-
21 income and first-generation college-going pupils. State funds used for this purpose may not
22 exceed 33% of the total funds available under this subsection.

23 (d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools that
24 establish a college access team and implement specific strategies to create a college-going
25 culture in a high school in a form and manner approved by the Michigan college access
26 network and the Michigan talent investment agency.

27 (e) The Michigan college access portal, an online one-stop portal to help pupils and
28 families plan and apply for college.

29 (f) Public awareness and outreach campaigns to encourage low-income and first-
30 generation college-going pupils to take necessary steps toward college and to assist pupils
31 and families in completing a timely and accurate free application for federal student aid.

32 (g) Subgrants to postsecondary institutions to recruit, hire, and train college

1 student mentors and college advisors to assist high school pupils in navigating the
2 postsecondary planning and enrollment process.

3 (3) From the amount allocated in subsection (1), an amount not to exceed ~~\$600,000.00~~
4 **\$50,000.00** shall be used for ~~the purposes of this subsection. The talent investment agency~~
5 ~~of the department of talent and economic development shall administer these funds in~~
6 ~~collaboration with the Michigan college access network and the Michigan Virtual University~~
7 ~~to provide all of the following:~~

8 ~~(a) A pilot~~ **AN** outreach program to provide information to pupils, parents, and
9 educators on dual enrollment and other opportunities available to high school pupils to
10 earn postsecondary credits, industry-recognized technical certifications, and participation
11 in registered apprenticeships at no cost.

12 ~~(b) An online career planning tool that meets all of the following:~~

13 ~~(i) Helps pupils create educational development plans before starting high school.~~

14 ~~(ii) Provides information to pupils allowing them to make more informed choices about~~
15 ~~career and education options.~~

16 ~~(iii) Is available to pupils at no cost.~~

17 (4) For the purposes of this section, "college" means any postsecondary educational
18 opportunity that leads to a career, including, but not limited to, a postsecondary degree,
19 industry-recognized technical certification, or registered apprenticeship.

20 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount
21 not to exceed ~~\$3,315,700.00~~ **\$3,320,600.00** for ~~2015-2016~~ **2016-2017** for the purposes of this
22 section.

23 (2) From the allocation in subsection (1), there is allocated for each fiscal year
24 the amount necessary for payments to state supported colleges or universities and
25 intermediate districts providing school bus driver safety instruction pursuant to section
26 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an
27 amount determined by the department not to exceed the actual cost of instruction and driver
28 compensation for each public or nonpublic school bus driver attending a course of
29 instruction. For the purpose of computing compensation, the hourly rate allowed each school
30 bus driver shall not exceed the hourly rate received for driving a school bus.

31 Reimbursement compensating the driver during the course of instruction shall be made by the
32 department to the college or university or intermediate district providing the course of

1 instruction.

2 (3) From the allocation in subsection (1), there is allocated for ~~2015-2016~~ **2016-2017**
3 the amount necessary to pay the reasonable costs of nonspecial education auxiliary services
4 transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323.
5 Districts funded under this subsection shall not receive funding under any other section of
6 this article for nonspecial education auxiliary services transportation.

7 (4) From the funds allocated in subsection (1), there is allocated an amount not to
8 exceed ~~\$1,690,700.00~~ **\$1,695,600.00** for ~~2015-2016~~ **2016-2017** for reimbursement to districts
9 and intermediate districts for costs associated with the inspection of school buses and
10 pupil transportation vehicles by the department of state police as required under section
11 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
12 transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare
13 a statement of costs attributable to each district for which bus inspections are provided
14 and submit it to the department and to an intermediate district serving as fiduciary in a
15 time and manner determined jointly by the department and the department of state police.
16 Upon review and approval of the statement of cost, the department shall forward to the
17 designated intermediate district serving as fiduciary the amount of the reimbursement on
18 behalf of each district and intermediate district for costs detailed on the statement
19 within 45 days after receipt of the statement. The designated intermediate district shall
20 make payment in the amount specified on the statement to the department of state police
21 within 45 days after receipt of the statement. The total reimbursement of costs under this
22 subsection shall not exceed the amount allocated under this subsection. Notwithstanding
23 section 17b, payments to eligible entities under this subsection shall be paid on a
24 schedule prescribed by the department.

25 **SEC. 78. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT**
26 **TO EXCEED \$9,000,000.00 FOR 2016-2017 FOR REIMBURSEMENTS TO ELIGIBLE DISTRICTS FOR COSTS**
27 **ASSOCIATED WITH TESTING FOR LEAD IN WATER. FUNDS APPROPRIATED UNDER THIS SECTION ARE**
28 **INTENDED TO ENSURE THAT DISTRICTS ARE PROVIDING SAFE DRINKING WATER.**

29 **(2) NOT LATER THAN APRIL 1, 2016, THE DEPARTMENT, IN COLLABORATION WITH THE**
30 **DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS,**
31 **SHALL DEVELOP A STRATEGIC STATEWIDE PLAN FOR THE VOLUNTARY TESTING FOR LEAD IN WATER BY**
32 **DISTRICTS SERVED BY MUNICIPAL WATER SYSTEMS THAT PROVIDES CRITERIA FOR PRIORITIZING WHAT**

1 FACILITIES, WATER PIPES AND PLUMBING FIXTURES SHOULD BE TESTED. AT A MINIMUM, THE AGE OF
2 THE FACILITY SHOULD BE CONSIDERED, AS WELL AS FIXTURES THAT ARE HIGH RISK SUCH AS DRINKING
3 FOUNTAINS, ICE MAKERS, KITCHEN TAPS OR ANY OTHER FIXTURES THAT DELIVER WATER COMMONLY USED
4 FOR CONSUMPTION. THE PLAN SHALL ALSO IDENTIFY THE PROPER SAMPLING AND ANALYSIS PROTOCOLS
5 FOR TESTING FOR LEAD IN WATER AND MEASURES FOR REDUCING LEAD EXPOSURE AS RECOMMENDED BY THE
6 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.

7 (3) NOT LATER THAN APRIL 30, 2016, THE DEPARTMENT SHALL PROVIDE NOTICE TO ALL
8 DISTRICTS OF THE STRATEGIC STATEWIDE PLAN AND THE APPLICATION PROCESS FOR REIMBURSEMENT OF
9 VOLUNTARY TESTING FOR LEAD IN WATER.

10 (4) THE APPLICATION FOR REIMBURSEMENT SHALL INCLUDE THE COLLECTION OF DATA THAT, AT A
11 MINIMUM, ALLOWS THE DEPARTMENT TO PREPARE A REPORT TO THE GOVERNOR, THE LEGISLATURE, THE
12 HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR NOT LATER THAN 60 DAYS
13 AFTER THE END OF THE STATE FISCAL YEAR CONTAINING THE FOLLOWING INFORMATION:

14 (A) THE TOTAL NUMBER OF FIXTURES WITHIN THE FACILITIES OF THE DISTRICT PROVIDING
15 WATER FOR CONSUMPTION THAT MET THE PRIORITIZATION CRITERIA CONTAINED IN THE STATEWIDE
16 STRATEGIC PLAN.

17 (B) THE TOTAL NUMBER OF FIXTURES TESTED FOR LEAD USING THE SAMPLING AND ANALYSIS
18 PROTOCOLS RECOMMENDED IN THE STATEWIDE STRATEGIC PLAN.

19 (C) THE NUMBER OF FIXTURES TESTED THAT SHOWED ELEVATED LEVELS OF LEAD.

20 (D) A DESCRIPTION OF THE MEASURES IMPLEMENTED BY THE DISTRICT TO REDUCE ELEVATED
21 LEVELS OF LEAD.

22 (E) ANY FINANCIAL OR OTHER INFORMATION THAT THE DEPARTMENT DETERMINES WOULD BE
23 NECESSARY TO PROPERLY REIMBURSE DISTRICTS.

24 (F) ASSURANCE THAT THE DISTRICT HAS POSTED THE TESTING RESULTS ON ITS WEBSITE IN A
25 FORM AND MANNER APPROVED BY THE DEPARTMENT.

26 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE AS
27 DETERMINED BY THE DEPARTMENT FOR ELIGIBLE TESTING REIMBURSEMENT REQUESTS. IF ELIGIBLE
28 TESTING REQUESTS FOR REIMBURSEMENT EXCEED THE APPROPRIATION CONTAINED IN THIS SECTION,
29 THOSE REIMBURSEMENT REQUESTS SHALL BE PAID FROM FUNDING MADE AVAILABLE UNDER THIS SECTION
30 IN THE FOLLOWING FISCAL YEAR.

31 (6) AS USED IN THIS SECTION, "ELIGIBLE TESTING REIMBURSEMENT REQUEST" MEANS A
32 REIMBURSEMENT REQUEST FOR REASONABLE COSTS ASSOCIATED WITH WATER TESTING THAT OCCURRED

1 AFTER OCTOBER 1, 2015, THAT MEETS THE PRIORITIZATION CRITERIA IN THE STATEWIDE STRATEGIC
2 PLAN, AND THAT HAS BEEN TESTED ACCORDING TO THE SAMPLING AND ANALYSIS PROTOCOLS CONTAINED
3 IN THE STATEWIDE STRATEGIC PLAN.

4 Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2015-2016~~
5 2016-2017 to the intermediate districts the sum necessary, but not to exceed ~~\$67,108,000.00~~
6 \$68,182,000.00 to provide state aid to intermediate districts under this section.

7 (2) ~~From the allocation in subsection (1), there is~~ **EXCEPT AS OTHERWISE PROVIDED IN**
8 **THIS SECTION, THERE IS** allocated for ~~2015-2016~~ an amount not to exceed ~~\$67,108,000.00~~ for
9 ~~allocations~~ 2016-2017 to each intermediate district ~~in~~ an amount equal to ~~103.1%~~ 101.6% of
10 the amount allocated to the intermediate district under this subsection for ~~2014-2015~~ 2015-
11 2016. Funding provided under this section shall be used to comply with requirements of this
12 article and the revised school code that are applicable to intermediate districts, and for
13 which funding is not provided elsewhere in this article, and to provide technical
14 assistance to districts as authorized by the intermediate school board.

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

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

26 (5) In order to receive funding under subsection (2), an intermediate district shall
27 do all of the following:

28 (a) Demonstrate to the satisfaction of the department that the intermediate district
29 employs at least 1 person who is trained in pupil accounting and auditing procedures,
30 rules, and regulations.

31 (b) Demonstrate to the satisfaction of the department that the intermediate district
32 employs at least 1 person who is trained in rules, regulations, and district reporting

1 procedures for the individual-level student data that serves as the basis for the
2 calculation of the district and high school graduation and dropout rates.

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

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

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

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

10 Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to
11 the department for ~~2015-2016~~ **2016-2017** an amount not to exceed \$250,000.00 for efforts to
12 increase the number of pupils who participate and succeed in advanced placement and
13 international baccalaureate programs.

14 (2) From the funds allocated under this section, the department shall award funds to
15 cover all or part of the costs of advanced placement test fees or international
16 baccalaureate test fees **AND INTERNATIONAL BACCALAUREATE REGISTRATION FEES** for low-income
17 pupils who take an advanced placement or an international baccalaureate test. Payments
18 shall not exceed \$20.00 per test completed, **OR \$150.00 PER INTERNATIONAL BACCALAUREATE**
19 **REGISTRATION FEES PER STUDENT REGISTERED.**

20 (3) The department shall only award funds under this section if the department
21 determines that all of the following criteria are met:

22 (a) Each pupil for whom payment is made meets eligibility requirements of the federal
23 advanced placement test fee program under section 1701 of the no child left behind act of
24 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT OF 2015, PUBLIC LAW 114-95.**

25 (b) The tests are administered by the college board, the international baccalaureate
26 organization, or another test provider approved by the department.

27 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of each
28 test for which payment is made.

29 (4) The department shall establish procedures for awarding funds under this section.

30 (5) Notwithstanding section 17b, payments under this section shall be made on a
31 schedule determined by the department.

32 Sec. 94a. (1) There is created within the state budget office in the department of

1 technology, management, and budget the center for educational performance and information.

2 The center shall do all of the following:

3 (a) Coordinate the collection of all data required by state and federal law from
4 districts, intermediate districts, and postsecondary institutions.

5 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and
6 ensure that it meets the requirements of subsection (4).

7 (c) Collect data in the most efficient manner possible in order to reduce the
8 administrative burden on reporting entities, including, but not limited to, electronic
9 transcript services.

10 (d) Create, maintain, and enhance this state's web-based educational portal to
11 provide information to school leaders, teachers, researchers, and the public in compliance
12 with all federal and state privacy laws. Data shall include, but are not limited to, all of
13 the following:

14 (i) Data sets that link teachers to student information, allowing districts to assess
15 individual teacher impact on student performance and consider student growth factors in
16 teacher and principal evaluation systems.

17 (ii) Data access or, if practical, data sets, provided for regional data warehouses
18 that, in combination with local data, can improve teaching and learning in the classroom.

19 (iii) Research-ready data sets for researchers to perform research that advances this
20 state's educational performance.

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

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

26 (g) Other functions as assigned by the state budget director.

27 (2) Each state department, officer, or agency that collects information from
28 districts, intermediate districts, or postsecondary institutions as required under state or
29 federal law shall make arrangements with the center to ensure that the state department,
30 officer, or agency is in compliance with subsection (1). This subsection does not apply to
31 information collected by the department of treasury under the uniform budgeting and
32 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001

1 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act,
2 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL
3 380.1351a.

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

6 (4) The center shall ensure that the P-20 longitudinal data system required under
7 subsection (1)(b) meets all of the following:

8 (a) Includes data at the individual student level from preschool through
9 postsecondary education and into the workforce.

10 (b) Supports interoperability by using standard data structures, data formats, and
11 data definitions to ensure linkage and connectivity in a manner that facilitates the
12 exchange of data among agencies and institutions within the state and between states.

13 (c) Enables the matching of individual teacher and student records so that an
14 individual student may be matched with those teachers providing instruction to that
15 student.

16 (d) Enables the matching of individual teachers with information about their
17 certification and the institutions that prepared and recommended those teachers for state
18 certification.

19 (e) Enables data to be easily generated for continuous improvement and decision-
20 making, including timely reporting to parents, teachers, and school leaders on student
21 achievement.

22 (f) Ensures the reasonable quality, validity, and reliability of data contained in
23 the system.

24 (g) Provides this state with the ability to meet federal and state reporting
25 requirements.

26 (h) For data elements related to preschool through grade 12 and postsecondary, meets
27 all of the following:

28 (i) Contains a unique statewide student identifier that does not permit a student to
29 be individually identified by users of the system, except as allowed by federal and state
30 law.

31 (ii) Contains student-level enrollment, demographic, and program participation
32 information.

1 (iii) Contains student-level information about the points at which students exit,
2 transfer in, transfer out, drop out, or complete education programs.

3 (iv) Has the capacity to communicate with higher education data systems.

4 (i) For data elements related to preschool through grade 12 only, meets all of the
5 following:

6 (i) Contains yearly test records of individual students for assessments approved by
7 DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary
8 education act of 1965, 20 USC 6311, including information on individual students not
9 tested, by grade and subject.

10 (ii) Contains student-level transcript information, including information on courses
11 completed and grades earned.

12 (iii) Contains student-level college readiness test scores.

13 (j) For data elements related to postsecondary education only:

14 (i) Contains data that provide information regarding the extent to which individual
15 students transition successfully from secondary school to postsecondary education,
16 including, but not limited to, all of the following:

17 (A) Enrollment in remedial coursework.

18 (B) Completion of 1 year's worth of college credit applicable to a degree within 2
19 years of enrollment.

20 (ii) Contains data that provide other information determined necessary to address
21 alignment and adequate preparation for success in postsecondary education.

22 (5) From the general fund appropriation in section 11, there is allocated an amount
23 not to exceed ~~\$11,967,000.00~~ **\$12,173,200.00** for ~~2015-2016~~ **2016-2017** to the department of
24 technology, management, and budget to support the operations of the center. In addition,
25 from the federal funds appropriated in section 11 there is allocated for ~~2015-2016~~ **2016-**
26 **2017** the amount necessary, estimated at \$193,500.00, to support the operations of the
27 center and to establish a P-20 longitudinal data system necessary for state and federal
28 reporting purposes. The center shall cooperate with the department to ensure that this
29 state is in compliance with federal law and is maximizing opportunities for increased
30 federal funding to improve education in this state.

31 (6) From the funds allocated in subsection (5), the center may use an amount
32 determined by the center for competitive grants for ~~2015-2016~~ **2016-2017** to support

1 collaborative efforts on the P-20 longitudinal data system. All of the following apply to
2 grants awarded under this subsection:

3 (a) The center shall award competitive grants to eligible intermediate districts or a
4 consortium of intermediate districts based on criteria established by the center.

5 (b) Activities funded under the grant shall support the P-20 longitudinal data system
6 portal and may include portal hosting, hardware and software acquisition, maintenance,
7 enhancements, user support and related materials, and professional learning tools and
8 activities aimed at improving the utility of the P-20 longitudinal data system.

9 (c) An applicant that received a grant under this subsection for the immediately
10 preceding fiscal year shall receive priority for funding under this section. However, after
11 3 fiscal years of continuous funding, an applicant is required to compete openly with new
12 applicants.

13 (7) Funds allocated under this section that are not expended in the fiscal year in
14 which they were allocated may be carried forward to a subsequent fiscal year and are
15 appropriated for the purposes for which the funds were originally allocated.

16 (8) The center may bill departments as necessary in order to fulfill reporting
17 requirements of state and federal law. The center may also enter into agreements to supply
18 custom data, analysis, and reporting to other principal executive departments, state
19 agencies, local units of government, and other individuals and organizations. The center
20 may receive and expend funds in addition to those authorized in subsection (5) to cover the
21 costs associated with salaries, benefits, supplies, materials, and equipment necessary to
22 provide such data, analysis, and reporting services.

23 (9) As used in this section:

24 (a) "DED-OESE" means the United States Department of Education Office of Elementary
25 and Secondary Education.

26 (b) "State education agency" means the department.

27 Sec. 95a. (1) The educator evaluation reserve fund is created as a separate account
28 within the state school aid fund.

29 ~~(2) The state treasurer may receive money or other assets from any source for deposit~~
30 ~~into the educator evaluation reserve fund. The state treasurer shall direct the investment~~
31 ~~of the educator evaluation reserve fund. The state treasurer shall credit to the educator~~
32 ~~evaluation reserve fund interest and earnings from the educator evaluation reserve fund.~~

1 ~~(3)~~ Money in the educator evaluation reserve fund at the close of the fiscal year
2 shall ~~remain in the educator evaluation reserve fund and shall not~~ lapse to the state
3 school aid fund ~~or to the general fund. The department of treasury shall be the~~
4 ~~administrator of the educator evaluation reserve fund for auditing purposes.~~

5 (2) ~~(4)~~ From the appropriations in section 11, there is allocated to the educator
6 evaluation reserve fund for ~~2014-2015~~ **2016-2017** an amount not to exceed \$12,100,000.00
7 **\$10,000,000.00.** ~~from the state school aid fund and an amount not to exceed \$2,700,000.00~~
8 ~~from the general fund. Subject to subsections (5) and (6), the~~ **THE** department shall expend
9 the money in the educator evaluation reserve fund for implementing evaluation systems for
10 public school teachers and school administrators. **PROGRAMS FUNDED UNDER THIS SECTION ARE**
11 **INTENDED TO IMPROVE TEACHER QUALITY, RESULTING IN AN INCREASE IN THE NUMBER OF PUPILS WHO**
12 **ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL GRADUATION.**

13 ~~(5) Funds in the educator evaluation reserve fund shall not be expended unless the~~
14 ~~state budget office has approved the department's spending plan.~~

15 Sec. 98. (1) From the general fund money appropriated in section 11, there is
16 allocated an amount not to exceed \$7,387,500.00 for ~~2015-2016~~ **2016-2017** for the purposes
17 described in this section.

18 (2) The Michigan Virtual University shall operate the Michigan Virtual Learning
19 Research Institute. The Michigan Virtual Learning Research Institute shall do all of the
20 following:

21 (a) Support and accelerate innovation in education through the following activities:

22 (i) Test, evaluate, and recommend as appropriate new technology-based instructional
23 tools and resources.

24 (ii) Research, design, and recommend ~~digital~~ **VIRTUAL** education delivery models for
25 use by pupils and teachers that include age-appropriate multimedia instructional content.

26 (iii) Research, develop, and recommend annually to the department criteria by which
27 cyber schools and ~~online~~ **VIRTUAL** course providers should be monitored and evaluated to
28 ensure a quality education for their pupils.

29 (iv) Based on pupil completion and performance data reported to the department or the
30 center for educational performance and information from cyber schools and other ~~online~~
31 **VIRTUAL** course providers operating in this state, analyze the effectiveness of ~~online~~
32 **VIRTUAL** learning delivery models in preparing pupils to be college- and career-ready and

1 publish a report that highlights enrollment totals, completion rates, and the overall
2 impact on pupils. The report shall be submitted to the house and senate appropriations
3 subcommittees on state school aid, the state budget director, the house and senate fiscal
4 agencies, and the department not later than March 31, ~~2016~~ **2017**.

5 (v) Before August 31, ~~2016~~ **2017**, provide an extensive professional development
6 program to at least 500 educational personnel, including teachers, school administrators,
7 and school board members, that focuses on the effective integration of ~~digital~~ **VIRTUAL**
8 learning into curricula and instruction. Not later than December 1, ~~2016~~ **2017**, the Michigan
9 Virtual Learning Research Institute shall submit a report to the house and senate
10 appropriations subcommittees on state school aid, the state budget director, the house and
11 senate fiscal agencies, and the department on the number and percentage of teachers, school
12 administrators, and school board members who have received professional development
13 services from the Michigan Virtual University. The report shall also identify barriers and
14 other opportunities to encourage the adoption of ~~digital~~ **VIRTUAL** learning in the public
15 education system.

16 (vi) Identify and share best practices for planning, implementing, and evaluating
17 ~~online~~ **VIRTUAL** and blended education delivery models with intermediate districts,
18 districts, and public school academies to accelerate the adoption of innovative education
19 delivery models statewide.

20 (b) Provide leadership for this state's system of ~~digital~~ **VIRTUAL** learning education
21 by doing the following activities:

22 (i) Develop and report policy recommendations to the governor and the legislature
23 that accelerate the expansion of effective ~~online~~ **VIRTUAL** learning in this state's schools.

24 (ii) Provide a clearinghouse for research reports, academic studies, evaluations, and
25 other information related to ~~online~~ **VIRTUAL** learning.

26 (iii) Promote and distribute the most current instructional design standards and
27 guidelines for ~~online~~ **VIRTUAL** teaching.

28 (iv) In collaboration with the department and interested colleges and universities in
29 this state, support implementation and improvements related to effective ~~digital~~ **VIRTUAL**
30 learning instruction.

31 (v) Pursue public/private partnerships that include districts to study and implement
32 competency-based technology-rich ~~online~~ **VIRTUAL** learning models.

1 (vi) Create a statewide network of school-based mentors serving as liaisons between
2 pupils, ~~online~~ **VIRTUAL** instructors, parents, and school staff and provide mentors with
3 research-based training and technical assistance designed to help more pupils be successful
4 ~~online~~ **VIRTUAL** learners.

5 (vii) Convene focus groups and conduct annual surveys of teachers, administrators,
6 pupils, parents, and others to identify barriers and opportunities related to ~~online~~
7 **VIRTUAL** learning.

8 (viii) Produce an annual consumer awareness report for schools and parents about
9 effective ~~online~~ **VIRTUAL** education providers and education delivery models, performance
10 data, cost structures, and research trends.

11 (ix) Research and establish an Internet-based platform that educators can use to
12 create student-centric learning tools and resources and facilitate a user network that
13 assists educators in using the platform. As part of this initiative, the Michigan Virtual
14 University shall work collaboratively with districts and intermediate districts to
15 establish a plan to make available ~~online~~ **VIRTUAL** resources that align to Michigan's K-12
16 curriculum standards for use by students, educators, and parents.

17 (x) Create and maintain a public statewide catalog of ~~online~~ **VIRTUAL** learning courses
18 being offered by all public schools and community colleges in this state. The Michigan
19 Virtual Learning Research Institute shall identify and develop a list of nationally
20 recognized best practices for ~~online~~ **VIRTUAL** learning and use this list to support reviews
21 of ~~online~~ **VIRTUAL** course vendors, courses, and instructional practices. The Michigan
22 Virtual Learning Research Institute shall also provide a mechanism for intermediate
23 districts to use the identified best practices to review content offered by constituent
24 districts. The Michigan Virtual Learning Research Institute shall review the ~~online~~ **VIRTUAL**
25 course offerings of the Michigan Virtual University, and make the results from these
26 reviews available to the public as part of the statewide catalog. The Michigan Virtual
27 Learning Research Institute shall ensure that the statewide catalog is made available to
28 the public on the Michigan Virtual University website and shall allow the ability to link
29 it to each district's website as provided for in section 21f. The statewide catalog shall
30 also contain all of the following:

31 (A) The number of enrollments in each ~~online~~ **VIRTUAL** course in the immediately
32 preceding school year.

1 (B) The number of enrollments that earned 60% or more of the total course points for
2 each ~~online~~ **VIRTUAL** course in the immediately preceding school year.

3 (C) The completion rate for each ~~online~~ **VIRTUAL** course.

4 (xi) Develop prototype and pilot registration, payment services, and transcript
5 functionality to the statewide catalog and train key stakeholders on how to use new
6 features.

7 (xii) Collaborate with key stakeholders to examine district level accountability and
8 teacher effectiveness issues related to ~~online~~ **VIRTUAL** learning under section 21f and make
9 findings and recommendations publicly available.

10 (3) To further enhance its expertise and leadership in ~~digital~~ **VIRTUAL** learning, the
11 Michigan Virtual University shall continue to operate the Michigan Virtual School as a
12 statewide laboratory and quality model of instruction by implementing ~~online~~ **VIRTUAL** and
13 blended learning solutions for Michigan schools in accordance with the following
14 parameters:

15 (a) The Michigan Virtual School must maintain its accreditation status from
16 recognized national and international accrediting entities.

17 (b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the
18 amount allocated under this section to subsidize the cost paid by districts for ~~online~~
19 **VIRTUAL** courses.

20 (c) In providing educators responsible for the teaching of ~~online~~ **VIRTUAL** courses as
21 provided for in this section, the Michigan Virtual School shall follow the requirements to
22 request and assess, and the department of state police shall provide, a criminal history
23 check and criminal records check under sections 1230 and 1230a of the revised school code,
24 MCL 380.1230 and 380.1230a, in the same manner as if the Michigan Virtual School were a
25 school district under those sections.

26 (4) If the course offerings are included in the statewide catalog of ~~online~~ **VIRTUAL**
27 courses under subsection (2) (b) (ix), the Michigan Virtual School operated by the Michigan
28 Virtual University may offer ~~online~~ **VIRTUAL** course offerings, including, but not limited
29 to, all of the following:

30 (a) Information technology courses.

31 (b) College level equivalent courses, as defined in section 1471 of the revised
32 school code, MCL 380.1471.

1 (c) Courses and dual enrollment opportunities.

2 (d) Programs and services for at-risk pupils.

3 (e) General education development test preparation courses for adjudicated youth.

4 (f) Special interest courses.

5 (g) Professional development programs for teachers, school administrators, other
6 school employees, and school board members.

7 (5) If a home-schooled or nonpublic school student is a resident of a district that
8 subscribes to services provided by the Michigan Virtual School, the student may use the
9 services provided by the Michigan Virtual School to the district without charge to the
10 student beyond what is charged to a district pupil using the same services.

11 (6) Not later than December 1 of each fiscal year, the Michigan Virtual University
12 shall provide a report to the house and senate appropriations subcommittees on state school
13 aid, the state budget director, the house and senate fiscal agencies, and the department
14 that includes at least all of the following information related to the Michigan Virtual
15 School for the preceding state fiscal year:

16 (a) A list of the districts served by the Michigan Virtual School.

17 (b) A list of ~~online~~ **VIRTUAL** course titles available to districts.

18 (c) The total number of ~~online~~ **VIRTUAL** course enrollments and information on
19 registrations and completions by course.

20 (d) The overall course completion rate percentage.

21 (7) The governor may appoint an advisory group for the Michigan Virtual Learning
22 Research Institute established under subsection (2). The members of the advisory group
23 shall serve at the pleasure of the governor and shall serve without compensation. The
24 purpose of the advisory group is to make recommendations to the governor, the legislature,
25 and the president and board of the Michigan Virtual University that will accelerate
26 innovation in this state's education system in a manner that will prepare elementary and
27 secondary students to be career and college ready and that will promote the goal of
28 increasing the percentage of citizens of this state with high-quality degrees and
29 credentials to at least 60% by 2025.

30 (8) Not later than November 1, ~~2015~~ **2016**, the Michigan Virtual University shall
31 submit to the house and senate appropriations subcommittees on state school aid, the state
32 budget director, and the house and senate fiscal agencies a detailed budget for the ~~2015-~~

1 ~~2016~~ **2016-2017** fiscal year that includes a breakdown on its projected costs to deliver
2 ~~online~~ **VIRTUAL** educational services to districts and a summary of the anticipated fees to
3 be paid by districts for those services. Not later than March 1 each year, the Michigan
4 Virtual University shall submit to the house and senate appropriations subcommittees on
5 state school aid, the state budget director, and the house and senate fiscal agencies a
6 breakdown on its actual costs to deliver ~~online~~ **VIRTUAL** educational services to districts
7 and a summary of the actual fees paid by districts for those services based on audited
8 financial statements for the immediately preceding fiscal year.

9 (9) As used in this section:

10 (a) "Blended learning" means a hybrid instructional delivery model where pupils are
11 provided content, instruction, and assessment, in part at a supervised educational facility
12 away from home where the pupil and a teacher with a valid Michigan teaching certificate are
13 in the same physical location and in part through Internet-connected learning environments
14 with some degree of pupil control over time, location, and pace of instruction.

15 (b) "Cyber school" means a full-time instructional program of ~~online~~ **VIRTUAL** courses
16 for pupils that may or may not require attendance at a physical school location.

17 ~~(c) "Digital learning" means instruction delivered via a web-based educational~~
18 ~~delivery system that uses various information technologies to provide a structured learning~~
19 ~~environment, including online and blended learning instructional methods.~~

20 **(C) (d) "Online course" "VIRTUAL COURSE"** means a course of study that is capable of
21 generating a credit or a grade, that is provided in an interactive ~~Internet-connected~~
22 learning environment **WHERE THE MAJORITY OF THE CURRICULUM IS DELIVERED USING THE INTERNET**
23 **AND** ~~in which pupils are separated from their~~ **INSTRUCTOR OR TEACHER OF RECORD** ~~teachers~~ by
24 time or location, or both, ~~and in which a teacher who holds a valid Michigan teaching~~
25 ~~certificate is responsible for providing instruction, determining appropriate instructional~~
26 ~~methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing~~
27 ~~intervention strategies, reporting outcomes, and evaluating the effects of instruction and~~
28 ~~support strategies.~~

29 Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount not
30 to exceed ~~\$2,000,000.00~~ **\$2,500,000.00** for ~~2015-2016~~ **2016-2017** for competitive grants to
31 districts that provide pupils in grades 7 to 12 with expanded opportunities to improve
32 mathematics, science, and technology skills by participating in events hosted by a science

1 and technology development program known as FIRST (for inspiration and recognition of
2 science and technology) robotics. **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**
3 **INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE**
4 **STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY**
5 **UPON HIGH SCHOOL GRADUATION.**

6 (2) A district applying for a FIRST tech challenge or FIRST robotics competition
7 program grant shall submit an application in a form and manner determined by the
8 department. To be eligible for a grant, a district shall demonstrate in its application
9 that the district has established a partnership for the purposes of the FIRST program with
10 at least 1 sponsor, business entity, higher education institution, or technical school,
11 shall submit a spending plan, and shall pay at least 25% of the cost of the FIRST robotics
12 program.

13 (3) The department shall distribute the grant funding under this section for the
14 following purposes:

15 (a) Grants to districts to pay for stipends of \$1,500.00 for 1 coach per team,
16 distributed as follows:

17 (i) Not more than 500 stipends for coaches of high school teams, including existing
18 teams.

19 (ii) Not more than 100 stipends for coaches of middle school or junior high teams,
20 including existing teams.

21 (iii) If the requests for stipends exceed the numbers of stipends allowed under
22 subparagraphs (i) and (ii), and if there is funding remaining unspent under subdivisions
23 (b) and (c), the department shall use that remaining unspent funding for grants to
24 districts to pay for additional stipends in a manner that expands the geographical
25 distribution of teams.

26 (b) Grants to districts for event registrations, materials, travel costs, and other
27 expenses associated with the preparation for and attendance at FIRST tech challenge and
28 FIRST robotics competitions. Each grant recipient shall provide a local match from other
29 private or local funds for the funds received under this subdivision equal to at least 50%
30 of the costs of participating in an event. The department shall set maximum grant amounts
31 under this subdivision in a manner that maximizes the number of teams that will be able to
32 receive funding.

1 (c) Grants to districts for awards to teams that advance to the state and world
2 championship competitions. The department shall determine an equal amount per team for
3 those teams that advance to the state championship and a second equal award amount to those
4 teams that advance to the world championship.

5 (4) The funds allocated under this section are a work project appropriation, and any
6 unexpended funds for ~~2015-2016~~ **2016-2017** are carried forward into ~~2016-2017~~ **2017-2018**. The
7 purpose of the work project is to continue to implement the projects described under
8 subsection (1). The estimated completion date of the work project is September 30, ~~2018~~
9 **2019**.

10 Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for
11 ~~2015-2016~~ **2016-2017** an amount not to exceed ~~\$3,250,000.00~~ **\$2,750,000.00** from the state
12 school aid fund appropriation and an amount not to exceed ~~\$775,000.00~~ **\$2,525,000.00** from
13 the general fund appropriation for Michigan science, technology, engineering, and
14 mathematics (MiSTEM) programs. In addition, from the federal funds appropriated in section
15 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount estimated at \$5,249,300.00 from
16 DED-OESE, title II, mathematics and science partnership grants. **PROGRAMS FUNDED UNDER THIS**
17 **SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE**
18 **AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE**
19 **COLLEGE- AND CAREER-READY UPON HIGH SCHOOL GRADUATION.**

20 (2) From the general fund allocation in subsection (1), there is allocated an amount
21 not to exceed \$50,000.00 to the department for administrative and travel costs related to
22 the MiSTEM advisory council. All of the following apply to the MiSTEM advisory council
23 funded under this subsection:

24 (a) The MiSTEM advisory council is created. The MiSTEM advisory council shall provide
25 to the governor, legislature, department of talent and economic development, and department
26 recommendations designed to improve and promote innovation in STEM education and **TO** prepare
27 students for careers in science, technology, engineering, and mathematics.

28 (b) The MiSTEM advisory council created under subdivision (a) shall consist of the
29 following members:

30 (i) The governor shall appoint 11 voting members who are representative of business
31 sectors that are important to Michigan's economy and rely on a STEM-educated workforce,
32 nonprofit organizations and associations that promote STEM education, K-12 and

1 postsecondary education entities involved in STEM-related career education, or other
2 sectors as considered appropriate by the governor. Each of these members shall serve at the
3 pleasure of the governor and for a term determined by the governor.

4 (ii) The senate majority leader shall appoint 2 members of the senate to serve as
5 nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority party
6 member and 1 minority party member.

7 (iii) The speaker of the house of representatives shall appoint 2 members of the
8 house of representatives to serve as nonvoting, ex-officio members of the MiSTEM advisory
9 council, including 1 majority party member and 1 minority party member.

10 (c) Each member of the MiSTEM advisory council shall serve without compensation.

11 (d) The MiSTEM advisory council shall recommend a statewide strategy for delivering
12 STEM education-related opportunities to pupils and objective criteria for determining
13 preferred STEM programs **TO THE GOVERNOR, THE LEGISLATURE AND THE DEPARTMENT NOT LATER THAN**
14 **MARCH 1, 2016.**

15 ~~(E) The MiSTEM advisory council also shall make funding recommendations to the~~
16 ~~governor, legislature, and department for~~ **FROM THE GENERAL FUND ALLOCATION IN SUBSECTION**
17 **(1). THERE IS ALLOCATED \$2,475,000.00 FOR THE PURPOSE OF** funding programs under this
18 section for 2016-2017 **AS RECOMMENDED BY THE MISTEM ADVISORY COUNCIL TO THE GOVERNOR, THE**
19 **LEGISLATURE AND THE DEPARTMENT** not later than March 1, 2016, including, but not limited to,
20 recommendations concerning funding for the STEM programs funded under this section for
21 2015-2016, ~~and~~. **BEGINNING IN 2017-2018, THE MISTEM ADVISORY COUNCIL shall continue to make**
22 **SUBMIT ITS** funding recommendations **TO THE GOVERNOR, THE LEGISLATURE, AND THE DEPARTMENT NO**
23 **LATER THAN DECEMBER 15** annually thereafter.

24 **(F) IF THE MISTEM ADVISORY COUNCIL IS UNABLE TO MAKE SPECIFIC FUNDING RECOMMENDATIONS**
25 **BY MARCH 1, 2016 FOR 2016-2017, THE DEPARTMENT SHALL DISTRIBUTE THE FUNDS IN SUBDIVISION**
26 **(E) ON A COMPETITIVE GRANT BASIS THAT AT LEAST FOLLOWS THE QUALITY GUIDELINES AND PRIORITY**
27 **AREAS RECOMMENDED BY THE MISTEM ADVISORY COUNCIL. EACH GRANT SHALL NOT EXCEED \$250,000.00**
28 **AND MUST PROVIDE STEM EDUCATION-RELATED OPPORTUNITIES FOR PUPILS.**

29 ~~(G)~~ ~~(e)~~ The MiSTEM advisory council shall work with directors of mathematics and
30 science centers funded under subsection (3) to connect educators with businesses, workforce
31 developers, economic developers, community colleges, and universities.

32 (3) From the state school aid fund allocation under subsection (1), there is

1 allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed \$2,750,000.00 to support the
2 activities and programs of mathematics and science centers. In addition, from the federal
3 funds allocated under subsection (1), there is allocated for ~~2015-2016~~ **2016-2017** an amount
4 estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and science partnership
5 grants, for the purposes of this subsection. All of the following apply to the programs and
6 funding under this subsection:

7 (a) Within a service area designated locally, approved by the department, and
8 consistent with the comprehensive master plan for mathematics and science centers developed
9 by the department and approved by the state board, an established mathematics and science
10 center shall provide 2 or more of the following 6 basic services, as described in the
11 master plan, to constituent districts and communities: leadership, pupil services,
12 curriculum support, community involvement, professional development, and resource
13 clearinghouse services.

14 (b) The department shall not award a state grant under this subsection to more than 1
15 mathematics and science center located in a designated region as prescribed in the 2007
16 master plan unless each of the grants serves a distinct target population or provides a
17 service that does not duplicate another program in the designated region.

18 (c) As part of the technical assistance process, the department shall provide minimum
19 standard guidelines that may be used by the mathematics and science center for providing
20 fair access for qualified pupils and professional staff as prescribed in this subsection.

21 (d) Allocations under this subsection to support the activities and programs of
22 mathematics and science centers shall be continuing support grants to all 33 established
23 mathematics and science centers. For ~~2015-2016~~ **2016-2017**, each established mathematics and
24 science center ~~that was funded for 2014-2015 under former section 99~~ shall receive state
25 funding in an amount equal to 100% of the amount it was allocated ~~under former section 99~~
26 ~~for 2014-2015~~ **IN 2015-2016**. If a center declines state funding or a center closes, the
27 remaining money available under this subsection shall be distributed to the remaining
28 centers, as determined by the department.

29 (e) From the funds allocated under this subsection, the department shall distribute
30 for ~~2015-2016~~ **2016-2017** an amount not to exceed \$750,000.00 in a form and manner determined
31 by the department to those centers able to provide curriculum and professional development
32 support to assist districts in implementing the Michigan merit curriculum components for

1 mathematics and science. Funding under this subdivision is in addition to funding allocated
2 under subdivision (d).

3 (f) In order to receive state or federal funds under this subsection, a grant
4 recipient shall allow access for the department or the department's designee to audit all
5 records related to the program for which it receives those funds. The grant recipient shall
6 reimburse the state for all disallowances found in the audit.

7 (g) Not later than September 30, ~~2018~~ **2017**, the department shall ~~reevaluate and~~
8 ~~update~~ **WORK WITH THE MISTEM ADVISORY COUNCIL TO REVISE** the comprehensive master plan
9 described in subdivision (a) **TO ENSURE THAT THE COMPREHENSIVE MASTER PLAN IS IN COMPLIANCE**
10 **WITH THE STATEWIDE STRATEGY DEVELOPED BY THE COUNCIL UNDER SUBSECTION (2) (D)**.

11 (h) The department shall give preference in awarding the federal grants allocated
12 under this subsection to eligible existing mathematics and science centers.

13 (i) In order to receive state funds under this subsection, a grant recipient shall
14 provide at least a 10% local match from local public or private resources for the funds
15 received under this subsection.

16 (j) Not later than July 1 of each year, a mathematics and science center that
17 receives funds under this subsection shall report to the department in a form and manner
18 prescribed by the department on the following performance measures:

19 (i) Statistical change in pre- and post-assessment scores for students who enrolled
20 in mathematics and science activities provided to districts by the mathematics and science
21 center.

22 (ii) Statistical change in pre- and post-assessment scores for teachers who enrolled
23 in professional development activities provided by the mathematics and science center.

24 (k) As used in this subsection:

25 (i) "DED" means the United States Department of Education.

26 (ii) "DED-OESE" means the DED Office of Elementary and Secondary Education.

27 ~~(4) From the general fund money allocated under subsection (1), there is allocated~~
28 ~~for 2015-2016 an amount not to exceed \$100,000.00 to the Michigan STEM partnership, to be~~
29 ~~used to administer the grant process under this subsection. From the general fund money~~
30 ~~allocated in subsection (1), there is allocated for 2015-2016 an amount not to exceed~~
31 ~~\$375,000.00 to the Michigan STEM partnership to be used for a competitive grant process to~~
32 ~~award competitive grants to organizations conducting student-focused, project-based~~

1 ~~programs and competitions, either in the classroom or extracurricular, in science,~~
2 ~~technology, engineering, and mathematics subjects such as, but not limited to, robotics,~~
3 ~~coding, and design-build-test projects, from pre-kindergarten through college level. All of~~
4 ~~the following apply to the grant funding under this subsection:~~

5 ~~(a) Funding under this subsection is in addition to funding allocated under~~
6 ~~subsection (3) and shall be used for connecting mathematics and science centers for~~
7 ~~science, technology, engineering, and mathematics purposes and to support the goals of the~~
8 ~~Michigan STEM partnership.~~

9 ~~(b) A program receiving funds under section 99h may not receive funds under this~~
10 ~~subsection.~~

11 ~~(c) In order to receive state funds under this subsection, a grant recipient shall~~
12 ~~provide at least a 10% local match from local public or private resources for the funds~~
13 ~~received under this subsection.~~

14 ~~(5) From the funds allocated under subsection (1), there is allocated an amount not~~
15 ~~to exceed \$250,000.00 for 2015-2016 only for grants to districts to support professional~~
16 ~~development for teachers in a department-approved training program for science, technology,~~
17 ~~engineering, and mathematics (STEM) instruction. All of the following apply to the grant~~
18 ~~funding under this subsection:~~

19 ~~(a) Any district may apply for funding under this subsection for 2015-2016 by a date~~
20 ~~determined by the department. In awarding grants, the department shall give priority, in a~~
21 ~~form and manner determined by the department, to applicant districts with teachers who have~~
22 ~~not previously received training in programs funded under this subsection or former section~~
23 ~~99b.~~

24 ~~(b) For a training program to be approved by the department for the purposes of this~~
25 ~~subsection, the program shall meet all of the following criteria:~~

26 ~~(i) Utilize an integrative STEM approach to content organization and delivery. The~~
27 ~~integrative STEM approach shall include content derived from science, technology,~~
28 ~~engineering, and mathematics.~~

29 ~~(ii) Offer evidence that the program outcomes address mathematics, science, and~~
30 ~~technological literacy standards in an exploratory middle school or high school offering.~~

31 ~~(iii) Offer evidence that the program positively influences student career choices~~
32 ~~along STEM career paths and increases student engagement through peer-reviewed research.~~

1 ~~(iv) Present evidence of the periodic updating of the curriculum.~~

2 ~~(v) Utilize outcome measures for teacher professional development.~~

3 ~~(vi) Provide peer-reviewed evidence that the program is effective with disadvantaged~~
4 ~~students and those with language barriers.~~

5 ~~(c) The department shall award grants to districts in an amount determined by the~~
6 ~~department, but not to exceed \$3,200.00 per participant.~~

7 ~~(d) A district receiving funds under this subsection shall use the funds only for~~
8 ~~department approved training programs under this subsection.~~

9 ~~(6) From the allocations under subsection (1), there is allocated an amount not to~~
10 ~~exceed \$250,000.00 for 2015-2016 only for competitive grants to districts that provide~~
11 ~~pupils in grades K to 12 with expanded opportunities in science education and skills by~~
12 ~~participating in events and competitions hosted by Science Olympiad. All of the following~~
13 ~~apply to the grant funding under this subsection:~~

14 ~~(a) A district applying for a grant under this subsection shall submit an application~~
15 ~~in the form and manner determined by the department not later than November 15, 2015. The~~
16 ~~department shall select districts for grants and make notification not later than December~~
17 ~~15, 2015. To be eligible for a grant, a district shall pay at least 25% of the cost of~~
18 ~~participating in the Science Olympiad program.~~

19 ~~(b) The department shall distribute the grant funding allocated under this subsection~~
20 ~~for the following purposes:~~

21 ~~(i) Grants to districts of up to \$800.00 for new elementary teams.~~

22 ~~(ii) Grants to districts of up to \$400.00 for established elementary teams.~~

23 ~~(iii) Grants to districts of up to \$1,600.00 for new secondary teams.~~

24 ~~(iv) Grants to districts of up to \$800.00 for established secondary teams.~~

25 ~~(7) From the general fund allocation under subsection (1), there is allocated an~~
26 ~~amount not to exceed \$250,000.00 for 2015-2016 only for a grant to the Van Andel Education~~
27 ~~Institute for the purposes of advancing and promoting science education and increasing the~~
28 ~~number of students who choose to pursue careers in science or science related fields. Funds~~
29 ~~allocated under this subsection shall be used to provide professional development for~~
30 ~~science teachers in using student-driven, inquiry-based instruction.~~

31 Sec. 101. (1) To be eligible to receive state aid under this article, not later than
32 the fifth Wednesday after the pupil membership count day and not later than the fifth

1 Wednesday after the supplemental count day, each district superintendent shall submit to
2 the center and the intermediate superintendent, in the form and manner prescribed by the
3 center, the number of pupils enrolled and in regular daily attendance in the district as of
4 the pupil membership count day and as of the supplemental count day, as applicable, for the
5 current school year. In addition, a district maintaining school during the entire year, as
6 provided under section 1561 of the revised school code, MCL 380.1561, shall submit to the
7 center and the intermediate superintendent, in the form and manner prescribed by the
8 center, the number of pupils enrolled and in regular daily attendance in the district for
9 the current school year pursuant to rules promulgated by the superintendent. Not later than
10 the sixth Wednesday after the pupil membership count day and not later than the sixth
11 Wednesday after the supplemental count day, the district shall certify the data in a form
12 and manner prescribed by the center and file the certified data with the intermediate
13 superintendent. If a district fails to submit and certify the attendance data, as required
14 under this subsection, the center shall notify the department and state aid due to be
15 distributed under this article shall be withheld from the defaulting district immediately,
16 beginning with the next payment after the failure and continuing with each payment until
17 the district complies with this subsection. If a district does not comply with this
18 subsection by the end of the fiscal year, the district forfeits the amount withheld. A
19 person who willfully falsifies a figure or statement in the certified and sworn copy of
20 enrollment shall be punished in the manner prescribed by section 161.

21 (2) To be eligible to receive state aid under this article, not later than the
22 twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-
23 fourth Wednesday after the supplemental count day, an intermediate district shall submit to
24 the center, in a form and manner prescribed by the center, the audited enrollment and
25 attendance data for the pupils of its constituent districts and of the intermediate
26 district. If an intermediate district fails to submit the audited data as required under
27 this subsection, state aid due to be distributed under this article shall be withheld from
28 the defaulting intermediate district immediately, beginning with the next payment after the
29 failure and continuing with each payment until the intermediate district complies with this
30 subsection. If an intermediate district does not comply with this subsection by the end of
31 the fiscal year, the intermediate district forfeits the amount withheld.

32 (3) Except as otherwise provided in subsections (11) and (12), all of the following

1 apply to the provision of pupil instruction:

2 (a) Except as otherwise provided in this section, each district shall provide at
3 least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil
4 instruction. Beginning in 2014-2015, the required minimum number of days of pupil
5 instruction is 175. However, all of the following apply to these requirements:

6 (i) If a collective bargaining agreement that provides a complete school calendar was
7 in effect for employees of a district as of July 1, 2013, and if that school calendar is
8 not in compliance with this subsection, then this subsection does not apply to that
9 district until after the expiration of that collective bargaining agreement. If a district
10 entered into a collective bargaining agreement on or after July 1, 2013 and if that
11 collective bargaining agreement did not provide for at least 175 days of pupil instruction
12 beginning in 2014-2015, then the department shall withhold from the district's total state
13 school aid an amount equal to 5% of the funding the district receives in 2014-2015 under
14 sections 22a and 22b.

15 (ii) A district may apply for a waiver under subsection (9) from the requirements of
16 this subdivision.

17 (b) Beginning in 2016-2017, the required minimum number of days of pupil instruction
18 is 180. If a collective bargaining agreement that provides a complete school calendar was
19 in effect for employees of a district as of the effective date of the amendatory act that
20 added this subdivision, and if that school calendar is not in compliance with this
21 subdivision, then this subdivision does not apply to that district until after the
22 expiration of that collective bargaining agreement. A district may apply for a waiver under
23 subsection (9) from the requirements of this subdivision.

24 (c) Except as otherwise provided in this article, a district failing to comply with the
25 required minimum hours and days of pupil instruction under this subsection shall forfeit
26 from its total state aid allocation an amount determined by applying a ratio of the number
27 of hours or days the district was in noncompliance in relation to the required minimum
28 number of hours and days under this subsection. Not later than August 1, the board of each
29 district shall **EITHER** certify to the department **THAT THE DISTRICT WAS IN FULL COMPLIANCE**
30 **WITH THIS SECTION REGARDING** the number of hours and days of pupil instruction in the
31 previous school year **OR REPORT TO THE DEPARTMENT EACH INSTANCE OF NONCOMPLIANCE IN A FORM**
32 **AND MANNER PRESCRIBED THE CENTER.** If the district did not provide at least the required

1 minimum number of hours and days of pupil instruction under this subsection, the deduction
2 of state aid shall be made in the following fiscal year from the first payment of state
3 school aid. A district is not subject to forfeiture of funds under this subsection for a
4 fiscal year in which a forfeiture was already imposed under subsection (6).

5 (d) Hours or days lost because of strikes or teachers' conferences shall not be
6 counted as hours or days of pupil instruction.

7 (e) If a collective bargaining agreement that provides a complete school calendar is
8 in effect for employees of a district as of October 19, 2009, and if that school calendar
9 is not in compliance with this subsection, then this subsection does not apply to that
10 district until after the expiration of that collective bargaining agreement.

11 (f) Except as otherwise provided in subdivisions (g) and (h), a district not having
12 at least 75% of the district's membership in attendance on any day of pupil instruction
13 shall receive state aid in that proportion of 1/180 that the actual percent of attendance
14 bears to the specified percentage.

15 (g) If a district adds 1 or more days of pupil instruction to the end of its
16 instructional calendar for a school year to comply with subdivision (a) because the
17 district otherwise would fail to provide the required minimum number of days of pupil
18 instruction even after the operation of subsection (4) due to conditions not within the
19 control of school authorities, then subdivision (f) does not apply for any day of pupil
20 instruction that is added to the end of the instructional calendar. Instead, for any of
21 those days, if the district does not have at least 60% of the district's membership in
22 attendance on that day, the district shall receive state aid in that proportion of 1/180
23 that the actual percentage of attendance bears to the specified percentage. For any day of
24 pupil instruction added to the instructional calendar as described in this subdivision, the
25 district shall report to the department the percentage of the district's membership that is
26 in attendance, in the form and manner prescribed by the department.

27 (h) At the request of a district that operates a department-approved alternative
28 education program and that does not provide instruction for pupils in all of grades K to
29 12, the superintendent shall grant a waiver from the requirements of subdivision (f). The
30 waiver shall indicate that an eligible district is subject to the proration provisions of
31 subdivision (f) only if the district does not have at least 50% of the district's
32 membership in attendance on any day of pupil instruction. In order to be eligible for this

1 waiver, a district must maintain records to substantiate its compliance with the following
2 requirements:

3 (i) The district offers the minimum hours of pupil instruction as required under this
4 section.

5 (ii) For each enrolled pupil, the district uses appropriate academic assessments to
6 develop an individual education plan that leads to a high school diploma.

7 (iii) The district tests each pupil to determine academic progress at regular
8 intervals and records the results of those tests in that pupil's individual education plan.

9 (i) All of the following apply to a waiver granted under subdivision (h):

10 (i) If the waiver is for a blended model of delivery, a waiver that is granted for
11 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is
12 revoked by the superintendent.

13 (ii) If the waiver is for a 100% online model of delivery and the educational program
14 for which the waiver is granted makes educational services available to pupils for a
15 minimum of at least 1,098 hours during a school year and ensures that each pupil
16 participates in the educational program for at least 1,098 hours during a school year, a
17 waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in
18 effect unless it is revoked by the superintendent.

19 (iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is valid
20 for 1 fiscal year and must be renewed annually to remain in effect.

21 (j) The superintendent shall promulgate rules for the implementation of this
22 subsection.

23 (4) Except as otherwise provided in this subsection, the first 6 days or the
24 equivalent number of hours for which pupil instruction is not provided because of
25 conditions not within the control of school authorities, such as severe storms, fires,
26 epidemics, utility power unavailability, water or sewer failure, or health conditions as
27 defined by the city, county, or state health authorities, shall be counted as hours and
28 days of pupil instruction. With the approval of the superintendent of public instruction,
29 the department shall count as hours and days of pupil instruction for a fiscal year not
30 more than 3 additional days or the equivalent number of additional hours for which pupil
31 instruction is not provided in a district due to unusual and extenuating occurrences
32 resulting from conditions not within the control of school authorities such as those

1 conditions described in this subsection. Subsequent such hours or days shall not be counted
2 as hours or days of pupil instruction.

3 (5) A district shall not forfeit part of its state aid appropriation because it
4 adopts or has in existence an alternative scheduling program for pupils in kindergarten if
5 the program provides at least the number of hours required under subsection (3) for a full-
6 time equated membership for a pupil in kindergarten as provided under section 6(4).

7 (6) In addition to any other penalty or forfeiture under this section, if at any time
8 the department determines that 1 or more of the following have occurred in a district, the
9 district shall forfeit in the current fiscal year beginning in the next payment to be
10 calculated by the department a proportion of the funds due to the district under this
11 article that is equal to the proportion below the required minimum number of hours and days
12 of pupil instruction under subsection (3), as specified in the following:

13 (a) The district fails to operate its schools for at least the required minimum
14 number of hours and days of pupil instruction under subsection (3) in a school year,
15 including hours and days counted under subsection (4).

16 (b) The board of the district takes formal action not to operate its schools for at
17 least the required minimum number of hours and days of pupil instruction under subsection
18 (3) in a school year, including hours and days counted under subsection (4).

19 (7) In providing the minimum number of hours and days of pupil instruction required
20 under subsection (3), a district shall use the following guidelines, and a district shall
21 maintain records to substantiate its compliance with the following guidelines:

22 (a) Except as otherwise provided in this subsection, a pupil must be scheduled for at
23 least the required minimum number of hours of instruction, excluding study halls, or at
24 least the sum of 90 hours plus the required minimum number of hours of instruction,
25 including up to 2 study halls.

26 (b) The time a pupil is assigned to any tutorial activity in a block schedule may be
27 considered instructional time, unless that time is determined in an audit to be a study
28 hall period.

29 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for
30 whom a reduced schedule is determined to be in the individual pupil's best educational
31 interest must be scheduled for a number of hours equal to at least 80% of the required
32 minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

1 A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced
2 schedule under this subsection if the pupil is scheduled for a number of hours equal to at
3 least 75% of the required minimum number of hours of pupil instruction to be considered a
4 full-time equivalent pupil.

5 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program
6 or a special education pupil cannot receive the required minimum number of hours of pupil
7 instruction solely because of travel time between instructional sites during the school
8 day, that travel time, up to a maximum of 3 hours per school week, shall be considered to
9 be pupil instruction time for the purpose of determining whether the pupil is receiving the
10 required minimum number of hours of pupil instruction. However, if a district demonstrates
11 to the satisfaction of the department that the travel time limitation under this
12 subdivision would create undue costs or hardship to the district, the department may
13 consider more travel time to be pupil instruction time for this purpose.

14 (e) In grades 7 through 12, instructional time that is part of a junior reserve
15 officer training corps (JROTC) program shall be considered to be pupil instruction time
16 regardless of whether the instructor is a certificated teacher if all of the following are
17 met:

18 (i) The instructor has met all of the requirements established by the United States
19 Department of Defense and the applicable branch of the armed services for serving as an
20 instructor in the junior reserve officer training corps program.

21 (ii) The board of the district or intermediate district employing or assigning the
22 instructor complies with the requirements of sections 1230 and 1230a of the revised school
23 code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if
24 employing the instructor as a regular classroom teacher.

25 (8) Except as otherwise provided in subsections (11) and (12), the department shall
26 apply the guidelines under subsection (7) in calculating the full-time equivalency of
27 pupils.

28 (9) Upon application by the district for a particular fiscal year, the superintendent
29 shall waive for a district the minimum number of hours and days of pupil instruction
30 requirement of subsection (3) for a department-approved alternative education program or
31 another innovative program approved by the department, including a 4-day school week. If a
32 district applies for and receives a waiver under this subsection and complies with the

1 terms of the waiver, the district is not subject to forfeiture under this section for the
2 specific program covered by the waiver. If the district does not comply with the terms of
3 the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the
4 number of hours and days of pupil instruction actually provided to the minimum number of
5 hours and days of pupil instruction required under subsection (3). Pupils enrolled in a
6 department-approved alternative education program under this subsection shall be reported
7 to the center in a form and manner determined by the center. All of the following apply to
8 a waiver granted under this subsection:

9 (a) If the waiver is for a blended model of delivery, a waiver that is granted for
10 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is
11 revoked by the superintendent.

12 (b) If the waiver is for a 100% online model of delivery and the educational program
13 for which the waiver is granted makes educational services available to pupils for a
14 minimum of at least 1,098 hours during a school year and ensures that each pupil is on
15 track for course completion at proficiency level, a waiver that is granted for the 2011-
16 2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the
17 superintendent.

18 (c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 1
19 fiscal year and must be renewed annually to remain in effect.

20 (10) Until 2014-2015, a district may count up to 38 hours of qualifying professional
21 development for teachers as hours of pupil instruction. However, if a collective bargaining
22 agreement that provides for the counting of up to 38 hours of qualifying professional
23 development for teachers as pupil instruction is in effect for employees of a district as
24 of July 1, 2013, then until the school year that begins after the expiration of that
25 collective bargaining agreement a district may count up to the contractually specified
26 number of hours of qualifying professional development for teachers as hours of pupil
27 instruction. Professional development provided online is allowable and encouraged, as long
28 as the instruction has been approved by the district. The department shall issue a list of
29 approved online professional development providers, which shall include the Michigan
30 Virtual School. As used in this subsection, "qualifying professional development" means
31 professional development that is focused on 1 or more of the following:

32 (a) Achieving or improving adequate yearly progress as defined under the no child

1 left behind act of 2001, Public Law 107-110.

2 (b) Achieving accreditation or improving a school's accreditation status under
3 section 1280 of the revised school code, MCL 380.1280.

4 (c) Achieving highly qualified teacher status as defined under the no child left
5 behind act of 2001, Public Law 107-110.

6 (d) Integrating technology into classroom instruction.

7 (e) Maintaining teacher certification.

8 (11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber
9 school, as defined in section 551 of the revised school code, MCL 380.551, and is in
10 compliance with section 553a of the revised school code, MCL 380.553a.

11 (12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout
12 recovery program that meets the requirements of section 23a. As used in this subsection,
13 "eligible pupil" means that term as defined in section 23a.

14 (13) Beginning in 2013, at least every 2 years the superintendent shall review the
15 waiver standards set forth in the pupil accounting and auditing manuals to ensure that the
16 waiver standards and waiver process continue to be appropriate and responsive to changing
17 trends in online learning. The superintendent shall solicit and consider input from
18 stakeholders as part of this review.

19 Sec. 102d. (1) From the funds appropriated in section 11, there is allocated an
20 amount not to exceed \$1,500,000.00 for ~~2015-2016~~ **2016-2017** for reimbursements to districts
21 for the licensing of school data analytical tools as described under this section. The
22 reimbursement is for districts that choose to use a school data analytical tool to assist
23 the district and that enter into a licensing agreement for a school data analytical tool
24 with 1 of the vendors approved by the department of technology, management, and budget
25 under subsection (2). **FUNDS UNDER THIS SECTION ARE INTENDED TO PROVIDE DISTRICTS WITH**
26 **FINANCIAL FORECASTING AND TRANSPARENCY REPORTING TOOLS TO HELP IMPROVE THE FINANCIAL HEALTH**
27 **OF DISTRICTS AND TO IMPROVE COMMUNICATION WITH THE PUBLIC, RESULTING IN INCREASED FUND**
28 **BALANCES FOR DISTRICTS.**

29 (2) Not later than October 15, ~~2015~~ **2016**, the department of technology, management,
30 and budget shall review vendors for school data analytical tools and provide districts with
31 a list of at least 2 and up to 4 approved vendors that districts may use to be eligible for
32 a reimbursement paid under this section. For a vendor to be approved under this section,

1 the department of technology, management, and budget must determine that the school data
2 analytical tool supplied by the vendor meets at least all of the following:

3 (a) Analyzes financial data.

4 (b) Analyzes academic data.

5 (c) Provides early warning indicators of financial stress.

6 (d) Has the capability to provide peer district comparisons of both financial and
7 academic data.

8 (e) Has the capability to provide financial projections for at least 3 subsequent
9 fiscal years.

10 (3) Funds allocated under this section shall be paid to districts as a reimbursement
11 for already having a licensing agreement or for entering into a licensing agreement not
12 later than December 1, ~~2015~~ **2016** with a vendor approved under subsection (2) to implement a
13 school data analytical tool. Reimbursement under this section shall be made on an equal
14 per-pupil basis.

15 (4) Notwithstanding section 17b, payments under this section shall be made on a
16 schedule determined by the department.

17 Sec. 104. (1) In order to receive state aid under this article, a district shall
18 comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code,
19 MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL
20 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money
21 appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to
22 exceed ~~\$43,994,400.00~~ **\$33,894,400.00** for payments on behalf of districts for costs
23 associated with complying with those provisions of law. In addition, from the federal funds
24 appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount estimated
25 at \$6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and from DED-
26 OSERS, section 504 of part B of the individuals with disabilities education act, Public Law
27 94-142, plus any carryover federal funds from previous year appropriations, for the
28 purposes of complying with the federal no child left behind act of 2001, Public Law 107-110
29 **OR THE EVERY STUDENT SUCCEEDS ACT OF 2015, PUBLIC LAW 114-95.**

30 (2) The results of each test administered as part of the Michigan student test of
31 educational progress (M-STEP), including tests administered to high school students, shall
32 include an item analysis that lists all items that are counted for individual pupil scores

1 and the percentage of pupils choosing each possible response.

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

5 (4) Notwithstanding section 17b, payments on behalf of districts, intermediate
6 districts, and other eligible entities under this section shall be paid on a schedule
7 determined by the department.

8 ~~(5) From the allocation in subsection (1), there is allocated an amount not to exceed~~
9 ~~\$9,500,000.00 for the following purposes:~~

10 ~~(a) Converting existing student assessments to online assessments.~~

11 ~~(b) Providing paper and pencil test versions to districts not prepared to implement~~
12 ~~online assessments.~~

13 ~~(c) Expanding writing assessments to additional grade levels.~~

14 ~~(d) Providing an increased number of constructed response test questions so that~~
15 ~~pupils can demonstrate higher order skills such as problem solving and communicating~~
16 ~~reasoning.~~

17 ~~(5) (6)~~ From the allocation in subsection (1), there is allocated an amount not to
18 exceed \$3,200,000.00 for the development or selection of an online reporting tool to
19 provide student-level assessment data in a secure environment to educators, parents, and
20 pupils immediately after assessments are scored. The department and the center shall ensure
21 that any data collected by the online reporting tool do not provide individually
22 identifiable student data to the federal government.

23 ~~(6) (7)~~ From the allocation in subsection (1), there is allocated an amount not to
24 exceed \$5,600,000.00 for the purpose of implementing a summative assessment system pursuant
25 to section 104c.

26 (8) As used in this section:

27 (a) "DED" means the United States Department of Education.

28 (b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

29 (c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative
30 Services.

31 Sec. 104b. (1) In order to receive state aid under this article, a district shall
32 comply with this section and shall administer the Michigan merit examination to pupils in

1 grade 11, and to pupils in grade 12 who did not take the complete Michigan merit
2 examination in grade 11, as provided in this section. The Michigan merit examination
3 consists of a college entrance test, work skills test, and the summative assessment known
4 as the Michigan student test of educational progress (M-STEP).

5 (2) For the purposes of this section, the department of technology, management, and
6 budget shall contract with 1 or more providers to develop, supply, and score the Michigan
7 merit examination. The Michigan merit examination shall consist of all of the following:

8 (a) Assessment instruments that measure English language arts, mathematics, reading,
9 and science, and are used by the majority of colleges and universities in this state for
10 entrance purposes. This may include 1 or more writing components. In selecting assessment
11 instruments to fulfill the requirements of this subdivision, the department may consider
12 the degree to which those assessment instruments are aligned to this state's content
13 standards.

14 (b) One or more tests from 1 or more test developers that assess a pupil's ability to
15 apply at least reading and mathematics skills in a manner that is intended to allow
16 employers to use the results in making employment decisions. The department of technology,
17 management, and budget and the superintendent shall ensure that any test or tests selected
18 under this subdivision have all the components necessary to allow a pupil to be eligible to
19 receive the results of a nationally recognized evaluation of workforce readiness if the
20 pupil's test performance is adequate.

21 (c) A social studies component.

22 (d) Any other component that is necessary to obtain the approval of the United States
23 Department of Education to use the Michigan merit examination for the purposes of the no
24 child left behind act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT OF**
25 **2015, PUBLIC LAW 114-95.**

26 (3) In addition to all other requirements of this section, all of the following apply
27 to the Michigan merit examination:

28 (a) The department of technology, management, and budget and the superintendent shall
29 ensure that any contractor used for scoring the Michigan merit examination supplies an
30 individual report for each pupil that will identify for the pupil's parents and teachers
31 whether the pupil met expectations or failed to meet expectations for each standard, to
32 allow the pupil's parents and teachers to assess and remedy problems before the pupil moves

1 to the next grade.

2 (b) The department of technology, management, and budget and the superintendent shall
3 ensure that any contractor used for scoring, developing, or processing the Michigan merit
4 examination meets quality management standards commonly used in the assessment industry,
5 including at least meeting level 2 of the capability maturity model developed by the
6 Software Engineering Institute of Carnegie Mellon University for the first year the
7 Michigan merit examination is offered to all grade 11 pupils and at least meeting level 3
8 of the capability maturity model for subsequent years.

9 (c) The department of technology, management, and budget and the superintendent shall
10 ensure that any contract for scoring, administering, or developing the Michigan merit
11 examination includes specific deadlines for all steps of the assessment process, including,
12 but not limited to, deadlines for the correct testing materials to be supplied to schools
13 and for the correct results to be returned to schools, and includes penalties for
14 noncompliance with these deadlines.

15 (d) The superintendent shall ensure that the Michigan merit examination meets all of
16 the following:

17 (i) Is designed to test pupils on this state's content standards in all subjects
18 tested.

19 (ii) Complies with requirements of the no child left behind act of 2001, Public Law
20 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT OF 2015, PUBLIC LAW 114-95.**

21 (iii) Is consistent with the code of fair testing practices in education prepared by
22 the Joint Committee on Testing Practices of the American Psychological Association.

23 (iv) Is factually accurate. If the superintendent determines that a question is not
24 factually accurate and should be excluded from scoring, the state board and the
25 superintendent shall ensure that the question is excluded from scoring.

26 (4) A district shall include on each pupil's high school transcript all of the
27 following:

28 (a) For each high school graduate who has completed the Michigan merit examination
29 under this section, the pupil's scaled score on each subject area component of the Michigan
30 merit examination.

31 (b) The number of school days the pupil was in attendance at school each school year
32 during high school and the total number of school days in session for each of those school

1 years.

2 (5) The superintendent shall work with the provider or providers of the Michigan
3 merit examination to produce Michigan merit examination subject area scores for each pupil
4 participating in the Michigan merit examination. To the extent that the department
5 determines that additional test items beyond those included in the college entrance
6 component of the Michigan merit examination are required in a particular subject area, the
7 department shall ensure that all test items in that subject area are scaled and merged for
8 the purposes of producing a Michigan merit examination subject area score. The
9 superintendent shall design and distribute to districts, intermediate districts, and
10 nonpublic schools a simple and concise document that describes the scoring for each subject
11 area and indicates the scaled score ranges for each subject area.

12 (6) The Michigan merit examination shall be administered in each district during the
13 last 12 weeks of the district's school year. The superintendent shall ensure that the
14 Michigan merit examination is scored and the scores are returned to pupils, their parents
15 or legal guardians, and districts not later than the beginning of the pupil's first
16 semester of grade 12. The returned scores shall indicate at least the pupil's scaled score
17 for each subject area component and the range of scaled scores for each subject area. In
18 reporting the scores to pupils, parents, and schools, the superintendent shall provide
19 standards-specific, meaningful, and timely feedback on the pupil's performance on the
20 Michigan merit examination.

21 (7) A district shall administer the complete Michigan merit examination to a pupil
22 only once and shall not administer the complete Michigan merit examination to the same
23 pupil more than once. If a pupil does not take the complete Michigan merit examination in
24 grade 11, the district shall administer the complete Michigan merit examination to the
25 pupil in grade 12. If a pupil chooses to retake the college entrance examination component
26 of the Michigan merit examination, as described in subsection (2) (a), the pupil may do so
27 through the provider of the college entrance examination component and the cost of the
28 retake is the responsibility of the pupil unless all of the following are met:

29 (a) The pupil has taken the complete Michigan merit examination.

30 (b) The pupil meets the income eligibility criteria for free breakfast, lunch, or
31 milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to
32 1769i.

1 (c) The pupil has applied to the provider of the college entrance examination
2 component for a scholarship or fee waiver to cover the cost of the retake and that
3 application has been denied.

4 (d) After taking the complete Michigan merit examination, the pupil has not already
5 received a free retake of the college entrance examination component paid for either by
6 this state or through a scholarship or fee waiver by the provider.

7 (8) The superintendent shall ensure that the length of the Michigan merit examination
8 and the combined total time necessary to administer all of the components of the Michigan
9 merit examination are the shortest possible that will still maintain the degree of
10 reliability and validity of the Michigan merit examination results determined necessary by
11 the superintendent. The superintendent shall ensure that the maximum total combined length
12 of time that schools are required to set aside for pupils to answer all test questions on
13 the Michigan merit examination does not exceed 8 hours if the superintendent determines
14 that sufficient alignment to applicable Michigan merit curriculum content standards can be
15 achieved within that time limit.

16 (9) A district shall provide accommodations to a pupil with disabilities for the
17 Michigan merit examination, as provided under section 504 of title V of the rehabilitation
18 act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of
19 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of
20 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider
21 or providers of the Michigan merit examination and the superintendent shall mutually agree
22 upon the accommodations to be provided under this subsection.

23 (10) To the greatest extent possible, the Michigan merit examination shall be based
24 on this state's content standards, as appropriate. Annually, after each administration of
25 the Michigan merit examination, the department shall provide a report of the points per
26 standard so that teachers will know what content will be covered within the Michigan merit
27 examination. The department may augment the college entrance and work skills components of
28 the Michigan merit examination to develop the assessment, depending on the alignment of
29 those components to this state's content standards. If these components do not align to
30 these standards, the department shall produce additional components as required by law,
31 while minimizing the amount of time needed for assessments.

32 (11) A child who is a student in a nonpublic school or home school may take the

1 Michigan merit examination under this section. To take the Michigan merit examination, a
2 child who is a student in a home school shall contact the district in which the child
3 resides, and that district shall administer the Michigan merit examination, or the child
4 may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic
5 school. Upon request from a nonpublic school, the superintendent shall direct the provider
6 or providers to supply the Michigan merit examination to the nonpublic school and the
7 nonpublic school may administer the Michigan merit examination. If a district administers
8 the Michigan merit examination under this subsection to a child who is not enrolled in the
9 district, the scores for that child are not considered for any purpose to be scores of a
10 pupil of the district.

11 (12) In contracting under subsection (2), the department of technology, management,
12 and budget shall consider a contractor that provides electronically-scored essays with the
13 ability to score constructed response feedback in multiple languages and provide ongoing
14 instruction and feedback.

15 (13) The purpose of the Michigan merit examination is to assess pupil performance in
16 mathematics, science, social studies, and English language arts for the purpose of
17 improving academic achievement and establishing a statewide standard of competency. The
18 assessment under this section provides a common measure of data that will contribute to the
19 improvement of Michigan schools' curriculum and instruction by encouraging alignment with
20 Michigan's curriculum framework standards and promotes pupil participation in higher level
21 mathematics, science, social studies, and English language arts courses. These standards
22 are based upon the expectations of what pupils should learn through high school and are
23 aligned with national standards.

24 (14) For a pupil enrolled in a middle college program, other than a middle college
25 operated as a shared educational entity or a specialized shared educational entity, if the
26 pupil receives at least 50% of his or her instruction at the high school while in grade 11,
27 the Michigan merit examination shall be administered to the pupil at the high school at
28 which the pupil receives high school instruction, and the department shall include the
29 pupil's scores on the Michigan merit examination in the scores for that high school for all
30 purposes for which a school's or district's results are reported. The department shall
31 allow the middle college program to use a 5-year graduation rate for determining adequate
32 yearly progress. As used in this subsection, "middle college" means a program consisting of

1 a series of courses and other requirements and conditions, including an early college or
2 other program created under a memorandum of understanding, that allows a pupil to graduate
3 from high school with both a high school diploma and a certificate or degree from a
4 community college or state public university.

5 (15) As used in this section:

6 (a) "English language arts" means reading and writing.

7 (b) "Social studies" means United States history, world history, world geography,
8 economics, and American government.

9 Sec. 104c. (1) In order to receive state aid under this article, a district shall
10 administer the state assessments described in this section.

11 (2) For the purposes of this section, the department shall develop for use in the
12 spring of 2015-2016 the Michigan student test of educational progress (M-STEP) assessments
13 in English language arts and mathematics. These assessments shall be aligned to state
14 standards.

15 (3) For the purposes of this section, the department shall implement a summative
16 assessment system that is proven to be valid and reliable for administration to pupils as
17 provided under this subsection. The summative assessment system shall meet all of the
18 following requirements:

19 (a) The summative assessment system shall measure student proficiency on the current
20 state standards, shall measure student growth for consecutive grade levels in which
21 students are assessed in the same subject area in both grade levels, and shall be capable
22 of measuring individual student performance.

23 (b) The summative assessments for English language arts and mathematics shall be
24 administered to all public school pupils in grades 3 to 11, including those pupils as
25 required by the federal individuals with disabilities education act, Public Law 108-446,
26 and by title I of the federal elementary and secondary education act.

27 (c) The summative assessments for science shall be administered to all public school
28 pupils in at least grades 4 and 7, including those pupils as required by the federal
29 individuals with disabilities education act, Public Law 108-446, and by title I of the
30 federal elementary and secondary education act.

31 (d) The summative assessments for social studies shall be administered to all public
32 school pupils in at least grades 5 and 8, including those pupils as required by the federal

1 individuals with disabilities education act, Public Law 108-446, and by title I of the
2 federal elementary and secondary education act.

3 (e) The content of the summative assessments shall be aligned to state standards.

4 (f) The pool of questions for the summative assessments shall be subject to a
5 transparent review process for quality, bias, and sensitive issues involving educator
6 review and comment. The department shall post samples from tests or retired tests featuring
7 questions from this pool for review by the public.

8 (g) The summative assessment system shall ensure that students, parents, and teachers
9 are provided with reports that convey individual student proficiency and growth on the
10 assessment and that convey individual student domain-level performance in each subject
11 area, including representative questions, and individual student performance in meeting
12 state standards.

13 (h) The summative assessment system shall be capable of providing, and the department
14 shall ensure that students, parents, teachers, administrators, and community members are
15 provided with, reports that convey aggregate student proficiency and growth data by
16 teacher, grade, school, and district.

17 (i) The summative assessment system shall ensure the capability of reporting the
18 available data to support educator evaluations.

19 (j) The summative assessment system shall ensure that the reports provided to
20 districts containing individual student data are available within 60 days after completion
21 of the assessments.

22 (k) The summative assessment system shall ensure that access to individually
23 identifiable student data meets all of the following:

24 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family
25 educational rights and privacy act of 1974.

26 (ii) Except as may be provided for in an agreement with a vendor to provide
27 assessment services, as necessary to support educator evaluations pursuant to subdivision
28 (i), or for research or program evaluation purposes, is available only to the student; to
29 the student's parent or legal guardian; and to a school administrator or teacher, to the
30 extent that he or she has a legitimate educational interest.

31 (l) The summative assessment system shall ensure that the assessments are pilot
32 tested before statewide implementation.

1 (m) The summative assessment system shall ensure that assessments are designed so
2 that the maximum total combined length of time that schools are required to set aside for a
3 pupil to answer all test questions on all assessments that are part of the system for the
4 pupil's grade level does not exceed that maximum total combined length of time for the
5 previous statewide assessment system or 9 hours, whichever is less. This subdivision does
6 not limit the amount of time a district may allow a pupil to complete a test.

7 (n) The total cost of executing the summative assessment system statewide each year,
8 including, but not limited to, the cost of contracts for administration, scoring, and
9 reporting, shall not exceed an amount equal to 2 times the cost of executing the previous
10 statewide assessment after adjustment for inflation.

11 (4) Beginning in the 2015-2016 school year, the department shall field test
12 ~~additional components in the assessment system under this subsection~~ **ASSESSMENTS IN THE**
13 **FALL AND SPRING OF EACH YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF**
14 **GRADES K TO 2** for full implementation in the 2016-2017 school year. ~~The additional~~
15 ~~components~~ **THESE ASSESSMENTS** are necessary to determine a pupil's proficiency level before
16 grade 3. ~~The additional components are as follows:~~

17 ~~(a) Assessments administered in the fall and spring of each year to measure English~~
18 ~~language arts and mathematics in each of grades 1 and 2.~~

19 ~~(b) The kindergarten entry assessment (KEA), to be administered in the fall of the~~
20 ~~kindergarten year. The KEA shall include the same components as under subdivision (a) and~~
21 ~~also may include observational components that measure cognitive, social-emotional, and~~
22 ~~physical skills.~~

23 (5) This section does not prohibit districts from adopting interim assessments.

24 (6) As used in this section, "English language arts" means that term as defined in
25 section 104b.

26 Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not
27 to exceed \$25,000,000.00 for ~~2015-2016~~ **2016-2017** for adult education programs authorized
28 under this section. Except as otherwise provided under subsections ~~(16)~~ **(14)** and ~~(19)~~ **(15)**,
29 funds allocated under this section are restricted for adult education programs as
30 authorized under this section only. A recipient of funds under this section shall not use
31 those funds for any other purpose.

32 (2) To be eligible for funding under this section, an eligible adult education

1 provider shall employ certificated teachers and qualified administrative staff and shall
2 offer continuing education opportunities for teachers to allow them to maintain
3 certification.

4 (3) To be eligible to be a participant funded under this section, an individual shall
5 be enrolled in an adult basic education program, **AN ADULT SECONDARY EDUCATION PROGRAM**, an
6 adult English as a second language program, a ~~general educational development (G.E.D.)~~ **HIGH**
7 **SCHOOL EQUIVALENCY** test preparation program, ~~a job or employment-related program~~, or a
8 high school completion program, that meets the requirements of this section, and for which
9 instruction is provided, and shall meet either of the following, as applicable:

10 ~~(a) If the individual has obtained a high school diploma or a general educational~~
11 ~~development (G.E.D.) certificate, the individual meets 1 of the following:~~

12 ~~(i) Is less than 20 years of age on September 1 of the school year, is not attending~~
13 ~~an institution of higher education, and is enrolled in a job or employment-related program~~
14 ~~through a referral by an employer or by a Michigan workforce agency.~~

15 ~~(ii) Is enrolled in an English as a second language program.~~

16 ~~(iii) Is enrolled in a high school completion program.~~

17 ~~(iv) Is at least 20 years of age on September 1 of the school year, is enrolled in an~~
18 ~~adult basic education program, and is determined by a department approved assessment, in a~~
19 ~~form and manner prescribed by the department, to be below grade 9 level in reading or~~
20 ~~mathematics, or both.~~

21 ~~(b) If the individual has not obtained a high school diploma or G.E.D. certificate,~~
22 ~~the individual meets 1 of the following:~~

23 ~~(i) Is at least 20 years of age on September 1 of the school year.~~

24 ~~(ii) Is at least 16 years of age on September 1 of the school year, has been~~
25 ~~permanently expelled from school under section 1311(2) or 1311a of the revised school code,~~
26 ~~MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available~~
27 ~~through his or her district of residence.~~

28 **(A) HAS ATTAINED 20 YEARS OF AGE.**

29 **(B) IS AN OUT-OF-SCHOOL YOUTH AS DEFINED BY SECTION 129(A) (1) (B) OF THE WORKFORCE**
30 **INNOVATION AND OPPORTUNITY ACT, PUBLIC LAW 113-128.**

31 (4) By April 1 of each fiscal year, the intermediate districts within a prosperity
32 region or subregion shall determine which intermediate district will serve as the

1 prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify
2 the department in a form and manner determined by the department. The department shall
3 approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From
4 the funds allocated under subsection (1), an amount as determined under this subsection
5 shall be allocated to each intermediate district serving as a fiscal agent for adult
6 education programs in each of the prosperity regions or subregions identified by the
7 department. An intermediate district shall not use more than 5% of the funds allocated
8 under this subsection for administration costs for serving as the fiscal agent. Beginning
9 in 2014-2015, 67% of the allocation provided to each intermediate district serving as a
10 fiscal agent shall be based on the proportion of total funding formerly received by the
11 adult education providers in that prosperity region or subregion in 2013-2014, and 33%
12 shall be allocated based on the factors in subdivisions (a), (b), and (c). For 2016-2017,
13 33% of the allocation provided to each intermediate district serving as a fiscal agent
14 shall be based upon the proportion of total funding formerly received by the adult
15 education providers in that prosperity region in 2013-2014 and 67% of the allocation shall
16 be based upon the factors in subdivisions (a), (b), and (c). Beginning in 2017-2018, 100%
17 of the allocation provided to each intermediate district serving as a fiscal agent shall be
18 based on the factors in subdivisions (a), (b), and (c). The funding factors for this
19 section are as follows:

20 (a) Sixty percent of this portion of the funding shall be distributed based upon the
21 proportion of the state population of individuals between the ages of 18 and 24 that are
22 not high school graduates that resides in each of the prosperity regions or subregions, as
23 reported by the most recent 5-year estimates from the American community survey (ACS) from
24 the United States Census Bureau.

25 (b) Thirty-five percent of this portion of the funding shall be distributed based
26 upon the proportion of the state population of individuals age 25 or older who are not high
27 school graduates that resides in each of the prosperity regions or subregions, as reported
28 by the most recent 5-year estimates from the American community survey (ACS) from the
29 United States Census Bureau.

30 (c) Five percent of this portion of the funding shall be distributed based upon the
31 proportion of the state population of individuals age 18 or older who lack basic English
32 language proficiency that resides in each of the prosperity regions or subregions, as

1 reported by the most recent 5-year estimates from the American community survey (ACS) from
2 the United States Census Bureau.

3 (5) To be an eligible fiscal agent, an intermediate district must agree to do the
4 following in a form and manner determined by the department:

5 (a) Distribute funds to adult education programs in a prosperity region or subregion
6 as described in this section.

7 (b) Collaborate with the talent district career council, which is an advisory council
8 of the workforce development boards located in the prosperity region or subregion, or its
9 successor, to develop a regional strategy that aligns adult education programs and services
10 into an efficient and effective delivery system for adult education learners, with special
11 consideration for providing contextualized learning and career pathways, **AND ADDRESSING**
12 **BARRIERS TO EDUCATION AND EMPLOYMENT.**

13 (c) Collaborate with the talent district career council, which is an advisory council
14 of the workforce development boards located in the prosperity region or subregion, or its
15 successor, to create a local process and criteria that will identify eligible adult
16 education providers to receive funds allocated under this section based on location, demand
17 for services, past performance, quality indicators as identified by the department, and
18 cost to provide instructional services. The fiscal agent shall determine all local
19 processes, criteria, and provider determinations. However, the local processes, criteria,
20 and provider services must be approved by the department before funds may be distributed to
21 the fiscal agent.

22 (d) Provide oversight to its adult education providers throughout the program year to
23 ensure compliance with the requirements of this section.

24 (e) Report adult education program and participant data and information as prescribed
25 by the department.

26 ~~(6) The amount allocated under this section per full-time equated participant shall~~
27 ~~not exceed \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced~~
28 ~~for a program offering less than 450 hours of instruction.~~

29 **(6) ~~(7)~~** An adult basic education program, **AN ADULT SECONDARY EDUCATION PROGRAM**, or an
30 adult English as a second language program operated on a year-round or school year basis
31 may be funded under this section, subject to all of the following:

32 (a) The program enrolls adults who are determined by a department-approved

1 assessment, in a form and manner prescribed by the department, to be below ~~ninth~~ **TWELFTH**
2 grade level in reading or mathematics, or both, or to lack basic English proficiency.

3 (b) The program tests individuals for eligibility under subdivision (a) before
4 enrollment and upon completion of the program in compliance with the state-approved
5 assessment policy.

6 (c) A participant in an adult basic education program is eligible for reimbursement
7 until 1 of the following occurs:

8 (i) The participant's reading and mathematics proficiency are assessed at or above
9 the ~~ninth~~ **TWELFTH** grade level.

10 (ii) The participant fails to show progress on 2 successive assessments after having
11 completed at least 450 hours of instruction.

12 **(D) A PARTICIPANT IN AN ADULT SECONDARY EDUCATION PROGRAM IS ELIGIBLE FOR**
13 **REIMBURSEMENT UNTIL 1 OF THE FOLLOWING OCCURS:**

14 **(I) THE PARTICIPANT'S READING AND MATHEMATICS PROFICIENCY ARE ASSESSED ABOVE THE**
15 **TWELFTH GRADE LEVEL.**

16 **(II) THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AFTER HAVING**
17 **COMPLETED AT LEAST 450 HOURS OF INSTRUCTION.**

18 **(E) ~~(d)~~** A funding recipient enrolling a participant in an English as a second
19 language program is eligible for funding according to subsection ~~(11)~~ **(9)** until the
20 participant meets 1 of the following:

21 (i) The participant is assessed as having attained basic English proficiency as
22 determined by a department-approved assessment.

23 (ii) The participant fails to show progress on 2 successive department-approved
24 assessments after having completed at least 450 hours of instruction. The department shall
25 provide information to a funding recipient regarding appropriate assessment instruments for
26 this program.

27 **(7) ~~(8)~~** A ~~general educational development (G.E.D.)~~ **HIGH SCHOOL EQUIVALENCY** test
28 preparation program operated on a year-round or school year basis may be funded under this
29 section, subject to all of the following:

30 (a) The program enrolls adults who do not have a high school diploma **OR A HIGH SCHOOL**
31 **EQUIVALENCY CERTIFICATE.**

32 (b) The program shall administer a pre-test approved by the department before

1 enrolling an individual to determine the individual's literacy levels, shall administer a
2 ~~G.E.D. HIGH SCHOOL EQUIVALENCY~~ practice test to determine the individual's potential for
3 success on the ~~G.E.D. HIGH SCHOOL EQUIVALENCY~~ test, and shall administer a post-test upon
4 completion of the program in compliance with the state-approved assessment policy.

5 (c) A funding recipient shall receive funding according to subsection ~~(11)~~ **(9)** for a
6 participant, and a participant may be enrolled in the program until 1 of the following
7 occurs:

8 (i) The participant obtains the ~~G.E.D. HIGH SCHOOL EQUIVALENCY CERTIFICATE~~.

9 (ii) The participant fails to show progress on 2 successive department-approved
10 assessments used to determine readiness to take the ~~G.E.D. HIGH SCHOOL EQUIVALENCY~~ test
11 after having completed at least 450 hours of instruction.

12 **(8)** ~~(9)~~ A high school completion program operated on a year-round or school year
13 basis may be funded under this section, subject to all of the following:

14 (a) The program enrolls adults who do not have a high school diploma.

15 (b) The program tests participants described in subdivision (a) before enrollment and
16 upon completion of the program in compliance with the state-approved assessment policy.

17 (c) A funding recipient shall receive funding according to subsection ~~(11)~~ **(9)** for a
18 participant in a course offered under this subsection until 1 of the following occurs:

19 (i) The participant passes the course and earns a high school diploma.

20 (ii) The participant fails to earn credit in 2 successive semesters or terms in which
21 the participant is enrolled after having completed at least 900 hours of instruction.

22 ~~(10) A job- or employment-related adult education program operated on a year-round or~~
23 ~~school year basis may be funded under this section, subject to all of the following:~~

24 ~~(a) The program enrolls adults referred by their employer who are less than 20 years~~
25 ~~of age, have a high school diploma, are determined to be in need of remedial mathematics or~~
26 ~~communication arts skills, and are not attending an institution of higher education.~~

27 ~~(b) The program tests participants described in subdivision (a) before enrollment and~~
28 ~~upon completion of the program in compliance with the department approved assessment~~
29 ~~policy.~~

30 ~~(c) An individual may be enrolled in this program and the grant recipient shall~~
31 ~~receive funding according to subsection (11) until 1 of the following occurs:~~

32 ~~(i) The individual achieves the requisite skills as determined by department-approved~~

1 ~~assessment instruments.~~

2 ~~(ii) The individual fails to show progress on 2 successive assessments after having~~
3 ~~completed at least 450 hours of instruction.~~

4 (9) ~~(11)~~ A funding recipient shall receive payments under this section in accordance
5 with **ALL OF** the following:

6 (a) ~~Eighty percent for enrollment of eligible participants.~~ **STATEWIDE ALLOCATION**
7 **CRITERIA, INCLUSIVE OF A THREE-YEAR AVERAGE OF ACTUAL ENROLLMENTS, CENSUS DATA, AND LOCAL**
8 **NEEDS.**

9 (b) ~~Twenty percent for participant~~ **PARTICIPANT** completion of the adult basic
10 education objectives by achieving an educational gain as determined by the national
11 reporting system levels; for achieving basic English proficiency, as determined by the
12 department; for obtaining a ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY CERTIFICATE** or passage of 1 or
13 more individual ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY** tests; for attainment of a high school
14 diploma or passage of a course required for a participant to attain a high school diploma;
15 for enrollment in a postsecondary institution, or for entry into or retention of
16 employment, as applicable.

17 (C) **PARTICIPANT COMPLETION OF CORE INDICATORS AS IDENTIFIED IN THE WORKFORCE**
18 **INNOVATION AND OPPORTUNITY ACT.**

19 (D) **ALLOWABLE EXPENDITURES.**

20 (10) ~~(12)~~ A person who is not eligible to be a participant funded under this section
21 may receive adult education services upon the payment of tuition. In addition, a person who
22 is not eligible to be served in a program under this section due to the program limitations
23 specified in subsection ~~(7), (8), (9), or (10)~~ **(6), (7), OR (8)** may continue to receive
24 adult education services in that program upon the payment of tuition. The tuition level
25 shall be determined by the local or intermediate district conducting the program.

26 (11) ~~(13)~~ An individual who is an inmate in a state correctional facility shall not
27 be counted as a participant under this section.

28 (12) ~~(14)~~ A funding recipient shall not commingle money received under this section
29 or from another source for adult education purposes with any other funds and shall
30 establish a separate ledger account for funds received under this section. This subsection
31 does not prohibit a district from using general funds of the district to support an adult
32 education or community education program.

1 **(13)** ~~(15)~~ A funding recipient receiving funds under this section may establish a
2 sliding scale of tuition rates based upon a participant's family income. A funding
3 recipient may charge a participant tuition to receive adult education services under this
4 section from that sliding scale of tuition rates on a uniform basis. The amount of tuition
5 charged per participant shall not exceed the actual operating cost per participant minus
6 any funds received under this section per participant. A funding recipient may not charge a
7 participant tuition under this section if the participant's income is at or below 200% of
8 the federal poverty guidelines published by the United States Department of Health and
9 Human Services.

10 **(14)** ~~(16)~~ In order to receive funds under this section, a funding recipient shall
11 furnish to the department, in a form and manner determined by the department, all
12 information needed to administer this program and meet federal reporting requirements;
13 shall allow the department or the department's designee to review all records related to
14 the program for which it receives funds; and shall reimburse the state for all
15 disallowances found in the review, as determined by the department. In addition, a funding
16 recipient shall agree to pay to a career and technical education program under section 61a
17 the amount of funding received under this section in the proportion of career and technical
18 education coursework used to satisfy adult basic education programming, as billed to the
19 funding recipient by programs operating under section 61a.

20 ~~(17) All intermediate district participant audits of adult education programs shall~~
21 ~~be performed pursuant to the adult education participant auditing and accounting manuals~~
22 ~~published by the department.~~

23 **(15)** ~~(18)~~ From the amount appropriated in subsection (1), an amount not to exceed
24 \$500,000.00 shall be allocated for ~~2015-2016~~ **2016-2017** to not more than 1 pilot program
25 that is located in a prosperity region with 2 or more subregions and that connects adult
26 education participants directly with employers by linking adult education, career and
27 technical skills, and workforce development. To be eligible for funding under this
28 subsection, a pilot program shall provide a collaboration linking adult education programs
29 within the county, the area career/technical center, and local employers, and shall meet
30 the additional criteria in subsections ~~(19) and (20)~~ **(16) AND (17)**. Funding under this
31 subsection for ~~2015-2016~~ **2016-2017** is for the ~~first~~ **SECOND** of 3 years of funding.

32 **(16)** ~~(19)~~ A pilot program funded under subsection ~~(18)~~ **(15)** shall require adult

1 education staff to work with Michigan Works! to identify a cohort of participants who are
2 most prepared to successfully enter the workforce. Participants identified under this
3 subsection shall be dually enrolled in adult education programming and at least 1 technical
4 course at the area career/technical center.

5 **(17)** ~~(20)~~ A pilot program funded under subsection ~~(18)~~ **(15)** shall have on staff an
6 adult education navigator who will serve as a caseworker for each participant identified
7 under subsection ~~(19)~~ **(16)**. The navigator shall work with adult education staff and
8 potential employers to design an educational program best suited to the personal and
9 employment needs of the participant, and shall work with human service agencies or other
10 entities to address any barrier in the way of participant access.

11 ~~(21) Not later than December 1, 2016 2017, the pilot program funded under subsection~~
12 ~~(18) shall provide to the senate and house appropriations subcommittees on school aid and~~
13 ~~to the senate and house fiscal agencies a report detailing number of participants,~~
14 ~~graduation rates, and a measure of transitioning to employment.~~

15 **(18)** ~~(22)~~ The department shall develop an application process for a pilot program to
16 be funded under subsection ~~(18)~~ **(15)** and shall award funding not later than ~~November 1, 2015~~
17 **OCTOBER 1, 2016**. Funding allocated under subsection ~~(18)~~ **(15)** may be paid on a schedule
18 other than that specified under section 17b.

19 **(19)** ~~(23)~~ As used in this section:

20 (a) "Career pathway" means a combination of rigorous and high-quality education,
21 training, and other services that comply with all of the following:

22 (i) Aligns with the skill needs of industries in the economy of this state or in the
23 regional economy involved.

24 (ii) Prepares an individual to be successful in any of a full range of secondary or
25 postsecondary education options, including apprenticeships registered under the act of
26 August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

27 (iii) Includes counseling to support an individual in achieving the individual's
28 education and career goals.

29 (iv) Includes, as appropriate, education offered concurrently with and in the same
30 context as workforce preparation activities and training for a specific occupation or
31 occupational cluster.

32 (v) Organizes education, training, and other services to meet the particular needs of

1 an individual in a manner that accelerates the educational and career advancement of the
2 individual to the extent practicable.

3 (vi) Enables an individual to attain a secondary school diploma or its recognized
4 equivalent, and at least 1 recognized postsecondary credential.

5 (vii) Helps an individual enter or advance within a specific occupation or
6 occupational cluster.

7 (b) "Department" means the department of talent and economic development.

8 (c) "Eligible adult education provider" means a district, intermediate district, a
9 consortium of districts, a consortium of intermediate districts, or a consortium of
10 districts and intermediate districts that is identified as part of the local process
11 described in subsection (5)(c) and approved by the department.

12 ~~(d) "Participant" means the sum of the number of full-time equated individuals~~
13 ~~enrolled in and attending a department approved adult education program under this section,~~
14 ~~using quarterly participant count days on the schedule described in section 6(7)(b).~~

15 **(D) "HIGH SCHOOL EQUIVALENCY TEST" MEANS THE G.E.D. TEST DEVELOPED BY THE G.E.D.**
16 **TESTING SERVICE, THE TEST ASSESSING SECONDARY COMPLETION (TASC) DEVELOPED BY CTB/MCGRAW-**
17 **HILL, THE HISET TEST DEVELOPED BY THE EDUCATION TESTING SERVICE (ETS), OR ANOTHER**
18 **COMPARABLE TEST APPROVED BY THE DEPARTMENT.**

19 Sec. 147. (1) The allocation for ~~2015-2016~~ **2016-2017** for the public school employees'
20 retirement system pursuant to the public school employees retirement act of 1979, 1980 PA
21 300, MCL 38.1301 to 38.1408, shall be made using the individual projected benefit entry age
22 normal cost method of valuation and risk assumptions adopted by the public school employees
23 retirement board and the department of technology, management, and budget.

24 (2) The annual level percentage of payroll contribution rates for the ~~2015-2016~~ **2016-**
25 **2017** fiscal year, as determined by the retirement system, are estimated as follows:

26 (a) For public school employees who first worked for a public school reporting unit
27 before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level
28 percentage of payroll contribution rate is estimated at ~~36.31%~~ **36.64%**, with ~~25.78%~~ **24.94%**
29 paid directly by the employer.

30 (b) For public school employees who first worked for a public school reporting unit
31 on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual
32 level percentage of payroll contribution rate is estimated at ~~35.09%~~ **36.01%**, with ~~24.56%~~

1 **24.31%** paid directly by the employer.

2 (c) For public school employees who first worked for a public school reporting unit
3 on or after July 1, 2010 and who participate in the personal healthcare fund, the annual
4 level percentage of payroll contribution rate is estimated at ~~34.66%~~ **35.79%**, with ~~24.13%~~
5 **24.09%** paid directly by the employer.

6 (d) For public school employees who first worked for a public school reporting unit
7 on or after September 4, 2012, who elect defined contribution, and who participate in the
8 personal healthcare fund, the annual level percentage of payroll contribution rate is
9 estimated at ~~31.49%~~ **32.66%**, with 20.96% paid directly by the employer.

10 (e) For public school employees who first worked for a public school reporting unit
11 before July 1, 2010, who elect defined contribution, and who are enrolled in the health
12 premium subsidy, the annual level percentage of payroll contribution rate is estimated at
13 ~~31.92%~~ **32.88%**, with ~~21.39%~~ **21.18%** paid directly by the employer.

14 (f) For public school employees who first worked for a public school reporting unit
15 before July 1, 2010, who elect defined contribution, and who participate in the personal
16 healthcare fund, the annual level percentage of payroll contribution rate is estimated at
17 ~~31.49%~~ **32.66%**, with 20.96% paid directly by the employer.

18 (g) For public school employees who first worked for a public school reporting unit
19 before July 1, 2010 and who participate in the personal healthcare fund, the annual level
20 percentage of payroll contribution rate is estimated at ~~35.88%~~ **36.42%**, with ~~25.35%~~ **24.72%**
21 paid directly by the employer.

22 (3) In addition to the employer payments described in subsection (2), the employer
23 shall pay the applicable contributions to the Tier 2 plan, as determined by the public
24 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

25 (4) The contribution rates in subsection (2) reflect an amortization period of ~~23~~ **22**
26 years for ~~2015-2016~~ **2016-2017**. The public school employees' retirement system board shall
27 notify each district and intermediate district by February 28 of each fiscal year of the
28 estimated contribution rate for the next fiscal year.

29 Sec. 147a. From the appropriation in section 11, there is allocated for ~~2015-2016~~
30 **2016-2017** an amount not to exceed \$100,000,000.00 for payments to participating districts.
31 A district that receives money under this section shall use that money solely for the
32 purpose of offsetting a portion of the retirement contributions owed by the district for

1 the fiscal year in which it is received. The amount allocated to each participating
2 district under this section shall be based on each participating district's percentage of
3 the total statewide payroll for all participating districts for the immediately preceding
4 fiscal year. As used in this section, "participating district" means a district that is a
5 reporting unit of the Michigan public school employees' retirement system under the public
6 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that
7 reports employees to the Michigan public school employees' retirement system for the
8 applicable fiscal year.

9 Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2015-2016~~
10 **2016-2017** an amount not to exceed ~~\$892,900,000.00~~ **\$982,200,000.00** from the state school aid
11 fund for payments to districts and intermediate districts that are participating entities
12 of the Michigan public school employees' retirement system. In addition, from the general
13 fund money appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount
14 not to exceed \$600,000.00 for payments to district libraries that are participating
15 entities of the Michigan public school employees' retirement system.

16 (2) For ~~2015-2016~~ **2016-2017**, the amounts allocated under subsection (1) are estimated
17 to provide an average MPSERS rate cap per pupil amount of ~~\$601.00~~ **\$660.00** and are estimated
18 to provide a rate cap per pupil for districts ranging between ~~\$4.00~~ **\$5.00** and ~~\$2,300.00~~
19 **\$3,100.00**.

20 (3) Payments made under this section ~~for 2015-2016~~ shall be equal to the difference
21 between the unfunded actuarial accrued liability contribution rate as calculated pursuant
22 to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL
23 38.1341, as calculated without taking into account the maximum employer rate of 20.96%
24 included in section 41 of the public school employees retirement act of 1979, 1980 PA 300,
25 MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public
26 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

27 (4) The amount allocated to each participating entity under this section shall be
28 based on each participating entity's proportion of the total covered payroll for the
29 immediately preceding fiscal year for the same type of participating entities. A
30 participating entity that receives funds under this section shall use the funds solely for
31 the purpose of retirement contributions as specified in subsection (5).

32 (5) Each participating entity receiving funds under this section shall forward an

1 amount equal to the amount allocated under subsection (4) to the retirement system in a
2 form, manner, and time frame determined by the retirement system.

3 (6) Funds allocated under this section should be considered when comparing a
4 district's growth in total state aid funding from 1 fiscal year to the next.

5 (7) Not later than December 20, ~~2015~~ **2016**, the department shall publish and post on
6 its website an estimated MPSERS rate cap per pupil for each district.

7 (8) As used in this section:

8 (a) "MPSERS rate cap per pupil" means an amount equal to the quotient of the
9 district's payment under this section divided by the district's pupils in membership.

10 (b) "Participating entity" means a district, intermediate district, or district
11 library that is a reporting unit of the Michigan public school employees' retirement system
12 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
13 38.1437, and that reports employees to the Michigan public school employees' retirement
14 system for the applicable fiscal year.

15 (c) "Retirement board" means the board that administers the retirement system under
16 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

17 (d) "Retirement system" means the Michigan public school employees' retirement system
18 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
19 38.1437.

20 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v
21 State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state
22 school aid fund money appropriated in section 11 there is allocated for ~~2015-2016~~ **2016-2017**
23 an amount not to exceed \$38,000,500.00 to be used solely for the purpose of paying
24 necessary costs related to the state-mandated collection, maintenance, and reporting of
25 data to this state.

26 (2) From the allocation in subsection (1), the department shall make payments to
27 districts and intermediate districts in an equal amount per-pupil based on the total number
28 of pupils in membership in each district and intermediate district. The department shall
29 not make any adjustment to these payments after the final installment payment under section
30 17b is made.

31 Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who
32 is enrolled in any of grades 1 to 12 in a nonpublic school or who is being home-schooled

1 from also enrolling the minor in a district, public school academy, or intermediate
2 district in any curricular offering that is provided by the district, public school
3 academy, or intermediate district at a public school site and is available to pupils in the
4 minor's grade level or age group, subject to compliance with the same requirements that
5 apply to a full-time pupil's participation in the offering. However, state school aid shall
6 be provided under this act for a minor enrolled as described in this subsection only for
7 curricular offerings that are offered **AND BEING PROVIDED** to full-time pupils in the minor's
8 grade level or age group during regularly scheduled school hours.

9 (2) This act does not prohibit a parent or legal guardian of a minor who is enrolled
10 in any of grades 1 to 12 in a nonpublic school or who resides within the district and is
11 being home-schooled from also enrolling the minor in the district in a curricular offering
12 being provided by the district at the nonpublic school site. However, state school aid
13 shall be provided under this act for a minor enrolled as described in this subsection only
14 if all of the following apply:

15 (a) Either of the following:

16 (i) The nonpublic school site is located, or the nonpublic students are educated,
17 within the geographic boundaries of the district.

18 (ii) If the nonpublic school has submitted a written request to the district in which
19 the nonpublic school is located for the district to provide certain instruction under this
20 subsection for a school year and the district does not agree to provide some or all of that
21 instruction by May 1 immediately preceding that school year or, if the request is submitted
22 after March 1 immediately preceding that school year, within 60 days after the nonpublic
23 school submits the request, the instruction is instead provided by an eligible other
24 district. This subparagraph does not require a nonpublic school to submit more than 1
25 request to the district in which the nonpublic school is located for that district to
26 provide instruction under this subsection, and does not require a nonpublic school to
27 submit an additional request to the district in which the nonpublic school is located for
28 that district to provide additional instruction under this subsection beyond the
29 instruction requested in the original request, before having the instruction provided by an
30 eligible other district. A public school academy that is located in the district in which
31 the nonpublic school is located or in another eligible district also may provide
32 instruction under this subparagraph under the same conditions as an eligible other

1 district. As used in this subparagraph, "eligible other district" means a district that is
2 located in the same intermediate district as the district in which the nonpublic school is
3 located or is located in an intermediate district that is contiguous to that intermediate
4 district.

5 (b) The nonpublic school is registered with the department as a nonpublic school and
6 meets all state reporting requirements for nonpublic schools.

7 (c) The instruction is scheduled to occur during the regular school day.

8 (d) The instruction is provided directly by a certified teacher at the district or
9 public school academy or at an intermediate district.

10 (e) The curricular offering is also available **AND BEING PROVIDED** to full-time pupils
11 in the minor's grade level or age group in the district or public school academy during the
12 regular school day at a public school site.

13 (f) The curricular offering is restricted to nonessential elective courses for pupils
14 in grades 1 to 12.

15 (3) **A SUBJECT TO SECTION 6(4) (GG),** A minor enrolled as described in this section is a
16 part-time pupil for purposes of state school aid under this act.

17 (4) A district that receives a written request to provide instruction under
18 subsection (2) shall reply to the request in writing by May 1 immediately preceding the
19 applicable school year or, if the request is made after March 1 immediately preceding that
20 school year, within 60 days after the nonpublic school submits the request. The written
21 reply shall specify whether the district agrees to provide or does not agree to provide the
22 instruction for each portion of instruction included in the request.

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ARTICLE II
STATE AID TO COMMUNITY COLLEGES

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2016,~~ **2017**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$387,825,600.00.~~ **\$399,025,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$387,825,600.00.~~ **\$399,025,600.00.**

1 (b) The sources of the adjusted gross appropriation described in subdivision (a) are
2 as follows:

3 (i) Total federal revenues, \$0.00.

4 (ii) Total local revenues, \$0.00.

5 (iii) Total private revenues, \$0.00.

6 (iv) Total other state restricted revenues, ~~\$256,714,800.00~~ **\$260,414,800.00**.

7 (v) State general fund/general purpose money, ~~\$131,110,800.00~~ **\$138,610,800.00**.

8 (2) Subject to subsection (3), the amount appropriated for community college
9 operations is ~~\$311,492,000.00~~ **\$318,992,000.00**, allocated as follows:

10 (a) The appropriation for Alpena Community College is ~~\$5,464,400.00~~ **\$5,627,100.00**,
11 ~~\$5,390,700.00~~ **\$5,464,400.00** for operations and ~~\$73,700.00~~ **\$162,700.00** for performance
12 funding.

13 (b) The appropriation for Bay de Noc Community College is ~~\$5,490,200.00~~
14 **\$5,591,100.00**, ~~\$5,419,500.00~~ **\$5,490,200.00** for operations and ~~\$70,700.00~~ **\$100,900.00** for
15 performance funding.

16 (c) The appropriation for Delta College is ~~\$14,704,000.00~~ **\$15,052,400.00**,
17 ~~\$14,498,900.00~~ **\$14,704,000.00** for operations and ~~\$205,100.00~~ **\$348,400.00** for performance
18 funding.

19 (d) The appropriation for Glen Oaks Community College is ~~\$2,551,100.00~~
20 **\$2,596,700.00**, ~~\$2,516,100.00~~ **\$2,551,100.00** for operations and ~~\$35,000.00~~ **\$45,600.00** for
21 performance funding.

22 (e) The appropriation for Gogebic Community College is ~~\$4,509,900.00~~ **\$4,626,900.00**,
23 ~~\$4,451,400.00~~ **\$4,509,900.00** for operations and ~~\$58,500.00~~ **\$117,000.00** for performance
24 funding.

25 (f) The appropriation for Grand Rapids Community College is ~~\$18,187,300.00~~
26 **\$18,631,700.00**, ~~\$17,947,500.00~~ **\$18,187,300.00** for operations and ~~\$239,800.00~~ **\$444,400.00**
27 for performance funding.

28 (g) The appropriation for Henry Ford College is ~~\$21,893,300.00~~ **\$22,347,500.00**,
29 ~~\$21,623,800.00~~ **\$21,893,300.00** for operations and ~~\$269,500.00~~ **\$454,200.00** for performance
30 funding.

31 (h) The appropriation for Jackson College is ~~\$12,245,300.00~~ **\$12,504,400.00**,
32 ~~\$12,087,300.00~~ **\$12,245,300.00** for operations and ~~\$158,000.00~~ **\$259,100.00** for performance

1 funding.

2 (i) The appropriation for Kalamazoo Valley Community College is ~~\$12,689,400.00,~~
3 **\$13,015,700.00,** ~~\$12,503,100.00~~ **\$12,689,400.00** for operations and ~~\$186,300.00~~ **\$326,300.00**
4 for performance funding.

5 (j) The appropriation for Kellogg Community College is ~~\$9,950,100.00,~~ **\$10,159,800.00,**
6 ~~\$9,813,500.00~~ **\$9,950,100.00** for operations and ~~\$136,600.00~~ **\$209,700.00** for performance
7 funding.

8 (k) The appropriation for Kirtland Community College is ~~\$3,221,500.00,~~ **\$3,303,300.00,**
9 ~~\$3,167,700.00~~ **\$3,221,500.00** for operations and ~~\$53,800.00~~ **\$81,800.00** for performance
10 funding.

11 (l) The appropriation for Lake Michigan College is ~~\$5,417,700.00,~~ **\$5,565,600.00,**
12 ~~\$5,342,900.00~~ **\$5,417,700.00** for operations and ~~\$74,800.00~~ **\$147,900.00** for performance
13 funding.

14 (m) The appropriation for Lansing Community College is ~~\$31,288,200.00,~~
15 **\$31,915,300.00,** ~~\$30,877,600.00~~ **\$31,288,200.00** for operations and ~~\$410,600.00~~ **\$627,100.00**
16 for performance funding.

17 (n) The appropriation for Macomb Community College is ~~\$33,239,500.00,~~ **\$33,900,200.00,**
18 ~~\$32,816,600.00~~ **\$33,239,500.00** for operations and ~~\$422,900.00~~ **\$660,700.00** for performance
19 funding.

20 (o) The appropriation for Mid Michigan Community College is ~~\$4,757,700.00,~~
21 **\$4,917,300.00,** ~~\$4,682,000.00~~ **\$4,757,700.00** for operations and ~~\$75,700.00~~ **\$159,600.00** for
22 performance funding.

23 (p) The appropriation for Monroe County Community College is ~~\$4,565,600.00,~~
24 **\$4,679,100.00,** ~~\$4,492,900.00~~ **\$4,565,600.00** for operations and ~~\$72,700.00~~ **\$113,500.00** for
25 performance funding.

26 (q) The appropriation for Montcalm Community College is ~~\$3,280,600.00,~~ **\$3,404,000.00,**
27 ~~\$3,226,700.00~~ **\$3,280,600.00** for operations and ~~\$53,900.00~~ **\$123,400.00** for performance
28 funding.

29 (r) The appropriation for C.S. Mott Community College is ~~\$15,901,700.00,~~
30 **\$16,278,400.00,** ~~\$15,686,100.00~~ **\$15,901,700.00** for operations and ~~\$215,600.00~~ **\$376,700.00**
31 for performance funding.

32 (s) The appropriation for Muskegon Community College is ~~\$9,020,700.00,~~ **\$9,268,700.00,**

1 ~~\$8,901,000.00~~ **\$9,020,700.00** for operations and ~~\$119,700.00~~ **\$248,000.00** for performance
2 funding.

3 (t) The appropriation for North Central Michigan College is ~~\$3,224,800.00,~~
4 **\$3,345,100.00, ~~\$3,172,400.00~~ **\$3,224,800.00** for operations and ~~\$52,400.00~~ **\$120,300.00** for
5 performance funding.**

6 (u) The appropriation for Northwestern Michigan College is ~~\$9,200,500.00,~~
7 **\$9,410,000.00, ~~\$9,078,800.00~~ **\$9,200,500.00** for operations and ~~\$121,700.00~~ **\$209,500.00** for
8 performance funding.**

9 (v) The appropriation for Oakland Community College is ~~\$21,429,400.00,~~
10 **\$21,978,200.00, ~~\$21,123,300.00~~ **\$21,429,400.00** for operations and ~~\$306,100.00~~ **\$548,800.00**
11 for performance funding.**

12 (w) The appropriation for ~~St. Clair County Community College~~ **SCHOOLCRAFT COLLEGE** is
13 ~~\$7,158,000.00,~~ **\$13,057,800.00,** ~~\$7,061,600.00~~ **\$12,706,400.00** for operations and ~~\$96,400.00~~
14 **\$351,400.00** for performance funding.

15 (x) The appropriation for ~~Schoolcraft College~~ **SOUTHWESTERN MICHIGAN COLLEGE** is
16 ~~\$12,706,400.00,~~ **\$6,773,600.00,** ~~\$12,513,700.00~~ **\$6,657,600.00** for operations and ~~\$192,700.00~~
17 **\$116,000.00** for performance funding.

18 (y) The appropriation for ~~Southwestern Michigan College~~ **ST. CLAIR COUNTY COMMUNITY**
19 **COLLEGE** is ~~\$6,657,600.00,~~ **\$7,337,100.00,** ~~\$6,576,400.00~~ **\$7,158,000.00** for operations and
20 ~~\$81,200.00~~ **\$179,100.00** for performance funding.

21 (z) The appropriation for Washtenaw Community College is ~~\$13,301,100.00,~~
22 **\$13,724,700.00,** ~~\$13,077,300.00~~ **\$13,301,100.00** for operations and ~~\$223,800.00~~ **\$423,600.00**
23 for performance funding.

24 (aa) The appropriation for Wayne County Community College is ~~\$16,989,800.00,~~
25 **\$17,452,800.00,** ~~\$16,727,600.00~~ **\$16,989,800.00** for operations and ~~\$262,200.00~~ **\$463,000.00**
26 for performance funding.

27 (bb) The appropriation for West Shore Community College is ~~\$2,446,200.00,~~
28 **\$2,527,500.00,** ~~\$2,414,900.00~~ **\$2,446,200.00** for operations and ~~\$31,300.00~~ **\$81,300.00** for
29 performance funding.

30 (3) The amount appropriated in subsection (2) for community college operations is
31 appropriated from the following:

32 (a) State school aid fund, ~~\$236,181,200.00.~~ **\$185,481,200.00.**

1 (b) State general fund/general purpose money, ~~\$75,310,800.00~~ **\$133,510,800.00**.

2 (4) From the appropriations described in subsection (1), subject to section 207a, the
3 amount appropriated for fiscal year ~~2015-2016~~ **2016-2017** to offset certain fiscal year ~~2015-~~
4 ~~2016~~ **2016-2017** retirement contributions is \$1,733,600.00, appropriated from the state
5 school aid fund.

6 (5) From the appropriations described in subsection (1), subject to section 207b, the
7 amount appropriated for payments to community colleges that are participating entities of
8 the retirement system is ~~\$69,500,000.00, \$17,200,000.00~~ **\$73,200,000.00**, appropriated from
9 the state school aid fund, ~~and \$52,300,000.00 appropriated from general fund/general~~
10 ~~purpose money.~~

11 (6) From the appropriations described in subsection (1), subject to section 207c, the
12 amount appropriated for renaissance zone tax reimbursements is \$5,100,000.00, ~~\$1,600,000.00~~
13 ~~appropriated from the state school aid fund, and \$3,500,000.00~~ appropriated from general
14 fund/general purpose money.

15 Sec. 202a. As used in this article:

16 **(A) "CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION CREATED IN**
17 **SECTION 94A OF THIS ACT.**

18 **(B)** ~~(a)~~ "Michigan renaissance zone act" means the Michigan renaissance zone act, 1996
19 PA 376, MCL 125.2681 to 125.2696.

20 **(C)** ~~(b)~~ "Participating college" means a community college that is a reporting unit of
21 the retirement system and that reports employees to the retirement system for the state
22 fiscal year.

23 **(D)** ~~(c)~~ "Retirement board" means the board that administers the retirement system
24 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
25 38.1437.

26 **(E)** ~~(d)~~ "Retirement system" means the Michigan public school employees' retirement
27 system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
28 to 38.1437.

29 **(F)** ~~(e)~~ "Workforce development agency" means the workforce development agency ~~of the~~
30 ~~Michigan strategic fund.~~ **WITHIN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT - TALENT**
31 **INVESTMENT AGENCY.**

32 Sec. 203. Unless otherwise specified, a community college that receives

1 appropriations in section 201 ~~and~~, the workforce development agency, **AND THE CENTER** shall
2 use the internet to fulfill the reporting requirements of this article. This requirement
3 may include transmission of reports via electronic mail to the recipients identified for
4 each reporting requirement or it may include placement of reports on an internet or
5 intranet site.

6 Sec. 206. The funds appropriated in section 201 are appropriated for community
7 colleges with fiscal years ending June 30, ~~2016~~ **2017** and shall be paid out of the state
8 treasury and distributed by the state treasurer to the respective community colleges in 11
9 monthly installments on the sixteenth of each month, or the next succeeding business day,
10 beginning with October 16, ~~2015~~ **2016**. Each community college shall accrue its July and
11 August ~~2016~~ **2017** payments to its institutional fiscal year ending June 30, ~~2016~~ **2017**.
12 However, if the state budget director determines that a community college failed to submit
13 all verified Michigan community colleges activities classification structure data for
14 school year ~~2014-2015~~ **2015-2016** to the ~~workforce development agency~~ **CENTER** by November 1,
15 ~~2015~~ **2016**, or failed to submit its longitudinal data system data set for school year ~~2014-~~
16 ~~2015~~ **2015-2016** to the center ~~for educational performance and information~~ under section 219,
17 the state treasurer shall withhold the monthly installments from that community college
18 until those data are submitted. The state budget director shall notify the chairs of the
19 house and senate appropriations subcommittees on community colleges at least 10 days before
20 withholding funds from any community college.

21 Sec. 207a. All of the following apply to the allocation of the fiscal year ~~2015-2016~~
22 **2016-2017** appropriations described in section 201(4):

23 (a) A community college that receives money under section 201(4) shall use that money
24 solely for the purpose of offsetting a portion of the retirement contributions owed by the
25 college for that fiscal year.

26 (b) The amount allocated to each participating community college under section 201(4)
27 shall be based on each college's percentage of the total covered payroll for all community
28 colleges that are participating colleges in the immediately preceding fiscal year.

29 Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2015-2016~~
30 **2016-2017** appropriations described in section 201(5) for payments to community colleges
31 that are participating entities of the retirement system:

32 (a) The amount of a payment under section 201(5) shall be the difference between the

1 unfunded actuarial accrued liability contribution rate as calculated under section 41 of
2 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
3 maximum employer rate of 20.96% under section 41 of the public school employees retirement
4 act of 1979, 1980 PA 300, MCL 38.1341.

5 (b) The amount allocated to each community college under section 201(5) shall be
6 based on each community college's percentage of the total covered payroll for all community
7 colleges that are participating colleges in the immediately preceding fiscal year. A
8 community college that receives funds under this subdivision shall use the funds solely for
9 the purpose of retirement contributions under section 201(5).

10 (c) Each participating college that receives funds under section 201(5) shall forward
11 an amount equal to the amount allocated under subdivision (b) to the retirement system in a
12 form and manner determined by the retirement system.

13 Sec.207c. All of the following apply to the allocation of the appropriations
14 described in section 201(6) to community colleges described in section 12(3) of the
15 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

16 (a) The amount allocated to each community college under section 201(6) for fiscal
17 year ~~2015-2016~~ **2016-2017** shall be based on that community college's proportion of total
18 revenue lost by community colleges as a result of the exemption of property taxes levied in
19 ~~2015~~ **2016** under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

20 (b) The appropriations described in section 201(6) shall be made to each eligible
21 community college within 60 days after the department of treasury certifies to the state
22 budget director that it has received all necessary information to properly determine the
23 amounts payable to each eligible community college under section 12 of the Michigan
24 renaissance zone act, 1996 PA 376, MCL 125.2692.

25 Sec. 209. (1) Within 30 days after the board of a community college adopts its annual
26 operating budget for the following fiscal year, or after the board adopts a subsequent
27 revision to that budget, the community college shall make all of the following available
28 through a link on its website homepage:

29 (a) The annual operating budget and subsequent budget revisions.

30 (b) A link to the most recent "Activities Classification Structure Data Book and
31 Companion".

32 (c) General fund revenue and expenditure projections for **THE CURRENT** fiscal year

1 ~~2015-2016~~ and **THE NEXT** fiscal year ~~2016-2017~~.

2 (d) A listing of all debt service obligations, detailed by project, anticipated
3 ~~fiscal year 2015-2016~~ payment of each project, and total outstanding debt **FOR THE CURRENT**
4 **FISCAL YEAR**.

5 ~~(e) The estimated cost to the community college resulting from the patient protection~~
6 ~~and affordable care act, Public Law 111-148, as amended by the health care and education~~
7 ~~reconciliation act of 2010, Public Law 111-152.~~

8 **(E)** ~~(f)~~ Links to all of the following for the community college:

9 (i) The current collective bargaining agreement for each bargaining unit.

10 (ii) Each health care benefits plan, including, but not limited to, medical, dental,
11 vision, disability, long-term care, or any other type of benefits that would constitute
12 health care services, offered to any bargaining unit or employee of the community college.

13 (iii) Audits and financial reports for the most recent fiscal year for which they are
14 available.

15 (iv) A copy of the board of trustees resolution regarding compliance with best
16 practices for the local strategic value component described in section 230(2).

17 (2) For statewide consistency and public visibility, community colleges must use the
18 icon badge provided by the department of technology, management, and budget consistent with
19 the icon badge developed by the department of education for K-12 school districts. It must
20 appear on the front of each community college's homepage. The size of the icon may be
21 reduced to 150 x 150 pixels.

22 ~~(3) The state budget director shall determine whether a community college has~~
23 ~~complied with this section. The state budget director may withhold a community college's~~
24 ~~monthly installments described in section 206 until the community college complies with~~
25 ~~this section. The state budget director shall notify the chairs of the house and senate~~
26 ~~appropriations subcommittee on community colleges at least 10 days before withholding funds~~
27 ~~from any community college.~~

28 **(3)** ~~(4)~~ Each community college shall report the following information to the senate
29 and house appropriations subcommittees on community colleges, the senate and house fiscal
30 agencies, and the state budget office by November 15 of each fiscal year and post that
31 information on its website as required under subsection (1):

32 (a) Budgeted **CURRENT** fiscal year ~~2015-2016~~ general fund revenue from tuition and

1 fees.

2 (b) Budgeted **CURRENT** fiscal year ~~2015-2016~~ general fund revenue from state
3 appropriations.

4 (c) Budgeted **CURRENT** fiscal year ~~2015-2016~~ general fund revenue from property taxes.

5 (d) Budgeted **CURRENT** fiscal year ~~2015-2016~~ total general fund revenue.

6 (e) Budgeted **CURRENT** fiscal year ~~2015-2016~~ total general fund expenditures.

7 **(4)** ~~(5)~~ By November 15 of each year, a community college shall report the following
8 information to the center ~~for educational performance and information~~ and post the
9 information on its website under the budget transparency icon badge:

10 (a) Opportunities for earning college credit through the following programs:

11 (i) State approved career and technical education or a tech prep articulated program
12 of study.

13 (ii) Direct college credit or concurrent enrollment.

14 (iii) Dual enrollment.

15 (iv) An early college/middle college program.

16 (b) For each program described in subdivision (a) that the community college offers,
17 all of the following information:

18 (i) The number of high school students participating in the program.

19 (ii) The number of school districts that participate in the program with the
20 community college.

21 (iii) Whether a college professor, qualified local school district employee, or other
22 individual teaches the course or courses in the program.

23 (iv) The total cost to the community college to operate the program.

24 (v) The cost per credit hour for the course or courses in the program.

25 (vi) The location where the course or courses in the program are held.

26 (vii) Instructional resources offered to the program instructors.

27 (viii) Resources offered to the student in the program.

28 (ix) Transportation services provided to students in the program.

29 Sec. 210b. ~~(1) It is the intent of the legislature that the Michigan Association of~~
30 ~~Collegiate Registrars and Admissions Officers implement any agreement or agreements among~~
31 ~~the community colleges and universities concerning the transferability of college courses~~
32 ~~resulting from the recommendations of the committee created under former section 210a.~~

1 ~~(2) It is the intent of the legislature that the Michigan Association of Collegiate~~
2 ~~Registrars and Admissions Officers, the Michigan Community College Association, and the~~
3 ~~Presidents Council, State Universities of Michigan shall together submit an implementation~~
4 ~~update report to the senate and house appropriations subcommittees on community colleges~~
5 ~~and higher education, the senate and house fiscal agencies, and the state budget director~~
6 ~~by March 1, 2016. THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND THE MICHIGAN ASSOCIATION OF~~
7 ~~STATE UNIVERSITIES SHALL ISSUE AN IMPLEMENTATION REPORT ON THE MICHIGAN TRANSFER AGREEMENT~~
8 ~~BY MARCH 1, 2017. THE REPORT SHALL INCLUDE A SUMMARY OF THE IMPLEMENTATION ISSUES FACED BY~~
9 ~~THE INSTITUTIONS AND STRATEGIES BEING CONSIDERED TO REMEDY THOSE ISSUES, AS WELL AS AN~~
10 ~~UPDATE ON PROGRESS MADE ON OUTSTANDING ISSUES IDENTIFIED IN THE MARCH 1, 2016 REPORT.~~

11 Sec. 217. (1) The ~~workforce development agency~~ **CENTER** shall do all of the following:

12 (a) Establish, maintain, and coordinate the state community college database commonly
13 known as the "activities classification structure" or "ACS" database.

14 (b) Collect data concerning community colleges and community college programs in this
15 state, including data required by law.

16 (c) Establish procedures to ensure the validity and reliability of the data and the
17 collection process.

18 (d) Develop model data collection policies, including, but not limited to, policies
19 that ensure the privacy of any individual student data. Privacy policies shall ensure that
20 student social security numbers are not released to the public for any purpose.

21 (e) Provide data in a useful manner to allow state policymakers and community college
22 officials to make informed policy decisions.

23 (f) Assist community colleges in complying with audits under this section or federal
24 law.

25 (2) There is created within the ~~workforce development agency~~ **CENTER** the activities
26 classification structure advisory committee. The committee shall provide advice to the
27 director of the ~~workforce development agency~~ **CENTER** regarding the management of the state
28 community college database, including, but not limited to:

29 (a) Determining what data are necessary to collect and maintain to enable state and
30 community college officials to make informed policy decisions.

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

32 (c) Recommending timelines for the implementation and ongoing collection of data.

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

4 (e) Establishing and maintaining a process for ensuring the accuracy of the data.

5 (f) Establishing and maintaining policies related to data collection, including, but
6 not limited to, privacy policies related to individual student data.

7 (g) Ensuring that the data are made available to state policymakers and citizens of
8 this state in the most useful format possible.

9 (h) Addressing other matters as determined by the director of the ~~workforce~~
10 ~~development agency~~ **CENTER** or as required by law.

11 (3) The activities classification structure advisory committee created in subsection
12 (2) shall consist of the following members:

13 (a) One representative from the house fiscal agency, appointed by the director of the
14 house fiscal agency.

15 (b) One representative from the senate fiscal agency, appointed by the director of
16 the senate fiscal agency.

17 (c) One representative from the workforce development agency, appointed by the
18 director of the workforce development agency.

19 **(D) ONE REPRESENTATIVE FROM THE CENTER, APPOINTED BY THE DIRECTOR OF THE CENTER.**

20 **(E)** ~~(d)~~ One representative from the state budget office, appointed by the state
21 budget director.

22 **(F)** ~~(e)~~ One representative from the governor's policy office, appointed by that
23 office.

24 **(G)** ~~(f)~~ Four representatives of the Michigan Community College Association, appointed
25 by the president of the association. From the groupings of community colleges given in
26 table 17 of the activities classification structure database described in subsection (1),
27 the association shall appoint 1 representative each from group 1, group 2, and group 3, and
28 1 representative from either group 3 or 4.

29 Sec. 219. By ~~June 30~~ **OCTOBER 15** of each year, each community college shall provide
30 its longitudinal data system data set for the preceding academic year to the center ~~for~~
31 ~~educational performance and information~~ for inclusion in the statewide P-20 education
32 longitudinal data system described in section 94a **OF THIS ACT.**

1 Sec. 220. (1) The auditor general or a certified public accountant appointed by the
2 auditor general may conduct performance audits of community colleges as the auditor general
3 considers necessary.

4 (2) Within 60 days after an audit report is released by the office of the auditor
5 general, the principal executive officer of the community college that was audited shall
6 submit to the house and senate appropriations committees, the house and senate fiscal
7 agencies, ~~the workforce development agency,~~ the auditor general, and the state budget
8 director a plan to comply with audit recommendations. The plan shall contain projected
9 dates and resources required, if any, to achieve compliance with the audit recommendations,
10 or a documented explanation of the college's noncompliance with the audit recommendations
11 concerning the matters on which the audited community college and office of the auditor
12 general disagree.

13 Sec. 222. Each community college shall have an annual audit of all income and
14 expenditures performed by an independent auditor and shall furnish the independent
15 auditor's management letter and an annual audited accounting of all general and current
16 funds income and expenditures including audits of college foundations to the members of the
17 senate and house appropriations subcommittees on community colleges, the senate and house
18 fiscal agencies, the auditor general, the workforce development agency, **THE CENTER**, and the
19 state budget director before November 15 of each year. If a community college fails to
20 furnish the audit materials, the monthly state aid installments shall be withheld from that
21 college until the information is submitted. All reporting shall conform to the requirements
22 set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community
23 Colleges". A community college shall make the information the community college is required
24 to provide under this section available to the public on its website.

25 Sec. 224. A community college shall use the P-20 longitudinal data system to inform
26 interested Michigan high schools and the public of the aggregate academic status of its
27 students for the previous academic year, in a manner prescribed by the Michigan community
28 college association and in cooperation with the Michigan association of secondary school
29 principals. Community colleges shall cooperate with the center ~~for educational performance~~
30 ~~and information~~ to maintain a systematic approach for accomplishing this work.

31 Sec. 225. Each community college shall report to the house and senate fiscal
32 agencies, the state budget director, and the ~~workforce development agency~~ **CENTER** by August

1 31, ~~2015~~, **2016**, the tuition and mandatory fees paid by a full-time in-district student and
2 a full-time out-of-district student as established by the college governing board for the
3 ~~2015-2016~~ **2016-2017** academic year. This report should also include the annual cost of
4 attendance based on a full-time course load of 30 credits. Each community college shall
5 also report any revisions to the reported ~~2015-2016~~ **2016-2017** academic year tuition and
6 mandatory fees adopted by the college governing board to the house and senate fiscal
7 agencies, the state budget director, and the ~~workforce development agency~~ **CENTER** within 15
8 days of being adopted.

9 Sec. 226. Each community college shall report to the ~~workforce development agency~~
10 **CENTER** the numbers and type of associate degrees and other certificates awarded during the
11 previous fiscal year. The report shall be made not later than November 15 of each year.
12 Community colleges shall work with the ~~workforce development agency and the center for~~
13 ~~educational performance and information~~ to develop a systematic approach for meeting this
14 requirement.

15 Sec. 229a. Included in the fiscal year ~~2015-2016~~ **2016-2017** appropriations for the
16 department of technology, management, and budget are appropriations totaling ~~\$29,479,600.00~~
17 **\$30,879,600.00** to provide funding for the state share of costs for previously constructed
18 capital projects for community colleges. Those appropriations for state building authority
19 rent represent additional state general fund support for community colleges, and the
20 following is an estimate of the amount of that support to each community college:

- 21 (a) Alpena Community College, ~~\$652,700.00~~. **\$632,500.00**.
- 22 (b) Bay de Noc Community College, ~~\$685,900.00~~. **\$685,100.00**.
- 23 (c) Delta College, ~~\$3,510,900.00~~. **\$3,360,600.00**.
- 24 (d) Glen Oaks Community College, ~~\$123,100.00~~. **\$124,500.00**.
- 25 (e) Gogebic Community College, ~~\$67,600.00~~. **\$56,700.00**.
- 26 (f) Grand Rapids Community College, ~~\$2,126,000.00~~. **\$2,083,500.00**.
- 27 (g) Henry Ford College, ~~\$1,028,500.00~~. **\$1,040,300.00**.
- 28 (h) Jackson College, ~~\$1,677,800.00~~. **\$2,273,800.00**.
- 29 (i) Kalamazoo Valley Community College, ~~\$1,557,700.00~~. **\$2,030,900.00**.
- 30 (j) Kellogg Community College, ~~\$520,200.00~~. **\$526,200.00**.
- 31 (k) Kirtland Community College, ~~\$363,200.00~~. **\$367,300.00**.
- 32 (l) Lake Michigan College, ~~\$340,200.00~~. **\$344,100.00**.

- 1 (m) Lansing Community College, ~~\$1,282,200.00.~~ **\$1,154,600.00.**
- 2 (n) Macomb Community College, ~~\$1,377,400.00.~~ **\$1,715,700.00.**
- 3 (o) Mid Michigan Community College, ~~\$1,712,600.00.~~ **\$1,634,300.00.**
- 4 (p) Monroe County Community College, ~~\$1,263,600.00.~~ **\$1,278,100.00.**
- 5 (q) Montcalm Community College, ~~\$971,500.00.~~ **\$982,600.00.**
- 6 (r) C.S. Mott Community College, ~~\$1,803,900.00.~~ **\$1,497,600.00.**
- 7 (s) Muskegon Community College, ~~\$267,800.00.~~ **\$623,500.00.**
- 8 (t) North Central Michigan College, ~~\$469,400.00.~~ **\$417,900.00.**
- 9 (u) Northwestern Michigan College, ~~\$1,305,600.00.~~ **\$1,320,600.00.**
- 10 (v) Oakland Community College, ~~\$465,200.00.~~ **\$470,500.00.**
- 11 (w) ~~St. Clair County Community College,~~ **SCHOOLCRAFT COLLEGE,** ~~\$356,200.00.~~

12 **\$1,564,400.00.**

- 13 (x) ~~Schoolcraft College,~~ **SOUTHWESTERN MICHIGAN COLLEGE,** ~~\$1,546,700.00.~~ **\$574,800.00.**

- 14 (y) ~~Southwestern Michigan College,~~ **ST. CLAIR COUNTY COMMUNITY COLLEGE,** ~~\$286,900.00.~~
- 15 **\$360,200.00.**

- 16 (z) Washtenaw Community College, ~~\$1,676,800.00.~~ **\$1,696,000.00.**
- 17 (aa) Wayne County Community College, ~~\$1,462,700.00.~~ **\$1,479,400.00.**
- 18 (bb) West Shore Community College, ~~\$577,300.00.~~ **\$583,900.00.**

19 Sec. 230. (1) Money included in the appropriations for community college operations
 20 under section 201(2) in fiscal year ~~2015-2016~~ **2016-2017** for performance funding is
 21 distributed based on the following formula:

- 22 (a) Allocated proportionate to fiscal year ~~2014-2015~~ **2015-2016** base appropriations,
- 23 ~~50%.~~ **30%.**

- 24 (b) Based on ~~contact hour equated students,~~ **10%. A WEIGHTED STUDENT CONTACT HOUR**
- 25 **FORMULA AS PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK**
- 26 **FORCE, 30%.**

- 27 (c) Based on ~~administrative costs,~~ **7.5%. WEIGHTED COMPLETIONS IN CRITICAL SKILLS**
- 28 **AREAS, 20%.**

- 29 (d) Based on ~~a weighted degree formula as provided for in the 2006 recommendations of~~
- 30 ~~the performance indicators task force,~~ **17.5%. THE COMPLETION IMPROVEMENT RATE FOR DEGREES,**
- 31 **CERTIFICATES, AND TRANSFERS, 10%.**

- 32 (e) Based on ~~the local strategic value component, as developed in cooperation with~~

1 ~~the Michigan Community College Association and described in subsection (2), 15%.~~

2 **ADMINISTRATIVE COSTS, 5%.**

3 **(F) BASED ON THE LOCAL STRATEGIC VALUE COMPONENT, AS DEVELOPED IN COOPERATION WITH**
4 **THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND DESCRIBED IN SUBSECTION (2), 5%.**

5 (2) Money included in the appropriations for community college operations under
6 section 201(2) for local strategic value shall be allocated to each community college that
7 certifies to the state budget director, through a board of trustees resolution on or before
8 October 15, ~~2015~~, **2016**, that the college has met 4 out of 5 best practices listed in each
9 category described in subsection (3). The resolution shall provide specifics as to how the
10 community college meets each best practice measure within each category. One-third of
11 funding available under the strategic value component shall be allocated to each category
12 described in subsection (3). Amounts distributed under local strategic value shall be on a
13 proportionate basis to each college's fiscal year ~~2014-2015~~ **2015-2016** operations funding.
14 Payments to community colleges that qualify for local strategic value funding shall be
15 distributed with the November installment payment described in section 206.

16 (3) For purposes of subsection (2), the following categories of best practices
17 reflect functional activities of community colleges that have strategic value to the local
18 communities and regional economies:

19 (a) For Category A, economic development and business or industry partnerships, the
20 following:

21 (i) The community college has active partnerships with local employers including
22 hospitals and health care providers.

23 (ii) The community college provides customized on-site training for area companies,
24 employees, or both.

25 (iii) The community college supports entrepreneurship through a small business
26 assistance center or other training or consulting activities targeted toward small
27 businesses.

28 (iv) The community college supports technological advancement through industry
29 partnerships, incubation activities, or operation of a Michigan technical education center
30 or other advanced technology center.

31 (v) The community college has active partnerships with local or regional workforce
32 and economic development agencies.

1 (b) For Category B, educational partnerships, the following:

2 (i) The community college has active partnerships with regional high schools,
3 intermediate school districts, and career-tech centers to provide instruction through dual
4 enrollment, concurrent enrollment, direct credit, middle college, or academy programs.

5 (ii) The community college hosts, sponsors, or participates in enrichment programs
6 for area K-12 students, such as college days, summer or after-school programming, or
7 science Olympiad.

8 (iii) The community college provides, supports, or participates in programming to
9 promote successful transitions to college for traditional age students, including grant
10 programs such as talent search, upward bound, or other activities to promote college
11 readiness in area high schools and community centers.

12 (iv) The community college provides, supports, or participates in programming to
13 promote successful transitions to college for new or reentering adult students, such as
14 adult basic education, ~~general-education-development~~ **HIGH SCHOOL EQUIVALENCY** certificate
15 preparation and testing, or recruiting, advising, or orientation activities specific to
16 adults.

17 (v) The community college has active partnerships with regional 4-year colleges and
18 universities to promote successful transfer, such as articulation, 2+2, or reverse transfer
19 agreements or operation of a university center.

20 (c) For Category C, community services, the following:

21 (i) The community college provides continuing education programming for leisure,
22 wellness, personal enrichment, or professional development.

23 (ii) The community college operates or sponsors opportunities for community members
24 to engage in activities that promote leisure, wellness, cultural or personal enrichment
25 such as community sports teams, theater or musical ensembles, or artist guilds.

26 (iii) The community college operates public facilities to promote cultural,
27 educational, or personal enrichment for community members, such as libraries, computer
28 labs, performing arts centers, museums, art galleries, or television or radio stations.

29 (iv) The community college operates public facilities to promote leisure or wellness
30 activities for community members, including gymnasiums, athletic fields, tennis courts,
31 fitness centers, hiking or biking trails, or natural areas.

32 (v) The community college promotes, sponsors, or hosts community service activities

1 for students, staff, or community members.

2 (4) Payments for performance funding under section 201(2) shall be made to a
3 community college only if that community college actively participates in the Michigan
4 transfer network sponsored by the Michigan Association of Collegiate Registrars and
5 Admissions Officers and submits timely updates, including updated course equivalencies at
6 least every 6 months, to the Michigan transfer network. The state budget director shall
7 determine if a community college has not satisfied this requirement. The state budget
8 director may withhold payments for performance funding until a community college is in
9 compliance with this section.

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ARTICLE III

STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2016,~~ **2017**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,534,724,400.00.~~ **\$1,598,654,400.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,534,724,400.00.~~ **\$1,598,654,400.00.**

1 (b) The sources of the adjusted gross appropriation described in subdivision (a) are
2 as follows:

3 (i) Total federal revenues, ~~\$97,026,400.00.~~ **\$99,026,400.00.**

4 (ii) Total local revenues, \$0.00.

5 (iii) Total private revenues, \$0.00.

6 (iv) Total other state restricted revenues, ~~\$205,279,500.00.~~ **\$237,209,500.00.**

7 (v) State general fund/general purpose money, ~~\$1,232,418,500.00.~~ **\$1,262,418,500.00.**

8 (2) Amounts appropriated for public universities are as follows:

9 (a) The appropriation for Central Michigan University is ~~\$80,904,400.00,~~
10 ~~\$79,164,800.00~~ **\$85,332,200.00, \$81,127,100.00** for operations and ~~\$1,739,600.00~~
11 **\$4,205,100.00** for performance funding.

12 (b) The appropriation for Eastern Michigan University is ~~\$72,835,300.00,~~
13 ~~\$71,782,500.00,~~ **\$75,105,400.00, \$71,782,500.00** for operations and ~~\$1,052,800.00,~~
14 **\$3,322,900.00** for performance funding.

15 (c) The appropriation for Ferris State University is ~~\$50,227,800.00,~~ ~~\$49,119,100.00~~
16 **\$53,210,000.00, \$50,369,800.00** for operations and ~~\$1,108,700.00,~~ **\$2,840,200.00** for
17 performance funding.

18 (d) The appropriation for Grand Valley State University is ~~\$65,035,200.00,~~
19 ~~\$63,156,500.00~~ **\$69,712,000.00, \$65,275,700.00** for operations and ~~\$1,878,700.00~~
20 **\$4,436,300.00** for performance funding.

21 (e) The appropriation for Lake Superior State University is ~~\$13,183,600.00,~~
22 ~~12,997,500.00~~ **\$13,748,400.00, \$13,207,400.00** for operations and ~~\$186,100.00~~ **\$541,000.00** for
23 performance funding.

24 (f) The appropriation for Michigan State University is ~~\$328,782,000.00,~~
25 ~~\$264,437,900.00~~ **\$341,041,900.00, \$268,770,700.00** for operations, ~~\$3,841,000.00~~
26 **\$10,355,500.00** for performance funding, ~~\$32,508,300.00~~ **\$33,243,100.00** for MSU
27 AgBioResearch, and ~~\$27,994,800.00~~ **\$28,672,600.00** for MSU Extension.

28 (g) The appropriation for Michigan Technological University is ~~\$46,662,000.00,~~
29 ~~\$45,938,000.00~~ **\$48,772,500.00, \$46,754,700.00** for operations and ~~\$724,000.00~~ **\$2,017,800.00**
30 for performance funding.

31 (h) The appropriation for Northern Michigan University is ~~\$45,020,400.00,~~
32 ~~\$44,338,300.00~~ **\$46,868,000.00, \$45,107,700.00** for operations and ~~\$682,100.00~~ **\$1,760,300.00**

1 for performance funding.

2 (i) The appropriation for Oakland University is ~~\$49,600,300.00, \$48,371,900.00~~
3 **\$51,300,200.00, \$48,371,900.00** for operations and ~~\$1,228,400.00~~ **\$2,928,300.00** for
4 performance funding.

5 (j) The appropriation for Saginaw Valley State University is ~~\$28,117,700.00,~~
6 ~~\$27,621,600.00~~ **\$29,582,900.00, \$28,181,200.00** for operations and ~~\$496,100.00~~ **\$1,401,700.00**
7 for performance funding.

8 (k) The appropriation for University of Michigan - Ann Arbor is ~~\$299,430,600.00,~~
9 ~~\$295,178,500.00~~ **\$312,693,500.00, \$299,975,000.00** for operations and ~~\$4,252,100.00~~
10 **\$12,718,500.00** for performance funding.

11 (l) The appropriation for University of Michigan - Dearborn is ~~\$23,995,400.00,~~
12 ~~\$23,701,000.00~~ **\$25,190,500.00, \$24,033,100.00** for operations and ~~\$294,400.00~~ **\$1,157,400.00**
13 for performance funding.

14 (m) The appropriation for University of Michigan - Flint is ~~\$21,763,700.00,~~
15 ~~\$21,359,600.00~~ **\$22,918,300.00, \$21,815,400.00** for operations and ~~\$404,100.00~~ **\$1,102,900.00**
16 for performance funding.

17 (n) The appropriation for Wayne State University is ~~\$191,346,700.00, \$190,529,900.00~~
18 **\$198,082,800.00, \$191,451,300.00** for operations and ~~\$816,800.00~~ **\$6,631,500.00** for
19 performance funding.

20 (o) The appropriation for Western Michigan University is ~~\$104,155,600.00,~~
21 ~~\$102,761,100.00~~ **\$108,702,100.00, \$104,334,100.00** for operations and ~~\$1,394,500.00~~
22 **\$4,368,000.00** for performance funding.

23 (3) The amount appropriated in subsection (2) for public universities is appropriated
24 from the following:

25 (a) State school aid fund, ~~\$200,019,500.00.~~ **\$231,219,500.00.**

26 (b) State general fund/general purpose money, ~~\$1,221,041,200.00.~~ **\$1,251,041,200.00.**

27 (4) The amount appropriated for Michigan public school employees' retirement system
28 reimbursement is ~~\$5,160,000.00,~~ **\$5,890,000.00**, appropriated from the state school aid fund.

29 (5) The amount appropriated for state and regional programs is \$315,000.00,
30 appropriated from general fund/general purpose money and allocated as follows:

31 (a) Higher education database modernization and conversion, \$200,000.00.

32 (b) Midwestern Higher Education Compact, \$115,000.00.

1 (6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa
2 Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and
3 allocated as follows:

4 (a) Select student support services, \$1,956,100.00.

5 (b) Michigan college/university partnership program, \$586,800.00.

6 (c) Morris Hood, Jr. educator development program, \$148,600.00.

7 (7) Subject to subsection (8), the amount appropriated for grants and financial aid
8 is ~~\$105,497,200.00~~, **\$107,497,200.00**, allocated as follows:

9 (a) State competitive scholarships, \$18,361,700.00.

10 (b) Tuition grants, \$34,035,500.00.

11 (c) Tuition incentive program, ~~\$48,500,000.00~~. **\$50,500,000.00**.

12 (d) Children of veterans and officer's survivor tuition grant programs,
13 \$1,400,000.00.

14 (e) Project GEAR-UP, \$3,200,000.00.

15 (8) The money appropriated in subsection (7) for grants and financial aid is
16 appropriated from the following:

17 (a) Federal revenues under the United States Department of Education, Office of
18 Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

19 (b) Federal revenues under the social security act, temporary assistance for needy
20 families, ~~\$93,826,400.00~~. **\$95,826,400.00**.

21 (c) Contributions to children of veterans tuition grant program, \$100,000.00.

22 (d) State general fund/general purpose money, \$8,370,800.00.

23 Sec. 236b. In addition to the funds appropriated in section 236, there is
24 appropriated for grants and financial aid in fiscal year ~~2015-2016~~ **2016-2017** an amount not
25 to exceed \$6,000,000.00 for federal contingency funds. These funds are not available for
26 expenditure until they have been transferred under section 393(2) of the management and
27 budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

28 Sec. 236c. In addition to the funds appropriated for fiscal year ~~2015-2016~~ **2016-2017**
29 in section 236, appropriations to the department of technology, management, and budget in
30 the act providing general appropriations for fiscal year ~~2015-2016~~ **2016-2017** for state
31 building authority rent, totaling an estimated ~~\$135,995,300.00~~, **\$144,995,300.00**, provide
32 funding for the state share of costs for previously constructed capital projects for state

1 universities. These appropriations for state building authority rent represent additional
2 state general fund support provided to public universities, and the following is an
3 estimate of the amount of that support to each university:

- 4 (a) Central Michigan University, ~~\$9,551,800.00.~~ **\$11,819,500.00.**
- 5 (b) Eastern Michigan University, ~~\$4,860,900.00.~~ **\$4,868,000.00.**
- 6 (c) Ferris State University, ~~\$6,251,200.00.~~ **\$6,260,300.00.**
- 7 (d) Grand Valley State University, ~~\$6,952,300.00.~~ **\$6,635,900.00.**
- 8 (e) Lake Superior State University, ~~\$1,720,300.00.~~ **\$1,722,800.00.**
- 9 (f) Michigan State University, ~~\$16,549,200.00.~~ **\$18,827,000.00.**
- 10 (g) Michigan Technological University, ~~\$7,443,400.00.~~ **\$6,793,200.00.**
- 11 (h) Northern Michigan University, ~~\$9,706,200.00.~~ **\$9,447,600.00.**
- 12 (i) Oakland University, ~~\$12,993,400.00.~~ **\$12,685,900.00.**
- 13 (j) Saginaw Valley State University, ~~\$9,865,800.00.~~ **\$10,331,000.00.**
- 14 (k) University of Michigan - Ann Arbor, ~~\$9,607,800.00.~~ **\$11,875,600.00.**
- 15 (l) University of Michigan - Dearborn, ~~\$6,745,200.00.~~ **\$9,008,800.00.**
- 16 (m) University of Michigan - Flint, ~~\$3,104,000.00.~~ **\$4,357,600.00.**
- 17 (n) Wayne State University, ~~\$15,703,000.00.~~ **\$15,399,400.00.**
- 18 (o) Western Michigan University, ~~\$14,940,800.00.~~ **\$14,962,700.00.**

19 Sec. 237b. As used in this article, the term "workforce development agency" means the
20 workforce development agency ~~of the Michigan strategic fund.~~ **WITHIN THE DEPARTMENT OF**
21 **TALENT AND ECONOMIC DEVELOPMENT - TALENT INVESTMENT AGENCY.**

22 Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section 236
23 to public universities shall be paid out of the state treasury and distributed by the state
24 treasurer to the respective institutions in 11 equal monthly installments on the sixteenth
25 of each month, or the next succeeding business day, beginning with October 16, ~~2015~~ **2016.**
26 Except for Wayne State University, each institution shall accrue its July and August ~~2016~~
27 **2017** payments to its institutional fiscal year ending June 30, ~~2016~~ **2017.**

28 (2) All public universities shall submit higher education institutional data
29 inventory (HEIDI) data and associated financial and program information requested by and in
30 a manner prescribed by the state budget director. For public universities with fiscal years
31 ending June 30, ~~2015~~ **2016**, these data shall be submitted to the state budget director by
32 October 15, ~~2015~~ **2016.** Public universities with a fiscal year ending September 30, ~~2015~~

1 **2016** shall submit preliminary HEIDI data by November 15, ~~2015~~ **2016** and final data by
2 December 15, ~~2015~~ **2016**. If a public university fails to submit HEIDI data and associated
3 financial aid program information in accordance with this reporting schedule, the state
4 treasurer may withhold the monthly installments under subsection (1) to the public
5 university until those data are submitted.

6 Sec. 242. Funds received by the state from the federal government or private sources
7 for the use of a college or university are appropriated for the purposes for which they are
8 provided. ~~The acceptance and use of federal or private funds do not place an obligation on~~
9 ~~the legislature to continue the purposes for which the funds are made available.~~

10 Sec. 245. (1) A public university shall maintain a public transparency website
11 available through a link on its website homepage. The public university shall update this
12 website within 30 days after the university's governing board adopts its annual operating
13 budget for the next academic year, or after the governing board adopts a subsequent
14 revision to that budget.

15 (2) The website required under subsection (1) shall include all of the following
16 concerning the public university:

17 (a) The annual operating budget and subsequent budget revisions.

18 (b) A summary of current expenditures for the most recent fiscal year for which they
19 are available, expressed as pie charts in the following 2 categories:

20 (i) A chart of personnel expenditures, broken into the following subcategories:

21 (A) Earnings and wages.

22 (B) Employee benefit costs, including, but not limited to, medical, dental, vision,
23 life, disability, and long-term care benefits.

24 (C) Retirement benefit costs.

25 (D) All other personnel costs.

26 (ii) A chart of all current expenditures the public university reported as part of
27 its higher education institutional data inventory data under section 241(2), broken into
28 the same subcategories in which it reported those data.

29 (c) Links to all of the following for the public university:

30 (i) The current collective bargaining agreement for each bargaining unit.

31 (ii) Each health care benefits plan, including, but not limited to, medical, dental,
32 vision, disability, long-term care, or any other type of benefits that would constitute

1 health care services, offered to any bargaining unit or employee of the public university.

2 (iii) Audits and financial reports for the most recent fiscal year for which they are
3 available.

4 (iv) Campus security policies and crime statistics pursuant to the student right-to-
5 know and campus security act, Public Law 101-542, 104 Stat. 2381. Information shall include
6 all material prepared pursuant to the public information reporting requirements under the
7 crime awareness and campus security act of 1990, title II of the student right-to-know and
8 campus security act, Public Law 101-542, 104 Stat. 2381.

9 (d) A list of all positions funded partially or wholly through institutional general
10 fund revenue that includes the position title and annual salary or wage amount for each
11 position.

12 (e) General fund revenue and expenditure projections for the current fiscal year and
13 the next fiscal year.

14 (f) A listing of all debt service obligations, detailed by project, anticipated
15 fiscal year payment for each project, and total outstanding debt for the current fiscal
16 year.

17 (g) The institution's policy regarding the transferability of core college courses
18 between community colleges and the university.

19 (h) A listing of all community colleges that have entered into reverse transfer
20 agreements with the university.

21 (3) On the website required under subsection (1), a public university shall provide a
22 dashboard or report card demonstrating the university's performance in several "best
23 practice" measures. The dashboard or report card shall include at least all of the
24 following for the 3 most recent academic years for which the data are available:

25 (a) Enrollment.

26 (b) Student retention rate.

27 (c) Six-year graduation rates.

28 (d) Number of Pell grant recipients and graduating Pell grant recipients.

29 (e) Geographic origination of students, categorized as in-state, out-of-state, and
30 international.

31 (f) Faculty to student ratios and total university employee to student ratios.

32 (g) Teaching load by faculty classification.

1 (h) Graduation outcome rates, including employment and continuing education.

2 (4) For statewide consistency and public visibility, public universities must use the
3 icon badge provided by the department of technology, management, and budget consistent with
4 the icon badge developed by the department of education for K-12 school districts. It must
5 appear on the front of each public university's homepage. The size of the icon may be
6 reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent
7 with other documents on each university's website.

8 ~~(5) The state budget director shall determine whether a public university has~~
9 ~~complied with this section. The state budget director may withhold a public university's~~
10 ~~monthly installments described in section 241 until the public university complies with~~
11 ~~this section.~~

12 (5) ~~(6)~~ By November 15 of each year, a public university shall report the following
13 information to the center for educational performance and information and post the
14 information on its website under the budget transparency icon badge:

15 (a) Opportunities for earning college credit through the following programs:

16 (i) State approved career and technical education or a tech prep articulated program
17 of study.

18 (ii) Direct college credit or concurrent enrollment.

19 (iii) Dual enrollment.

20 (iv) An early college/middle college program.

21 (b) For each program described in subdivision (a) that the public university offers,
22 all of the following information:

23 (i) The number of high school students participating in the program.

24 (ii) The number of school districts that participate in the program with the public
25 university.

26 (iii) Whether a university professor, qualified local school district employee, or
27 other individual teaches the course or courses in the program.

28 (iv) The total cost to the public university to operate the program.

29 (v) The cost per credit hour for the course or courses in the program.

30 (vi) The location where the course or courses in the program are held.

31 (vii) Instructional resources offered to the program instructors.

32 (viii) Resources offered to the student in the program.

1 (ix) Transportation services provided to students in the program.

2 Sec. 246. (1) All of the following apply to the allocation of the ~~fiscal year 2015-~~
3 ~~2016-~~ appropriations described in section 236(4) for payments to universities that are
4 participating entities of the Michigan public school employees' retirement system:

5 (a) The funds appropriated in section 236(4) for Michigan public school employees'
6 retirement system reimbursement shall be allocated to each participating public university
7 under this section based on each participating public university's percentage of the total
8 combined payrolls of the universities' employees who are members of the retirement system
9 and who were hired before January 1, 1996 and the universities' employees who would have
10 been members of the retirement system on or after January 1, 1996, but for the enactment of
11 1995 PA 272 for all public universities that are participating public universities for the
12 immediately preceding state fiscal year.

13 (b) The amount of a payment under section 236(4) shall be equal to the difference
14 between the unfunded actuarial accrued liability contribution rate for university reporting
15 units as calculated under section 41 of the public school employees retirement act of 1979,
16 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer
17 rate of 25.73% included in section 41 of the public school employees retirement act of
18 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate for university reporting
19 units of 25.73% under section 41 of the public school employees retirement act of 1979,
20 1980 PA 300, MCL 38.1341. Payments shall be made in a form and manner determined by the
21 office of retirement services.

22 (c) A public university that receives money under section 236(4) shall use that money
23 solely for the purpose of retirement contributions. Each participating university that
24 receives funds under section 236(4) shall forward an amount equal to the amount received
25 under section 236(4) to the Michigan public school employees' retirement system in a form
26 and manner determined by the office of retirement services.

27 (2) As used in this section, "participating public university" means a public
28 university that is a reporting unit of the Michigan public school employees' retirement
29 system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
30 to 38.1437, and that pays contributions to the Michigan public school employees' retirement
31 system for the state fiscal year.

32 Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant

1 program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

2 (2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in
3 undergraduate degree programs who are qualified and who apply before ~~July 1~~ **MARCH 1** of each
4 year for the next academic year.

5 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections ~~(7)~~
6 **(6)** and ~~(8)~~ **(7)**, the department of treasury shall determine an actual maximum tuition grant
7 award per student, which shall be no less than \$1,512.00, that ensures that the aggregate
8 payments for the tuition grant program do not exceed the appropriation contained in section
9 236 for the state tuition grant program. If the department determines that insufficient
10 funds are available to establish a maximum award amount equal to at least \$1,512.00, the
11 department shall immediately report to the house and senate appropriations subcommittees on
12 higher education, the house and senate fiscal agencies, and the state budget director
13 regarding the estimated amount of additional funds necessary to establish a \$1,512.00
14 maximum award amount. If the department determines that sufficient funds are available to
15 establish a maximum award amount equal to at least \$1,512.00, the department shall
16 immediately report to the house and senate appropriations subcommittees on higher
17 education, the house and senate fiscal agencies, and the state budget director regarding
18 the maximum award amount established and the projected amount of any projected year-end
19 appropriation balance based on that maximum award amount. By February 18 of each fiscal
20 year, the department shall analyze the status of award commitments, shall make any
21 necessary adjustments, and shall confirm that those award commitments will not exceed the
22 appropriation contained in section 236 for the tuition grant program. The determination and
23 actions shall be reported to the state budget director and the house and senate fiscal
24 agencies no later than the final day of February of each year. If award adjustments are
25 necessary, the students shall be notified of the adjustment by March 4 of each year.

26 ~~(4) Any unexpended and unencumbered funds remaining on September 30, 2016 from the~~
27 ~~amounts appropriated in section 236 for the tuition grant program for fiscal year 2015-2016~~
28 ~~shall not lapse on September 30, 2016, but shall continue to be available for expenditure~~
29 ~~for tuition grants provided in the 2016-2017 fiscal year under a work project account. The~~
30 ~~use of these unexpended fiscal year 2015-2016 funds shall terminate at the end of the 2016-~~
31 ~~2017 fiscal year.~~

32 **(4)** ~~(5)~~ The department of treasury shall continue a proportional tuition grant

1 maximum award level for recipients enrolled less than full-time in a given semester or
2 term.

3 (5) ~~(6)~~ If the department of treasury increases the maximum award per eligible student
4 from that provided in the previous fiscal year, it shall not have the effect of reducing
5 the number of eligible students receiving awards in relation to the total number of
6 eligible applicants. Any increase in the maximum grant shall be proportional for all
7 eligible students receiving awards for that fiscal year.

8 (6) ~~(7) Except as provided in subsection (4), the~~ **THE** department of treasury shall
9 not award more than ~~\$3,200,000.00~~ **\$3,000,000.00** in tuition grants to eligible students
10 enrolled in the same independent nonprofit college or university in this state. Any
11 decrease in the maximum grant shall be proportional for all eligible students enrolled in
12 that college or university, as determined by the department.

13 (7) ~~(8)~~ The department of treasury shall not award tuition grants to otherwise
14 eligible students enrolled in an independent college or university that does not report, in
15 a form and manner directed by and satisfactory to the department of treasury, by September
16 30 of each year, all of the following:

17 (a) The number of students in the most recently completed academic year who in any
18 academic year received a state tuition grant at the reporting institution and successfully
19 completed a program or graduated.

20 (b) The number of students in the most recently completed academic year who in any
21 academic year received a state tuition grant at the reporting institution and took a
22 remedial education class.

23 (c) The number of students in the most recently completed academic year who in any
24 academic year received a Pell grant at the reporting institution and successfully completed
25 a program or graduated.

26 (8) ~~(9)~~ By February 1, ~~2016~~ **2017**, each independent college and university
27 participating in the tuition grant program shall report to the senate and house
28 appropriations subcommittees on higher education, the senate and house fiscal agencies, and
29 the state budget director on its efforts to develop and implement sexual assault response
30 training for the institution's title IX coordinator, campus law enforcement personnel,
31 campus public safety personnel, and any other campus personnel charged with responding to
32 on-campus incidents, including information on sexual assault response training materials

1 and the status of implementing sexual assault response training for institutional
2 personnel.

3 Sec. 254. **(1)** The sums appropriated in section 236 for the state competitive
4 scholarship, ~~tuition incentive~~, and tuition grant program shall be paid out of the state
5 treasury and shall be distributed to the respective institutions under a quarterly payment
6 system as follows: 50% shall be paid at the beginning of the state's first fiscal quarter,
7 30% during the state's second fiscal quarter, 10% during the state's third fiscal quarter,
8 and 10% during the state's fourth fiscal quarter.

9 **(2) THE TUITION INCENTIVE PROGRAM SHALL BE DISTRIBUTED TO THE RESPECTIVE INSTITUTIONS**
10 **UNDER A QUARTERLY PAYMENT SYSTEM AS FOLLOWS: 55% SHALL BE PAID AT THE BEGINNING OF THE**
11 **STATE'S FIRST FISCAL QUARTER, 40% DURING THE STATE'S SECOND FISCAL QUARTER, AND 5% DURING**
12 **THE STATE'S THIRD FISCAL QUARTER.**

13 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program
14 shall be distributed as provided in this section and pursuant to the administrative
15 procedures for the tuition incentive program of the department of treasury.

16 (2) As used in this section:

17 (a) "Phase I" means the first part of the tuition incentive assistance program
18 defined as the academic period of 80 semester or 120 term credits, or less, leading to an
19 associate degree or certificate.

20 (b) "Phase II" means the second part of the tuition incentive assistance program
21 which provides assistance in the third and fourth year of 4-year degree programs.

22 (c) "Department" means the department of treasury.

23 **(3) BEGINNING IN FISCAL YEAR 2017-2018, THE DEPARTMENT SHALL NOT AWARD MORE THAN**
24 **\$8,500,000.00 ANNUALLY IN TUITION INCENTIVE PROGRAM FUNDS TO ELIGIBLE STUDENTS ENROLLED IN**
25 **THE SAME COLLEGE OR UNIVERSITY IN THIS STATE.**

26 **(4) ~~(3)~~** An individual shall meet the following basic criteria and financial
27 thresholds to be eligible for tuition incentive **PROGRAM** benefits:

28 (a) To be eligible for phase I, an individual shall meet all of the following
29 criteria:

30 (i) Apply for certification to the department any time after he or she begins the
31 sixth grade but before August 31 of the school year in which he or she graduates from high
32 school or before completing a ~~general education development~~ **HIGH SCHOOL EQUIVALENCY**

1 certificate.

2 (ii) Be less than 20 years of age at the time he or she graduates from high school
3 with a diploma or certificate of completion or completes a ~~general education development~~
4 **HIGH SCHOOL EQUIVALENCY** certificate.

5 (iii) Be a United States citizen and a resident of Michigan according to
6 institutional criteria.

7 (iv) Be at least a half-time student, earning less than 80 semester or 120 term
8 credits at a participating educational institution within 4 years of high school graduation
9 or completion of a ~~general education development~~ **HIGH SCHOOL EQUIVALENCY** certificate.

10 (v) Request information on filing a FAFSA.

11 (vi) Must meet the satisfactory academic progress policy of the educational
12 institution he or she attends.

13 (b) To be eligible for phase II, an individual shall meet either of the following
14 criteria in addition to the criteria in subdivision (a):

15 (i) Complete at least 56 transferable semester or 84 transferable term credits.

16 (ii) Obtain an associate degree or certificate at a participating institution.

17 (c) To be eligible for phase I or phase II, an individual must not be incarcerated
18 and must be financially eligible as determined by the department. An individual is
19 financially eligible for the tuition incentive program if he or she was eligible for
20 Medicaid from the state of Michigan for 24 months within the 36 **CONSECUTIVE** months before
21 application. The department shall accept certification of Medicaid eligibility only from
22 the department of health and human services for the purposes of verifying if a person is
23 Medicaid eligible for 24 months within the 36 **CONSECUTIVE** months before application.
24 Certification of eligibility may begin in the sixth grade. As used in this subdivision,
25 "incarcerated" does not include detention of a juvenile in a state-operated or privately
26 operated juvenile detention facility.

27 **(5)** ~~(4)~~ For phase I, the department shall provide payment on behalf of a person
28 eligible under subsection ~~(3)~~ **(4)**. The department shall reject billings that are excessive
29 or outside the guidelines for the type of educational institution.

30 **(6)** ~~(5)~~ For phase I, all of the following apply:

31 (a) Payments for associate degree or certificate programs shall not be made for more
32 than 80 semester or 120 term credits for any individual student at any participating

1 institution.

2 (b) For persons enrolled at a Michigan community college, the department shall pay
3 the current in-district tuition and mandatory fees. For persons residing in an area that is
4 not included in any community college district, the out-of-district tuition rate may be
5 authorized.

6 (c) For persons enrolled at a Michigan public university, the department shall pay
7 lower division resident tuition and mandatory fees for the current year.

8 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting college
9 or university, or a Michigan federal tribally controlled community college, or Focus: HOPE,
10 the department shall pay mandatory fees for the current year and a per-credit payment that
11 does not exceed the average community college in-district per-credit tuition rate as
12 reported on August 1, for the immediately preceding academic year.

13 (7) ~~(6)~~ A person participating in phase II may be eligible for additional funds not
14 to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to
15 the following conditions:

16 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year
17 college or university.

18 (b) The tuition reimbursement is for coursework completed within 30 months of
19 completion of the phase I requirements.

20 (8) ~~(7)~~ The department shall work closely with participating institutions to develop
21 an application and eligibility determination process that will provide the highest level of
22 participation and ensure that all requirements of the program are met.

23 (9) ~~(8)~~ Applications for the tuition incentive program may be approved at any time
24 after the student begins the sixth grade. If a determination of financial eligibility is
25 made, that determination is valid as long as the student meets all other program
26 requirements and conditions.

27 (10) ~~(9)~~ Each institution shall ensure that all known available restricted grants for
28 tuition and fees are used prior to billing the tuition incentive program for any portion of
29 a student's tuition and fees.

30 (11) ~~(10)~~ The department shall ensure that the tuition incentive program is well
31 publicized and that eligible Medicaid clients are provided information on the program. The
32 department shall provide the necessary funding and staff to fully operate the program.

1 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2015-2016~~
2 **2016-2017** for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in
3 section 236 for MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN is
4 intended to address critical regulatory, food safety, economic, and environmental problems
5 faced by this state's plant-based agriculture, forestry, and processing industries.
6 "GREEN" is an acronym for Generating Research and Extension to Meet Environmental and
7 Economic Needs.

8 (2) The department of agriculture and rural development and Michigan State
9 University, in consultation with agricultural commodity groups and other interested
10 parties, shall develop Project GREEN and its program priorities.

11 Sec. 263a. (1) Not later than September 30 of each year, Michigan State University
12 shall submit a report on MSU AgBioResearch and MSU Extension to the house and senate
13 appropriations subcommittees on agriculture and on higher education, the house and senate
14 standing committees on agriculture, the house and senate fiscal agencies, and the state
15 budget director for the preceding academic fiscal year.

16 (2) The report required under subsection (1) shall include all of the following:

17 (a) Total funds expended by MSU AgBioResearch and by MSU Extension identified by
18 state, local, private, federal, and university fund sources.

19 (b) The metric goals that were used to evaluate the impacts of programs operated by
20 MSU Extension and MSU AgBioResearch. ~~It is the intent of the legislature that the~~ **THE**
21 following metric goals will be used to evaluate the impacts of those programs:

22 (i) Increasing the number of agriculture and food-related firms collaborating with
23 and using services of research and extension faculty and staff by 3% per year.

24 (ii) Increasing the number of individuals utilizing MSU Extension's educational
25 services by 5% per year.

26 (iii) Increasing external funds generated in support of research and extension,
27 beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal
28 years.

29 (iv) Increasing the sector's total economic impact to at least \$100,000,000,000.00.

30 (v) Increasing Michigan's agricultural exports to at least \$3,500,000,000.00.

31 (vi) Increasing jobs in the food and agriculture sector by 10%.

32 (vii) Improving access by Michigan consumers to healthy foods by 20%.

1 (c) A review of major programs within both MSU AgBioResearch and MSU Extension with
2 specific reference to accomplishments, impacts, and the metrics described in subdivision
3 (b), including a specific accounting of Project GREEN expenditures and the impact of those
4 expenditures.

5 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2015-2016~~
6 **2016-2017** for Michigan State University is \$80,000.00 for the Michigan Future Farmers of
7 America Association. This \$80,000.00 allocation shall not supplant any existing support
8 that Michigan State University provides to the Michigan Future Farmers of America
9 Association.

10 Sec. 265. (1) Payments under section 265a for performance funding shall only be made
11 to a public university that certifies to the state budget director by August 31, ~~2015~~ **2016**
12 that its board did not adopt an increase in tuition and fee rates for resident
13 undergraduate students after September 1, ~~2014~~ **2015** for the ~~2014-2015~~ **2015-2016** academic
14 year and that its board will not adopt an increase in tuition and fee rates for resident
15 undergraduate students for the ~~2015-2016~~ **2016-2017** academic year that is greater than ~~3.2%~~
16 **4.8%**. As used in this subsection:

17 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all
18 resident undergraduate students at least once during their enrollment at a public
19 university, ~~AS DESCRIBED IN THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) USER~~
20 **MANUAL**. A university increasing a fee that applies to a specific subset of students or
21 courses shall provide sufficient information to prove that the increase applied to that
22 subset will not cause the increase in the average amount of board-authorized total tuition
23 and fees paid by resident undergraduate students in the ~~2015-2016~~ **2016-2017** academic year
24 to exceed the limit established in this subsection.

25 (b) "Tuition and fee rate" means the average of full-time rates ~~for all~~ **PAID BY A**
26 **MAJORITY OF STUDENTS IN EACH** undergraduate ~~classes~~ **CLASS** based on an **UNWEIGHTED** average of
27 the rates authorized by the university board and actually charged to students, deducting
28 any uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of
29 full-time equated resident undergraduate enrollment during the academic year, ~~AS DESCRIBED~~
30 **IN THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) USER MANUAL**.

31 ~~(c) For purposes of subdivision (a), for a public university that compels resident~~
32 ~~undergraduate students to be covered by health insurance as a condition to enroll at the~~

1 university, "fee" includes the annual amount a student is charged for coverage by the
2 university affiliated group health insurance policy if he or she does not provide proof
3 that he or she is otherwise covered by health insurance. This subdivision does not apply to
4 limited subsets of resident undergraduate students to be covered by health insurance for
5 specific reasons other than general enrollment at the university.

6 (2) The state budget director shall implement uniform reporting requirements to
7 ensure that a public university receiving a payment under section 265a for performance
8 funding has satisfied the tuition restraint requirements of this section. The state budget
9 director shall have the sole authority to determine if a public university has met the
10 requirements of this section. Information reported by a public university to the state
11 budget director under this subsection shall also be reported to the house and senate
12 appropriations subcommittees on higher education and the house and senate fiscal agencies.

13 Sec.265a. (1) Appropriations to public universities in section 236 for fiscal year
14 ~~2015-2016~~ **2016-2017** for performance funding shall be paid only to a public university that
15 complies with section 265 and certifies to the state budget director, the house and senate
16 appropriations subcommittees on higher education, and the house and senate fiscal agencies
17 by August 31, ~~2015~~ **2016** that it complies with all of the following requirements:

18 (a) The university participates in reverse transfer agreements described in section
19 286 with at least 3 Michigan community colleges. ~~or has made a good faith effort to enter~~
20 ~~into reverse transfer agreements.~~

21 (b) The university does not and will not consider whether dual enrollment credits
22 earned by an incoming student were utilized towards his or her high school graduation
23 requirements when making a determination as to whether those credits may be used by the
24 student toward completion of a university degree or certificate program.

25 (c) The university **ACTIVELY** participates in **AND SUBMITS TIMELY UPDATES TO** the
26 Michigan Transfer Network created as part of the Michigan Association of Collegiate
27 Registrars and Admissions Officers transfer agreement.

28 (2) Any performance funding amounts under section 236 that are not paid to a public
29 university because it did not comply with 1 or more requirements under subsection (1) are
30 unappropriated and reappropriated for performance funding to those public universities that
31 meet the requirements under subsection (1), distributed in proportion to their performance
32 funding appropriation amounts under section 236.

1 (3) The state budget director shall report to the house and senate appropriations
2 subcommittees on higher education and the house and senate fiscal agencies by September 30,
3 ~~2015, 2016~~, regarding any performance funding amounts that are not paid to a public
4 university because it did not comply with 1 or more requirements under subsection (1) and
5 any reappropriation of funds under subsection (2).

6 (4) Performance funding amounts described in section 236 are distributed based on the
7 following formula:

8 **(A) PROPORTIONAL TO EACH UNIVERSITY'S SHARE OF TOTAL OPERATIONS FUNDING APPROPRIATED**
9 **IN FISCAL YEAR 2010-2011, 50.0%.**

10 **(B) ~~(a)~~** Based on weighted undergraduate completions in critical skills areas, ~~22.2%~~
11 **11.1%.**

12 **(C) ~~(b)~~** Based on research and development expenditures, for universities classified
13 in Carnegie classifications as doctoral/research universities, research universities (high
14 research activity), or research universities (very high research activity) only, ~~11.1%~~
15 **5.6%.**

16 **(D) ~~(c)~~** Based on 6-year graduation rate, total degree completions, and institutional
17 support as a percentage of core expenditures, and the percentage of students receiving Pell
18 grants, scored against national Carnegie classification peers and weighted by total
19 undergraduate fiscal year equated students, ~~66.7%~~ **33.3%.**

20 (5) For purposes of determining the score of a university under subsection ~~(4)(e)~~,
21 **(4)(D)**, each university is assigned 1 of the following scores:

22 (a) A university classified as in the top 20%, a score of 3.

23 (b) A university classified as above national median, a score of 2.

24 (c) A university classified as improving, a score of 2. ~~It is the intent of the~~
25 ~~legislature that, beginning in the 2016-2017 state fiscal year, a university classified as~~
26 ~~improving is assigned a score of 1.~~

27 (d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

28 (6) For purposes of this section, "Carnegie classification" shall mean the basic
29 classification of the university according to ~~the most recent version of~~ the Carnegie
30 classification of institutions of higher education **PRIOR TO FEBRUARY 1, 2016**, published by
31 the Carnegie Foundation for the Advancement of Teaching.

32 Sec. 267. All public universities shall submit the amount of tuition and fees

1 actually charged to a full-time resident undergraduate student for academic year ~~2015-2016~~
2 **2016-2017** as part of their higher education institutional data inventory (HEIDI) data by
3 August 31 of each year. A public university shall report any revisions for any semester of
4 the reported academic year ~~2015-2016~~ **2016-2017** tuition and fee charges to HEIDI within 15
5 days of being adopted.

6 Sec. 268. ~~(1) For the fiscal year ending September 30, 2016, it is the intent of the~~
7 ~~legislature that funds be allocated for unfunded North American Indian tuition waiver costs~~
8 ~~incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the~~
9 ~~general fund.~~

10 **(1)** ~~(2)~~ By February 15 of each year, the department of civil rights shall annually
11 submit to the state budget director, the house and senate appropriations subcommittees on
12 higher education, and the house and senate fiscal agencies a report on North American
13 Indian tuition waivers for the preceding fiscal year that includes, but is not limited to,
14 all of the following information for each ~~postsecondary institution~~ **PUBLIC UNIVERSITY**:

15 (a) The total number of waiver applications.

16 (b) The total number of waivers granted and the monetary value of each waiver.

17 (c) The number of students who withdraw from classes.

18 (d) The number of students who successfully complete a degree or certificate program
19 and the 6-year graduation rate.

20 **(2)** ~~(3)~~ A public university that receives funds under section 236 shall provide to
21 the department of civil rights any information necessary for preparing the report detailed
22 in subsection ~~(2)~~. **(1)**.

23 Sec. 269. For fiscal year ~~2015-2016~~ **2016-2017**, from the amount appropriated in
24 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to
25 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians
26 under 1976 PA 174, MCL 390.1251 to 390.1253.

27 Sec. 270. For fiscal year ~~2015-2016~~ **2016-2017**, from the amount appropriated in
28 section 236 to Lake Superior State University for operations, \$100,000.00 shall be paid to
29 Bay Mills Community College for the costs of waiving tuition for North American Indians
30 under 1976 PA 174, MCL 390.1251 to 390.1253.

31 Sec. 274c. By February 1, ~~2016~~ **2017**, each university receiving funds under section
32 236 shall report to the senate and house appropriations subcommittees on higher education,

1 the senate and house fiscal agencies, and the state budget director on its efforts to
2 develop and implement sexual assault response training for the university's title IX
3 coordinator, campus law enforcement personnel, campus public safety personnel, and any
4 other campus personnel charged with responding to on-campus incidents, including
5 information on sexual assault response training materials and the status of implementing
6 sexual assault response training for campus personnel.

7 Sec. 275. (1) ~~It is the intent of the legislature that each~~ **EACH** public university
8 that receives an appropriation in section 236 **IS ENCOURAGED TO** do all of the following:

9 (a) Meet the provisions of section 5003 of the post-911 veterans educational
10 assistance act of 2008, 38 USC 3301 to 3324, including voluntary participation in the
11 yellow ribbon GI education enhancement program established in that act in 38 USC 3317. ~~By~~
12 ~~October 1 of each year, each public university shall report to the house and senate~~
13 ~~appropriations subcommittees on higher education, the house and senate fiscal agencies, and~~
14 ~~the presidents council, state universities of Michigan on whether or not it has chosen to~~
15 ~~participate in the yellow ribbon GI education enhancement program. If at any time during~~
16 ~~the fiscal year a university participating in the yellow ribbon program chooses to leave~~
17 ~~the yellow ribbon program, it shall notify the house and senate appropriations~~
18 ~~subcommittees on higher education, the house and senate fiscal agencies, and the presidents~~
19 ~~council, state universities of Michigan.~~

20 (b) Establish an on-campus veterans' liaison to provide information and assistance to
21 all student veterans.

22 (c) Provide flexible enrollment application deadlines for all veterans.

23 (d) Include in its admission application process a specific question as to whether an
24 applicant for admission is a veteran, an active member of the military, a member of the
25 national guard or military reserves, or the spouse or dependent of a veteran, active member
26 of the military, or member of the national guard or military reserves, in order to more
27 quickly identify potential educational assistance available to that applicant.

28 (e) Consider all veterans residents of this state for determining their tuition rates
29 and fees.

30 (f) Waive enrollment fees for all veterans.

31 (2) By October 1 of each year, each public university shall report to the house and
32 senate appropriations subcommittees on higher education, the house and senate fiscal

1 agencies, and the department of military and veterans affairs regarding services provided
2 specifically to veterans and active military duty personnel, including, but not limited to,
3 the services described in subsection (1).

4 (3) As used in this section, "veteran" means an honorably discharged veteran entitled
5 to educational assistance under the provisions of section 5003 of the post-911 veterans
6 educational assistance act of 2008, 38 USC 3301 to 3324.

7 Sec. 276. (1) Included in the appropriation for fiscal year ~~2015-2016~~ **2016-2017** for
8 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
9 Chavez - Rosa Parks future faculty program that is intended to increase the pool of
10 academically or economically disadvantaged candidates pursuing faculty teaching careers in
11 postsecondary education. Preference may not be given to applicants on the basis of race,
12 color, ethnicity, gender, or national origin. Institutions should encourage applications
13 from applicants who would otherwise not adequately be represented in the graduate student
14 and faculty populations. Each public university shall apply the percentage change
15 applicable to every public university in the calculation of appropriations in section 236
16 to the amount of funds allocated to the future faculty program.

17 (2) The program shall be administered by each public university in a manner
18 prescribed by the workforce development agency. The workforce development agency shall use
19 a good faith effort standard to evaluate whether a fellowship is in default.

20 Sec. 277. (1) Included in the appropriation for fiscal year ~~2015-2016~~ **2016-2017** for
21 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
22 Chavez - Rosa Parks college day program that is intended to introduce academically or
23 economically disadvantaged schoolchildren to the potential of a college education.
24 Preference may not be given to participants on the basis of race, color, ethnicity, gender,
25 or national origin. Public universities should encourage participation from those who would
26 otherwise not adequately be represented in the student population.

27 (2) Individual program plans of each public university shall include a budget of
28 equal contributions from this program, the participating public university, the
29 participating school district, and the participating independent degree-granting college.
30 College day funds shall not be expended to cover indirect costs. Not more than 20% of the
31 university match shall be attributable to indirect costs. Each public university shall
32 apply the percentage change applicable to every public university in the calculation of

1 appropriations in section 236 to the amount of funds allocated to the college day program.

2 (3) The program described in this section shall be administered by each public
3 university in a manner prescribed by the workforce development agency.

4 Sec. 278. (1) Included in section 236 for fiscal year ~~2015-2016~~ **2016-2017** is funding
5 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services
6 program for developing academically or economically disadvantaged student retention
7 programs for 4-year public and independent educational institutions in this state.
8 Preference may not be given to participants on the basis of race, color, ethnicity, gender,
9 or national origin. Institutions should encourage participation from those who would
10 otherwise not adequately be represented in the student population.

11 (2) An award made under this program to any 1 institution shall not be greater than
12 \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or
13 university basis.

14 (3) The program described in this section shall be administered by the workforce
15 development agency.

16 Sec. 279.(1) Included in section 236 for fiscal year ~~2015-2016~~ **2016-2017** is funding
17 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership
18 program between 4-year public and independent colleges and universities and public
19 community colleges, which is intended to increase the number of academically or
20 economically disadvantaged students who transfer from community colleges into baccalaureate
21 programs. Preference may not be given to participants on the basis of race, color,
22 ethnicity, gender, or national origin. Institutions should encourage participation from
23 those who would otherwise not adequately be represented in the transfer student population.

24 (2) The grants shall be made under the program described in this section to Michigan
25 public and independent colleges and universities. An award to any 1 institution shall not
26 be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30%
27 college or university basis.

28 (3) The program described in this section shall be administered by the workforce
29 development agency.

30 Sec. 280. (1) Included in the appropriation for fiscal year ~~2015-2016~~ **2016-2017** for
31 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
32 Chavez - Rosa Parks visiting professors program which is intended to increase the number of

1 instructors in the classroom to provide role models for academically or economically
2 disadvantaged students. Preference may not be given to participants on the basis of race,
3 color, ethnicity, gender, or national origin. Public universities should encourage
4 participation from those who would otherwise not adequately be represented in the student
5 population.

6 (2) The program described in this section shall be administered by the workforce
7 development agency.

8 Sec. 281. (1) Included in the appropriation for fiscal year ~~2015-2016~~ **2016-2017** in
9 section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
10 initiative for the Morris Hood, Jr. educator development program which is intended to
11 increase the number of academically or economically disadvantaged students who enroll in
12 and complete K-12 teacher education programs at the baccalaureate level. Preference may not
13 be given to participants on the basis of race, color, ethnicity, gender, or national
14 origin. Institutions should encourage participation from those who would otherwise not
15 adequately be represented in the teacher education student population.

16 (2) The program described in this section shall be administered by each state-
17 approved teacher education institution in a manner prescribed by the workforce development
18 agency.

19 (3) Approved teacher education institutions may and are encouraged to use student
20 support services funding in coordination with the Morris Hood, Jr. funding to achieve the
21 goals of the program described in this section.

22 Sec. 282. Each institution receiving funds for fiscal year ~~2015-2016~~ **2016-2017** under
23 section 278, 279, or 281 shall notify the workforce development agency by April 15, ~~2016~~
24 **2017** as to whether it will expend by the end of its fiscal year the funds received under
25 section 278, 279, or 281. Notwithstanding the award limitations in sections 278 and 279,
26 the amount of funding reported as not being expended will be reallocated to the
27 institutions that intend to expend all funding received under section 278, 279, or 281.

28 Sec. 283. (1) From the amount appropriated in section 236, the public universities
29 shall systematically inform Michigan high schools regarding the academic status of students
30 from each high school in a manner prescribed by the ~~Presidents Council, State Universities~~
31 ~~of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** in cooperation with the Michigan
32 Association of Secondary School Principals. Public universities shall also work with the

1 center for educational performance and information to maintain a systematic approach for
2 accomplishing this task.

3 (2) Michigan high schools shall systematically inform the public universities about
4 the use of information received under this section in a manner prescribed by the Michigan
5 Association of Secondary School Principals in cooperation with the ~~Presidents Council,~~
6 ~~State Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES.**

7 Sec. 284. From the amount appropriated in section 236, the public universities shall
8 inform Michigan community colleges regarding the academic status of community college
9 transfer students in a manner prescribed by the ~~Presidents Council, State Universities of~~
10 ~~Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** in cooperation with the Michigan
11 Community College Association. Public universities shall also work with the center for
12 educational performance and information to maintain a systematic approach for accomplishing
13 this task.

14 Sec. 290. By March 1 of each year, the ~~presidents council, state universities of~~
15 ~~Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** shall provide a listing of new degree
16 programs for which enrollment information will be reported to HEIDI under sections 241 and
17 289, as well as a listing of degree programs that institutions of higher education will no
18 longer offer in subsequent academic years, to the house and senate appropriations
19 subcommittees on higher education, the house and senate fiscal agencies, and the state
20 budget director.

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ARTICLE IV

SUMMARY OF APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS

SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE A SUMMARY OF APPROPRIATIONS CONTAINED IN THIS ACT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2017 AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018, FROM THE FUNDS INDICATED IN THIS ACT:

(2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

	For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1 GROSS APPROPRIATION	\$ 16,180,792,100	\$ 16,093,139,500
2 TOTAL INTERDEPARTMENTAL GRANTS AND		
3 INTRADEPARTMENTAL TRANSFERS.....	0	0
4 ADJUSTED GROSS APPROPRIATION	\$ 16,180,792,100	\$ 16,093,139,500
5 TOTAL FEDERAL REVENUES	1,917,659,100	1,917,659,100
6 TOTAL LOCAL REVENUES	0	0
7 TOTAL PRIVATE REVENUES	0	0
8 TOTAL OTHER STATE RESTRICTED REVENUES	12,632,103,700	12,717,051,100
9 STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,631,029,300	\$ 1,458,429,300
10 SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)		
11 APPROPRIATION SUMMARY		
12 GROSS APPROPRIATION	\$ 14,183,112,100	\$ 14,094,759,500
13 TOTAL INTERDEPARTMENTAL GRANTS AND		
14 INTRADEPARTMENTAL TRANSFERS.....	0	0
15 ADJUSTED GROSS APPROPRIATION	\$ 14,183,112,100	\$ 14,094,759,500
16 TOTAL FEDERAL REVENUES	1,818,632,700	1,818,632,700
17 TOTAL LOCAL REVENUES	0	0
18 TOTAL PRIVATE REVENUES	0	0
19 TOTAL OTHER STATE RESTRICTED REVENUES	12,134,479,400	12,218,726,800
20 STATE GENERAL FUND/GENERAL PURPOSE	\$ 230,000,000	\$ 57,400,000
21 (2) BASIC OPERATIONS		
22 PROPOSAL A OBLIGATION PAYMENT	\$ 5,206,000,000	\$ 5,124,000,000
23 DISCRETIONARY PAYMENT	3,900,000,000	3,888,000,000
24 ISD GENERAL OPERATIONS	68,182,000	68,182,000
25 HOLD HARMLESS PROVISION	18,000,000	18,000,000
26 DISTRICT DISSOLUTION TRANSITION COSTS	2,200,000	0
27 MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
28 REFORM COSTS	1,082,800,000	1,088,300,000
29 ISOLATED DISTRICT FUNDING	5,000,000	5,000,000
30 CONSOLIDATION INNOVATION GRANTS	<u>5,000,000</u>	<u>0</u>
31 GROSS APPROPRIATION	\$ 10,287,182,000	\$ 10,191,482,000
32 APPROPRIATED FROM:		

	For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1 STATE RESTRICTED REVENUES	10,105,720,200	10,160,167,700
2 STATE GENERAL FUND/GENERAL PURPOSE	\$ 181,461,800	\$ 31,314,300
3 (3) SPECIAL EDUCATION		
4 SPECIAL EDUCATION HEADLEE OBLIGATION	\$ 644,500,000	\$ 665,400,000
5 SPECIAL EDUCATION FOUNDATIONS	271,600,000	279,300,000
6 SPECIAL EDUCATION HOLD HARMLESS PAYMENT	1,100,000	500,000
7 SPECIAL EDUCATION NON-SEC. 52 PAYMENT	3,700,000	3,700,000
8 SPECIAL EDUCATION RULE CHANGE	2,200,000	2,200,000
9 SPECIAL EDUCATION COURT PLACED FTES	10,500,000	10,500,000
10 MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	1,688,000	1,688,000
11 SPECIAL EDUCATION MILLAGE EQUALIZATION	37,758,100	37,758,100
12 SPECIAL EDUCATION FEDERAL PROGRAMS	<u>441,000,000</u>	<u>441,000,000</u>
13 GROSS APPROPRIATION	\$ 1,414,046,100	\$ 1,442,046,100
14 APPROPRIATED FROM:		
15 FEDERAL REVENUES	441,000,000	441,000,000
16 STATE RESTRICTED REVENUES	973,046,100	1,001,046,100
17 STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
18 (4) SUPPORT SERVICES		
19 COURT-PLACED CHILDREN	\$ 8,000,000	\$ 8,000,000
20 JUVENILE DETENTION FACILITIES	1,328,100	1,328,100
21 YOUTH CHALLENGE PROGRAM	1,522,400	1,522,400
22 AT-RISK PROGRAM	378,988,200	378,988,200
23 CHILD AND ADOLESCENT HEALTH CENTERS	5,557,300	5,557,300
24 HEARING AND VISION SCREENING	5,150,000	5,150,000
25 MATH AND SCIENCE CENTERS	8,474,300	8,474,300
26 BILINGUAL EDUCATION	1,200,000	1,200,000
27 STRICT DISCIPLINE ACADEMIES PUPIL TRANSFERS	500,000	0
28 THIRD GRADE READING INITIATIVE	23,900,000	23,900,000
29 CONDUCTIVE LEARNING CENTER STUDY	150,000	0
30 FINANCIAL ANALYTICAL TOOLS	1,500,000	0
31 STATE SCHOOL REFORM OFFICE	5,000,000	10,200,000
32 SCHOOL WATER TESTING	9,000,000	9,000,000

	For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018	
1	SPECIAL EDUCATION TASKFORCE RECOMMENDATIONS	1,370,000	1,500,000
2	FLINT DECLARATION OF EMERGENCY	10,142,600	0
3	FEDERAL PROGRAMS	<u>852,739,900</u>	<u>852,739,900</u>
4	GROSS APPROPRIATION	\$ 1,314,522,800	\$ 1,370,560,200
5	APPROPRIATED FROM:		
6	FEDERAL REVENUES	857,989,200	857,989,200
7	STATE RESTRICTED REVENUES	443,546,100	446,596,000
8	STATE GENERAL FUND/GENERAL PURPOSE	\$ 12,987,500	\$ 2,975,000
9	(5) SCHOOL MEAL PROGRAMS		
10	SCHOOL LUNCH	\$ 535,695,100	\$ 535,695,100
11	SCHOOL BREAKFAST	<u>2,500,000</u>	<u>2,500,000</u>
12	GROSS APPROPRIATION	\$ 538,195,100	\$ 538,195,100
13	APPROPRIATED FROM:		
14	FEDERAL REVENUES	513,200,000	513,200,000
15	STATE RESTRICTED REVENUES	24,995,100	24,995,100
16	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
17	(6) EARLY CHILDHOOD EDUCATION		
18	GREAT START READINESS PROGRAM	\$ 243,900,000	\$ 243,900,000
19	GREAT START EARLY CHILDHOOD BLOCK GRANTS	<u>13,400,000</u>	<u>13,400,000</u>
20	GROSS APPROPRIATION	\$ 257,300,000	\$ 257,300,000
21	APPROPRIATED FROM:		
22	STATE RESTRICTED REVENUES	257,000,000	257,000,000
23	STATE GENERAL FUND/GENERAL PURPOSE	\$ 300,000	\$ 300,000
24	(7) STUDENT ASSESSMENT AND ACCOUNTABILITY		
25	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION	12,366,700	12,366,700
26	STUDENT ASSESSMENTS	40,144,400	40,144,400
27	DATA COLLECTION AND REPORTING COSTS	38,000,500	38,000,500
28	EDUCATOR EVALUATIONS	<u>10,000,000</u>	<u>10,000,000</u>
29	GROSS APPROPRIATION	\$ 100,511,600	\$ 100,511,600
30	APPROPRIATED FROM:		
31	FEDERAL REVENUES	6,443,500	6,443,500
32	STATE RESTRICTED REVENUES	81,894,900	81,894,900

	For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1 STATE GENERAL FUND/GENERAL PURPOSE	\$ 12,173,200	\$ 12,173,200
2 (8) TECHNOLOGY INITIATIVES		
3 MICHIGAN VIRTUAL HIGH SCHOOL	\$ 7,387,500	\$ 7,387,500
4 FIRST ROBOTICS	2,500,000	2,000,000
5 MISTEM COUNCIL	<u>2,050,000</u>	<u>0</u>
6 GROSS APPROPRIATION	\$ 11,937,500	\$ 9,387,500
7 APPROPRIATED FROM:		
8 STATE RESTRICTED REVENUES	2,500,000	2,000,000
9 STATE GENERAL FUND/GENERAL PURPOSE	\$ 9,437,500	\$ 7,387,500
10 (9) COLLEGE AND CAREER READINESS		
11 VOCATIONAL EDUCATION	\$ 36,611,300	\$ 36,611,300
12 VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT	9,190,000	9,190,000
13 DUAL ENROLLMENT INCENTIVE	1,750,000	0
14 ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE		
15 TESTING.....	250,000	250,000
16 MICHIGAN COLLEGE ACCESS NETWORK	3,050,000	3,000,000
17 CTE AND EARLY MIDDLE COLLEGE PROGRAMS	15,000,000	15,000,000
18 CTE EQUIPMENT	10,000,000	0
19 DETROIT PRECOLLEGE ENGINEERING PROGRAM	<u>340,000</u>	<u>0</u>
20 GROSS APPROPRIATION	\$ 76,191,300	\$ 64,051,300
21 APPROPRIATED FROM:		
22 STATE RESTRICTED REVENUES	62,551,300	60,801,300
23 STATE GENERAL FUND/GENERAL PURPOSE	\$ 13,640,000	\$ 3,250,000
24 (10) ADULT EDUCATION		
25 ADULT EDUCATION	<u>\$ 25,000,000</u>	<u>\$ 25,000,000</u>
26 GROSS APPROPRIATION	\$ 25,000,000	\$ 25,000,000
27 APPROPRIATED FROM:		
28 STATE RESTRICTED REVENUES	25,000,000	25,000,000
29 STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
30 (11) TRANSPORTATION SAFETY		
31 BUS DRIVER SAFETY	\$ 1,625,000	\$ 1,625,000
32 SCHOOL BUS INSPECTIONS	<u>1,695,600</u>	<u>1,695,600</u>

	For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1 GROSS APPROPRIATION	\$ 3,320,600	\$ 3,320,600
2 APPROPRIATED FROM:		
3 STATE RESTRICTED REVENUES	3,320,600	3,320,600
4 STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
5 (12) DEBT SERVICE AND OTHER REQUIRED PAYMENTS		
6 SCHOOL BOND LOAN REDEMPTION FUND	126,500,000	126,500,000
7 SCHOOL AID FUND BORROWING COSTS	3,000,000	4,000,000
8 RENAISSANCE ZONE REIMBURSEMENT	20,000,000	20,000,000
9 PAYMENT IN LIEU OF TAXES REIMBURSEMENT	4,405,100	4,405,100
10 PROMISE ZONE PAYMENTS	1,000,000	1,000,000
11 GROSS APPROPRIATION	\$ 154,905,100	\$ 155,905,100
12 APPROPRIATED FROM:		
13 STATE RESTRICTED REVENUES	154,905,100	155,905,100
14 STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
15 SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)		
16 APPROPRIATION SUMMARY		
17 GROSS APPROPRIATION	\$ 399,025,600	\$ 399,525,600
18 TOTAL INTERDEPARTMENTAL GRANTS AND		
19 INTRADEPARTMENTAL TRANSFERS	0	0
20 ADJUSTED GROSS APPROPRIATION	\$ 399,025,600	\$ 399,525,600
21 TOTAL FEDERAL REVENUES	0	0
22 TOTAL LOCAL REVENUES	0	0
23 TOTAL PRIVATE REVENUES	0	0
24 TOTAL OTHER STATE RESTRICTED REVENUES	260,414,800	260,914,800
25 STATE GENERAL FUND/GENERAL PURPOSE	\$ 138,610,800	\$ 138,610,800
26 (2) OPERATIONS		
27 (A) ALPENA COMMUNITY COLLEGE		
28 OPERATIONS	\$ 5,464,400	\$ 5,627,100
29 PERFORMANCE FUNDING	162,700	0
30 GROSS APPROPRIATION	\$ 5,627,100	\$ 5,627,100
31 (B) BAY DE NOC COMMUNITY COLLEGE		
32 OPERATIONS	\$ 5,490,200	\$ 5,591,100

		For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1	PERFORMANCE FUNDING	100,900	0
2	GROSS APPROPRIATION	\$ 5,591,100	\$ 5,591,100
3	(C) DELTA COLLEGE		
4	OPERATIONS	\$ 14,704,000	\$ 15,052,400
5	PERFORMANCE FUNDING	348,400	0
6	GROSS APPROPRIATION	\$ 15,052,400	\$ 15,052,400
7	(D) GLEN OAKS COMMUNITY COLLEGE		
8	OPERATIONS	\$ 2,551,100	\$ 2,596,700
9	PERFORMANCE FUNDING	45,600	0
10	GROSS APPROPRIATION	\$ 2,596,700	\$ 2,596,700
11	(E) GOGEBIC COMMUNITY COLLEGE		
12	OPERATIONS	\$ 4,509,900	\$ 4,626,900
13	PERFORMANCE FUNDING	117,000	0
14	GROSS APPROPRIATION	\$ 4,626,900	\$ 4,626,900
15	(F) GRAND RAPIDS COMMUNITY COLLEGE		
16	OPERATIONS	\$ 18,187,300	\$ 18,631,700
17	PERFORMANCE FUNDING	444,400	0
18	GROSS APPROPRIATION	\$ 18,631,700	\$ 18,631,700
19	(G) HENRY FORD COMMUNITY COLLEGE		
20	OPERATIONS	\$ 21,893,300	\$ 22,347,500
21	PERFORMANCE FUNDING	454,200	0
22	GROSS APPROPRIATION	\$ 22,347,500	\$ 22,347,500
23	(H) JACKSON COMMUNITY COLLEGE		
24	OPERATIONS	\$ 12,245,300	\$ 12,504,400
25	PERFORMANCE FUNDING	259,100	0
26	GROSS APPROPRIATION	\$ 12,504,400	\$ 12,504,400
27	(I) KALAMAZOO VALLEY COMMUNITY COLLEGE		
28	OPERATIONS	\$ 12,689,400	\$ 13,015,700
29	PERFORMANCE FUNDING	326,300	0
30	GROSS APPROPRIATION	\$ 13,015,700	\$ 13,015,700
31	(J) KELLOGG COMMUNITY COLLEGE		
32	OPERATIONS	\$ 9,950,100	\$ 10,159,800

		For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1	PERFORMANCE FUNDING	209,700	0
2	GROSS APPROPRIATION	\$ 10,159,800	\$ 10,159,800
3	(K) KIRTLAND COMMUNITY COLLEGE		
4	OPERATIONS	\$ 3,221,500	\$ 3,303,300
5	PERFORMANCE FUNDING	81,800	0
6	GROSS APPROPRIATION	\$ 3,303,300	\$ 3,303,300
7	(L) LAKE MICHIGAN COLLEGE		
8	OPERATIONS	\$ 5,417,700	\$ 5,565,600
9	PERFORMANCE FUNDING	147,900	0
10	GROSS APPROPRIATION	\$ 5,565,600	\$ 5,565,600
11	(M) LANSING COMMUNITY COLLEGE		
12	OPERATIONS	\$ 31,288,200	\$ 31,915,300
13	PERFORMANCE FUNDING	627,100	0
14	GROSS APPROPRIATION	\$ 31,915,300	\$ 31,915,300
15	(N) MACOMB COMMUNITY COLLEGE		
16	OPERATIONS	\$ 33,239,500	\$ 33,900,200
17	PERFORMANCE FUNDING	660,700	0
18	GROSS APPROPRIATION	\$ 33,900,200	\$ 33,900,200
19	(O) MID MICHIGAN COMMUNITY COLLEGE		
20	OPERATIONS	\$ 4,757,700	\$ 4,917,300
21	PERFORMANCE FUNDING	159,600	0
22	GROSS APPROPRIATION	\$ 4,917,300	\$ 4,917,300
23	(P) MONROE COUNTY COMMUNITY COLLEGE		
24	OPERATIONS	\$ 4,565,600	\$ 4,679,100
25	PERFORMANCE FUNDING	113,500	0
26	GROSS APPROPRIATION	\$ 4,679,100	\$ 4,679,100
27	(Q) MONTCALM COMMUNITY COLLEGE		
28	OPERATIONS	\$ 3,280,600	\$ 3,404,000
29	PERFORMANCE FUNDING	123,400	0
30	GROSS APPROPRIATION	\$ 3,404,000	\$ 3,404,000
31	(R) C. S. MOTT COMMUNITY COLLEGE		
32	OPERATIONS	\$ 15,901,700	\$ 16,278,400

		For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1	PERFORMANCE FUNDING	376,700	0
2	GROSS APPROPRIATION	\$ 16,278,400	\$ 16,278,400
3	(S) MUSKEGON COMMUNITY COLLEGE		
4	OPERATIONS	\$ 9,020,700	\$ 9,268,700
5	PERFORMANCE FUNDING	248,000	0
6	GROSS APPROPRIATION	\$ 9,268,700	\$ 9,268,700
7	(T) NORTH CENTRAL MICHIGAN COLLEGE		
8	OPERATIONS	\$ 3,224,800	\$ 3,345,100
9	PERFORMANCE FUNDING	120,300	0
10	GROSS APPROPRIATION	\$ 3,345,100	\$ 3,345,100
11	(U) NORTHWESTERN MICHIGAN COLLEGE		
12	OPERATIONS	\$ 9,200,500	\$ 9,410,000
13	PERFORMANCE FUNDING	209,500	0
14	GROSS APPROPRIATION	\$ 9,410,000	\$ 9,410,000
15	(V) OAKLAND COMMUNITY COLLEGE		
16	OPERATIONS	\$ 21,429,400	\$ 21,978,200
17	PERFORMANCE FUNDING	548,800	0
18	GROSS APPROPRIATION	\$ 21,978,200	\$ 21,978,200
19	(W) SCHOOLCRAFT COLLEGE		
20	OPERATIONS	\$ 12,706,400	\$ 13,057,800
21	PERFORMANCE FUNDING	351,400	0
22	GROSS APPROPRIATION	\$ 13,057,800	\$ 13,057,800
23	(X) SOUTHWESTERN MICHIGAN COLLEGE		
24	OPERATIONS	\$ 6,657,600	\$ 6,773,600
25	PERFORMANCE FUNDING	116,000	0
26	GROSS APPROPRIATION	\$ 6,773,600	\$ 6,773,600
27	(Y) ST. CLAIR COUNTY COMMUNITY COLLEGE		
28	OPERATIONS	\$ 7,158,000	\$ 7,337,100
29	PERFORMANCE FUNDING	179,100	0
30	GROSS APPROPRIATION	\$ 7,337,100	\$ 7,337,100
31	(Z) WASHTENAW COMMUNITY COLLEGE		
32	OPERATIONS	\$ 13,301,100	\$ 13,724,700

	For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1 PERFORMANCE FUNDING	423,600	0
2 GROSS APPROPRIATION	\$ 13,724,700	\$ 13,724,700
3 (AA) WAYNE COUNTY COMMUNITY COLLEGE		
4 OPERATIONS	\$ 16,989,800	\$ 17,452,800
5 PERFORMANCE FUNDING	463,000	0
6 GROSS APPROPRIATION	\$ 17,452,800	\$ 17,452,800
7 (BB) WEST SHORE COMMUNITY COLLEGE		
8 OPERATIONS	\$ 2,446,200	\$ 2,527,500
9 PERFORMANCE FUNDING	81,300	0
10 GROSS APPROPRIATION	\$ 2,527,500	\$ 2,527,500
11 (CC) OPERATIONS FUNDING SOURCES		
12 GROSS APPROPRIATION	\$ 318,992,000	\$ 318,992,000
13 APPROPRIATED FROM:		
14 STATE SCHOOL AID FUND	185,481,200	185,481,200
15 STATE GENERAL FUND/GENERAL PURPOSE	\$ 133,510,800	\$ 133,510,800
16 (3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT		
17 SYSTEM (MPSERS)		
18 MPSERS COST OFFSET	\$ 1,733,600	\$ 1,733,600
19 MPSERS UAL CAP REIMBURSEMENT	73,200,000	73,700,000
20 GROSS APPROPRIATION	\$ 74,933,600	\$ 75,433,600
21 APPROPRIATED FROM:		
22 STATE SCHOOL AID FUND	74,933,600	75,433,600
23 STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
24 (4) RENAISSANCE ZONE REIMBURSEMENTS		
25 RENAISSANCE ZONE REIMBURSEMENTS	\$ 5,100,000	\$ 5,100,000
26 GROSS APPROPRIATION	\$ 5,100,000	\$ 5,100,000
27 APPROPRIATED FROM:		
28 STATE GENERAL FUND/GENERAL PURPOSE	\$ 5,100,000	\$ 5,100,000
29 SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL AID		
30 (ARTICLE III)		
31 APPROPRIATION SUMMARY		
32 GROSS APPROPRIATION	\$ 1,598,654,400	\$ 1,598,854,400

	For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1	TOTAL INTERDEPARTMENTAL GRANTS AND	
2	INTRADPARTMENTAL TRANSFERS.....	
	0	0
3	ADJUSTED GROSS APPROPRIATION	
	\$ 1,598,654,400	\$ 1,598,854,400
4	TOTAL FEDERAL REVENUES	
	99,026,400	99,026,400
5	TOTAL LOCAL REVENUES	
	0	0
6	TOTAL PRIVATE REVENUES	
	0	0
7	TOTAL OTHER STATE RESTRICTED REVENUES	
	237,209,500	237,409,500
8	STATE GENERAL FUND/GENERAL PURPOSE	
	\$ 1,262,418,500	\$ 1,262,418,500
9	(2) UNIVERSITY OPERATIONS	
10	(A) CENTRAL MICHIGAN UNIVERSITY	
11	OPERATIONS	
	\$ 81,127,100	\$ 85,332,200
12	PERFORMANCE FUNDING	
	4,205,100	0
13	GROSS APPROPRIATION	
	\$ 85,332,200	\$ 85,332,200
14	(B) EASTERN MICHIGAN UNIVERSITY	
15	OPERATIONS	
	\$ 71,782,500	\$ 75,105,400
16	PERFORMANCE FUNDING	
	3,322,900	0
17	GROSS APPROPRIATION	
	\$ 75,105,400	\$ 75,105,400
18	(C) FERRIS STATE UNIVERSITY	
19	OPERATIONS	
	\$ 50,369,800	\$ 53,210,000
20	PERFORMANCE FUNDING	
	2,840,200	0
21	GROSS APPROPRIATION	
	\$ 53,210,000	\$ 53,210,000
22	(D) GRAND VALLEY STATE UNIVERSITY	
23	OPERATIONS	
	\$ 65,275,700	\$ 69,712,000
24	PERFORMANCE FUNDING	
	4,436,300	0
25	GROSS APPROPRIATION	
	\$ 69,712,000	\$ 69,712,000
26	(E) LAKE SUPERIOR STATE UNIVERSITY	
27	OPERATIONS	
	\$ 13,207,400	\$ 13,748,400
28	PERFORMANCE FUNDING	
	541,000	0
29	GROSS APPROPRIATION	
	\$ 13,748,400	\$ 13,748,400
30	(F) MICHIGAN STATE UNIVERSITY	
31	OPERATIONS	
	\$ 268,770,700	\$ 279,126,200
32	PERFORMANCE FUNDING	
	10,355,500	0

		For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1	MSU AGBIORESEARCH	33,243,100	33,243,100
2	MSU EXTENSION	28,672,600	28,672,600
3	GROSS APPROPRIATION	\$ 341,041,900	\$ 341,041,900
4	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY		
5	OPERATIONS	\$ 46,754,700	\$ 48,772,500
6	PERFORMANCE FUNDING	2,017,800	0
7	GROSS APPROPRIATION	\$ 48,772,500	\$ 48,772,500
8	(H) NORTHERN MICHIGAN UNIVERSITY		
9	OPERATIONS	\$ 45,107,700	\$ 46,868,000
10	PERFORMANCE FUNDING	1,760,300	0
11	GROSS APPROPRIATION	\$ 46,868,000	\$ 46,868,000
12	(I) OAKLAND UNIVERSITY		
13	OPERATIONS	\$ 48,371,900	\$ 51,300,200
14	PERFORMANCE FUNDING	2,928,300	0
15	GROSS APPROPRIATION	\$ 51,300,200	\$ 51,300,200
16	(J) SAGINAW VALLEY STATE UNIVERSITY		
17	OPERATIONS	\$ 28,181,200	\$ 29,582,900
18	PERFORMANCE FUNDING	1,401,700	0
19	GROSS APPROPRIATION	\$ 29,582,900	\$ 29,582,900
20	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR		
21	OPERATIONS	\$ 299,975,000	\$ 312,693,500
22	PERFORMANCE FUNDING	12,718,500	0
23	GROSS APPROPRIATION	\$ 312,693,500	\$ 312,693,500
24	(L) UNIVERSITY OF MICHIGAN - DEARBORN		
25	OPERATIONS	\$ 24,033,100	\$ 25,190,500
26	PERFORMANCE FUNDING	1,157,400	0
27	GROSS APPROPRIATION	\$ 25,190,500	\$ 25,190,500
28	(M) UNIVERSITY OF MICHIGAN - FLINT		
29	OPERATIONS	\$ 21,815,400	\$ 22,918,300
30	PERFORMANCE FUNDING	1,102,900	0
31	GROSS APPROPRIATION	\$ 22,918,300	\$ 22,918,300
32	(N) WAYNE STATE UNIVERSITY		

		For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1	OPERATIONS	\$ 191,451,300	\$ 198,082,800
2	PERFORMANCE FUNDING	6,631,500	0
3	GROSS APPROPRIATION	\$ 198,082,800	\$ 198,082,800
4	(O) WESTERN MICHIGAN UNIVERSITY		
5	OPERATIONS	\$ 104,334,100	\$ 108,702,100
6	PERFORMANCE FUNDING	4,368,000	0
7	GROSS APPROPRIATION	\$ 108,702,100	\$ 108,702,100
8	(P) OPERATIONS FUNDING SOURCES		
9	GROSS APPROPRIATION	\$ 1,482,260,700	\$ 1,482,260,700
10	APPROPRIATED FROM:		
11	STATE SCHOOL AID FUND	231,219,500	231,219,500
12	STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,251,041,200	\$ 1,251,041,200
13	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT		
14	SYSTEM (MPSERS)		
15	MPSERS UAL CAP REIMBURSEMENT	\$ 5,890,000	\$ 6,090,000
16	GROSS APPROPRIATION	\$ 5,890,000	\$ 6,090,000
17	APPROPRIATED FROM:		
18	STATE SCHOOL AID FUND	5,890,000	6,090,000
19	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
20	(4) STATE AND REGIONAL PROGRAMS		
21	HIGHER EDUCATION DATABASE MODERNIZATION AND		
22	CONVERSION	\$ 200,000	\$ 200,000
23	MIDWESTERN HIGHER EDUCATION COMPACT	115,000	115,000
24	GROSS APPROPRIATION	\$ 315,000	\$ 315,000
25	APPROPRIATED FROM:		
26	STATE GENERAL FUND/GENERAL PURPOSE	\$ 315,000	\$ 315,000
27	(5) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA		
28	PARKS PROGRAM		
29	SELECT STUDENT SUPPORT SERVICES	\$ 1,956,100	\$ 1,956,100
30	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM	586,800	586,800
31	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM	148,600	148,600
32	GROSS APPROPRIATION	\$ 2,691,500	\$ 2,691,500

	For Fiscal Year Ending Sept. 30, 2017	For Fiscal Year Ending Sept. 30, 2018
1	APPROPRIATED FROM:	
2	STATE GENERAL FUND/GENERAL PURPOSE	\$ 2,691,500 \$ 2,691,500
3	(6) GRANTS AND FINANCIAL AID	
4	STATE COMPETITIVE SCHOLARSHIPS	\$ 18,361,700 \$ 18,361,700
5	TUITION GRANTS	34,035,500 34,035,500
6	TUITION INCENTIVE PROGRAM	50,500,000 50,500,000
7	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR	
8	TUITION GRANT PROGRAMS	1,400,000 1,400,000
9	PROJECT GEAR-UP	3,200,000 3,200,000
10	GROSS APPROPRIATION	\$ 107,497,200 \$ 107,497,200
11	APPROPRIATED FROM:	
12	UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF	
13	ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..	3,200,000 3,200,000
14	SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY	
15	FAMILIES.....	95,826,400 95,826,400
16	CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT	
17	PROGRAM.....	100,000 100,000
18	STATE GENERAL FUND/GENERAL PURPOSE	\$ 8,370,800 \$ 8,370,800

19 Enacting section 1. (1) In accordance with section 30 of article I of the state
20 constitution of 1963, total state spending on school aid under article I as amended by this
21 amendatory act from state sources for fiscal year 2016-2017 is estimated at
22 \$12,364,479,400.00 and state appropriations for school aid to be paid to local units of
23 government for fiscal year 2016-2017 are estimated at \$12,212,368,600.00.

24 (2) In accordance with section 30 of article IX of the state constitution of 1963,
25 total state spending from state sources for community colleges for fiscal year 2016-2017
26 under article II as amended by this amendatory act is estimated at \$399,025,600.00 and the
27 amount of that state spending from state sources to be paid to local units of government
28 for fiscal year 2016-2017 is estimated at \$399,025,600.00.

29 (3) In accordance with section 30 of article IX of the state constitution of 1963,
30 total state spending from state sources for higher education for fiscal year 2016-2017
31 under article III as amended by this amendatory act is estimated at \$1,499,628,000.00 and
32 the amount of that state spending from state sources to be paid to local units of

1 government for fiscal year 2016-2017 is estimated at \$0.

2 Enacting Section 2. Sections 22i, 25e, 31c, 31h, 43, 99c, 104d, 166, 201a, 208, 210c,
3 212, 227, 228, 230a, 236a, 239a, 261, 271a, 274, 275a, and 293 of the state school aid act
4 of 1979, 1979 PA 94, 388.1622i, 388.1625e, 388.1631c, 388.1631h, 388.1643, 388.1699c,
5 388.1704d, 388.1766, 388.1801a, 388.1808, 388.1810c, 388.1812, 388.1827, 388.1828,
6 388.1830a, 388.1836a, 388.1839a, 388.1861, 388.1871a, 388.1874, 388.1875a, and 388.1893 are
7 repealed effective October 1, 2016.