

SUBSTITUTE FOR
SENATE BILL NO. 801
(As amended May 4, 2016)

<<A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 15, 18, 19,
20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e,
25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 31h, 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, 99c, 99h, 99s, 101, 102d, 104, 104b, 104c,
104d, 107, 147, 147a, 147c, 152a, 166b, 201, 201a, 202a, 203, 206,
207, 207a, 207b, 207c, 209, 210b, 212, 217, 219, 220, 222, 224,
225, 226, 229a, 230, 236, 236a, 236b, 236c, 237b, 238, 241, 246,
251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270,
274, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 289,
and 290 (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a,
388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1619,

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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, 388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1631h, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699c, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766b, 388.1801, 388.1801a, 388.1802a, 388.1803, 388.1806, 388.1807, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1812, 388.1817, 388.1819, 388.1820, 388.1822, 388.1824, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1837b, 388.1838, 388.1841, 388.1846, 388.1851, 388.1852, 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1889, and 388.1890), sections 3, 203, 207, 212, 219, 220, 238, 251, and 254 as amended and section 237b as added by 2012 PA 201, sections 4, 6, 98, 107, 230, and 256 as amended by 2016 PA 56, sections 11, 21f, 31a, and 32d as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 15, 20, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a, 99h, 101, 104, 104b, 104c, 147, 147a, 147c,

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 152a, 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 225,
 226, 229a, 236, 236a, 236b, 236c, 241, 246, 252, 263, 263a, 264,
 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281,
 282, 283, and 284 as amended and sections 25g, 31h, 35, 35a, 55,
 61b, 65, 67, 99c, 99s, 102d, 104d, and 274c as added by 2015 PA 85,
 section 18 as amended by 2015 PA 114, sections 19, 202a, 224, and
 275 as amended by 2014 PA 196, section 166b as amended by 2015 PA
 222, and sections 289 and 290 as amended by 2013 PA 60, and by
 adding sections 11s, 21, 31j, 32q, 54b, 59, 61c, 61d, 61e, 63, 99t,
 152b, 210e, and 286a; and to repeal acts and parts of acts.>>

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Achievement authority" means the education
 2 achievement authority, the public body corporate and special
 3 authority initially created under section 5 of article III and
 4 section 28 of article VII of the state constitution of 1963 and the
 5 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
 6 124.512, by an interlocal agreement effective August 11, 2011,
 7 between the school district of the city of Detroit and the board of
 8 regents of ~~eastern Michigan university,~~ **EASTERN MICHIGAN**
 9 **UNIVERSITY**, a state public university.

10 (2) "Achievement school" means a public school within the
 11 education achievement system operated, managed, authorized,
 12 established, or overseen by the achievement authority.

13 (3) "Average daily attendance", for the purposes of complying
 14 with federal law, means 92% of the pupils counted in membership on
 15 the pupil membership count day, as defined in section 6(7).

16 (4) "Board" means the governing body of a district or public

1 school academy.

2 (5) "Center" means the center for educational performance and
3 information created in section 94a.

4 (6) **"COMMUNITY DISTRICT" MEANS A SCHOOL DISTRICT ORGANIZED**
5 **UNDER PART 5B OF THE REVISED SCHOOL CODE.**

6 (7) ~~(6)~~—"Cooperative education program" means a written
7 voluntary agreement between and among districts to provide certain
8 educational programs for pupils in certain groups of districts. The
9 written agreement shall be approved by all affected districts at
10 least annually and shall specify the educational programs to be
11 provided and the estimated number of pupils from each district who
12 will participate in the educational programs.

13 (8) ~~(7)~~—"Department", except in section 107, means the
14 department of education.

15 (9) ~~(8)~~—"District" means a local school district established
16 under the revised school code or, except in sections 6(4), 6(6),
17 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school
18 academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a,
19 105, 105c, and 166b, district also includes the education
20 achievement system.

21 (10) ~~(9)~~—"District of residence", except as otherwise provided
22 in this subsection, means the district in which a pupil's custodial
23 parent or parents or legal guardian resides. For a pupil described
24 in section 24b, the pupil's district of residence is the district
25 in which the pupil enrolls under that section. For a pupil
26 described in section 6(4)(d), the pupil's district of residence
27 shall be considered to be the district or intermediate district in

1 which the pupil is counted in membership under that section. For a
2 pupil under court jurisdiction who is placed outside the district
3 in which the pupil's custodial parent or parents or legal guardian
4 resides, the pupil's district of residence shall be considered to
5 be the educating district or educating intermediate district.

6 (11) ~~(10)~~—"District superintendent" means the superintendent
7 of a district, the chief administrator of a public school academy,
8 or the chancellor of the achievement authority.

9 Sec. 4. (1) "Education achievement system" means the
10 achievement authority and all achievement schools.

11 (2) "Elementary pupil" means a pupil in membership in grades K
12 to 8 in a district not maintaining classes above the eighth grade
13 or in grades K to 6 in a district maintaining classes above the
14 eighth grade. For the purposes of calculating universal service
15 fund (e-rate) discounts, "elementary pupil" includes children
16 enrolled in a preschool program operated by a district in its
17 facilities.

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

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

1 (5) "High school equivalency certificate" means a certificate
2 granted for the successful completion of a high school equivalency
3 test.

4 (6) "High school equivalency test" means ~~a high school~~
5 ~~equivalency test approved by the department under section 107.~~**THE**
6 **G.E.D. TEST DEVELOPED BY THE GED TESTING SERVICE, THE TEST**
7 **ASSESSING SECONDARY COMPLETION (TASC) DEVELOPED BY CTS/MCGRAW-HILL,**
8 **THE HISET TEST DEVELOPED BY THE EDUCATION TESTING SERVICE (ETS), OR**
9 **ANOTHER COMPARABLE TEST APPROVED BY THE DEPARTMENT OF TALENT AND**
10 **ECONOMIC DEVELOPMENT.**

11 (7) "High school equivalency test preparation program" means a
12 program that has high school level courses in English language
13 arts, social studies, science, and mathematics and that prepares an
14 individual to successfully complete a high school equivalency test.

15 (8) "High school pupil" means a pupil in membership in grades
16 7 to 12, except in a district not maintaining grades above the
17 eighth grade.

18 Sec. 6. (1) "Center program" means a program operated by a
19 district or by an intermediate district for special education
20 pupils from several districts in programs for pupils with autism
21 spectrum disorder, pupils with severe cognitive impairment, pupils
22 with moderate cognitive impairment, pupils with severe multiple
23 impairments, pupils with hearing impairment, pupils with visual
24 impairment, and pupils with physical impairment or other health
25 impairment. Programs for pupils with emotional impairment housed in
26 buildings that do not serve regular education pupils also qualify.
27 Unless otherwise approved by the department, a center program

1 either shall serve all constituent districts within an intermediate
2 district or shall serve several districts with less than 50% of the
3 pupils residing in the operating district. In addition, special
4 education center program pupils placed part-time in noncenter
5 programs to comply with the least restrictive environment
6 provisions of section 612 of part B of the individuals with
7 disabilities education act, 20 USC 1412, may be considered center
8 program pupils for pupil accounting purposes for the time scheduled
9 in either a center program or a noncenter program.

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

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

19 (4) "Membership", except as otherwise provided in this
20 article, means for a district, a public school academy, the
21 education achievement system, or an intermediate district the sum
22 of the product of ~~.90~~.75 times the number of full-time equated
23 pupils in grades K to 12 actually enrolled and in regular daily
24 attendance on the pupil membership count day for the current school
25 year, plus the product of ~~.10~~.25 times the final audited count
26 from the supplemental count day for the immediately preceding
27 school year. **HOWEVER, FOR A DISTRICT THAT IS A COMMUNITY DISTRICT**

1 IN ITS FIRST YEAR OF OPERATION, "MEMBERSHIP" MEANS THE SUM OF THE
2 PRODUCT OF .75 TIMES THE NUMBER OF FULL-TIME EQUATED PUPILS IN
3 GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE IN
4 THE COMMUNITY DISTRICT ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE
5 CURRENT SCHOOL YEAR, PLUS THE PRODUCT OF .25 TIMES THE FINAL
6 AUDITED COUNT FROM THE SUPPLEMENTAL COUNT DAY OF PUPILS IN GRADES K
7 TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE IN A
8 QUALIFYING SCHOOL DISTRICT AS DEFINED IN SECTION 5 OF THE REVISED
9 SCHOOL CODE, MCL 380.5, FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR.

10 A district's, public school academy's, or intermediate district's
11 membership shall be adjusted as provided under section 25e for
12 pupils who enroll in the district, public school academy, or
13 intermediate district after the pupil membership count day. All
14 pupil counts used in this subsection are as determined by the
15 department and calculated by adding the number of pupils registered
16 for attendance plus pupils received by transfer and minus pupils
17 lost as defined by rules promulgated by the superintendent, and as
18 corrected by a subsequent department audit. For the purposes of
19 this section and section 6a, for a school of excellence that is a
20 cyber school, as defined in section 551 of the revised school code,
21 MCL 380.551, and is in compliance with section 553a of the revised
22 school code, MCL 380.553a, a pupil's participation in the cyber
23 school's educational program is considered regular daily
24 attendance; for the education achievement system, a pupil's
25 participation in ~~an online~~ **A VIRTUAL** educational program of the
26 education achievement system or of an achievement school is
27 considered regular daily attendance; and for a district a pupil's

1 participation in ~~an online~~ **A VIRTUAL** course as defined in section
2 21f is considered regular daily attendance. The amount of the
3 foundation allowance for a pupil in membership is determined under
4 section 20. In making the calculation of membership, all of the
5 following, as applicable, apply to determining the membership of a
6 district, a public school academy, the education achievement
7 system, or an intermediate district:

8 (a) Except as otherwise provided in this subsection, and
9 pursuant to subsection (6), a pupil shall be counted in membership
10 in the pupil's educating district or districts. An individual pupil
11 shall not be counted for more than a total of 1.0 full-time equated
12 membership.

13 (b) If a pupil is educated in a district other than the
14 pupil's district of residence, if the pupil is not being educated
15 as part of a cooperative education program, if the pupil's district
16 of residence does not give the educating district its approval to
17 count the pupil in membership in the educating district, and if the
18 pupil is not covered by an exception specified in subsection (6) to
19 the requirement that the educating district must have the approval
20 of the pupil's district of residence to count the pupil in
21 membership, the pupil shall not be counted in membership in any
22 district.

23 (c) A special education pupil educated by the intermediate
24 district shall be counted in membership in the intermediate
25 district.

26 (d) A pupil placed by a court or state agency in an on-grounds
27 program of a juvenile detention facility, a child caring

1 institution, or a mental health institution, or a pupil funded
2 under section 53a, shall be counted in membership in the district
3 or intermediate district approved by the department to operate the
4 program.

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

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

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

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

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

22 (i) If operations begin before the pupil membership count day
23 for the fiscal year, membership is the average number of full-time
24 equated pupils in grades K to 12 actually enrolled and in regular
25 daily attendance on the pupil membership count day for the current
26 school year and on the supplemental count day for the current
27 school year, as determined by the department and calculated by

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

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

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

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

27 (l) To be counted in membership, a pupil shall meet the

1 minimum age requirement to be eligible to attend school under
2 section 1147 of the revised school code, MCL 380.1147, or shall be
3 enrolled under subsection (3) of that section, and shall be less
4 than 20 years of age on September 1 of the school year except as
5 follows:

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

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

13 (A) Is enrolled in a public school academy or an alternative
14 education high school diploma program, that is primarily focused on
15 educating ~~homeless~~ pupils **WITH EXTREME BARRIERS TO EDUCATION, SUCH**
16 **AS BEING HOMELESS AS DEFINED UNDER 42 USC 11302.**

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

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

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

23 (iii) If a child does not meet the minimum age requirement to
24 be eligible to attend school for that school year under section
25 1147 of the revised school code, MCL 380.1147, but will be 5 years
26 of age not later than December 1 of that school year, the district
27 may count the child in membership for that school year if the

1 parent or legal guardian has notified the district in writing that
2 he or she intends to enroll the child in kindergarten for that
3 school year.

4 (m) An individual who has ~~obtained~~**ACHIEVED** a high school
5 diploma shall not be counted in membership. An individual who has
6 achieved a high school equivalency certificate shall not be counted
7 in membership unless the individual is a student with a disability
8 as defined in R 340.1702 of the Michigan administrative code. An
9 individual participating in a job training program funded under
10 former section 107a or a jobs program funded under former section
11 107b, administered by the ~~Michigan strategic fund,~~**DEPARTMENT OF**
12 **TALENT AND ECONOMIC DEVELOPMENT**, or participating in any successor
13 of either of those 2 programs, shall not be counted in membership.

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

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

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

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

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

3 (q) The number of class hours used to calculate full-time
4 equated memberships shall be consistent with section 101. In
5 determining full-time equated memberships for pupils who are
6 enrolled in a postsecondary institution, a pupil shall not be
7 considered to be less than a full-time equated pupil solely because
8 of the effect of his or her postsecondary enrollment, including
9 necessary travel time, on the number of class hours provided by the
10 district to the pupil.

11 (r) Full-time equated memberships for pupils in kindergarten
12 shall be determined by dividing the number of instructional hours
13 scheduled and provided per year per kindergarten pupil by the same
14 number used for determining full-time equated memberships for
15 pupils in grades 1 to 12. However, to the extent allowable under
16 federal law, for a district or public school academy that provides
17 evidence satisfactory to the department that it used federal title
18 I money in the 2 immediately preceding school fiscal years to fund
19 full-time kindergarten, full-time equated memberships for pupils in
20 kindergarten shall be determined by dividing the number of class
21 hours scheduled and provided per year per kindergarten pupil by a
22 number equal to 1/2 the number used for determining full-time
23 equated memberships for pupils in grades 1 to 12. The change in the
24 counting of full-time equated memberships for pupils in
25 kindergarten that took effect for 2012-2013 is not a mandate.

26 (s) For a district, a public school academy, or the education
27 achievement system that has pupils enrolled in a grade level that

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

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

18 (u) If, as a result of a disciplinary action, a district
19 determines through the district's alternative or disciplinary
20 education program that the best instructional placement for a pupil
21 is in the pupil's home or otherwise apart from the general school
22 population, if that placement is authorized in writing by the
23 district superintendent and district alternative or disciplinary
24 education supervisor, and if the district provides appropriate
25 instruction as described in this subdivision to the pupil at the
26 pupil's home or otherwise apart from the general school population,
27 the district may count the pupil in membership on a pro rata basis,

1 with the proration based on the number of hours of instruction the
2 district actually provides to the pupil divided by the number of
3 hours required under section 101 for full-time equivalency. For the
4 purposes of this subdivision, a district shall be considered to be
5 providing appropriate instruction if all of the following are met:

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

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

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

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

17 (v) If a pupil was enrolled in a public school academy on the
18 pupil membership count day, if the public school academy's contract
19 with its authorizing body is revoked or the public school academy
20 otherwise ceases to operate, and if the pupil enrolls in a district
21 or the education achievement system within 45 days after the pupil
22 membership count day, the department shall adjust the district's or
23 the education achievement system's pupil count for the pupil
24 membership count day to include the pupil in the count.

25 (w) For a public school academy that has been in operation for
26 at least 2 years and that suspended operations for at least 1
27 semester and is resuming operations, membership is the sum of the

1 product of ~~.90~~.75 times the number of full-time equated pupils in
2 grades K to 12 actually enrolled and in regular daily attendance on
3 the first pupil membership count day or supplemental count day,
4 whichever is first, occurring after operations resume, plus the
5 product of ~~.10~~.25 times the final audited count from the most
6 recent pupil membership count day or supplemental count day that
7 occurred before suspending operations, as determined by the
8 superintendent.

9 (x) If a district's membership for a particular fiscal year,
10 as otherwise calculated under this subsection, would be less than
11 1,550 pupils and the district has 4.5 or fewer pupils per square
12 mile, as determined by the department, and if the district does not
13 receive funding under section 22d(2), the district's membership
14 shall be considered to be the membership figure calculated under
15 this subdivision. If a district educates and counts in its
16 membership pupils in grades 9 to 12 who reside in a contiguous
17 district that does not operate grades 9 to 12 and if 1 or both of
18 the affected districts request the department to use the
19 determination allowed under this sentence, the department shall
20 include the square mileage of both districts in determining the
21 number of pupils per square mile for each of the districts for the
22 purposes of this subdivision. The membership figure calculated
23 under this subdivision is the greater of the following:

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

1 those 3 membership figures by 3.

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

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

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

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

1 purposes of determining the district's membership.

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

6 (cc) A pupil enrolled in a district other than the pupil's
7 district of residence pursuant to section 1148(2) of the revised
8 school code, MCL 380.1148, shall be counted in the educating
9 district or the education achievement system.

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

27 (i) A personalized learning plan is in place on or before the

1 first school day of the month for the first month the pupil
2 participates in the program.

3 (ii) The pupil meets the district's definition under section
4 23a of satisfactory monthly progress for that month or, if the
5 pupil does not meet that definition of satisfactory monthly
6 progress for that month, the pupil did meet that definition of
7 satisfactory monthly progress in the immediately preceding month
8 and appropriate interventions are implemented within 10 school days
9 after it is determined that the pupil does not meet that definition
10 of satisfactory monthly progress.

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

14 (ff) If a public school academy that is not in its first or
15 second year of operation closes at the end of a school year and
16 does not reopen for the next school year, the department shall
17 adjust the membership count of the district or the education
18 achievement system in which a former pupil of the public school
19 academy enrolls and is in regular daily attendance for the next
20 school year to ensure that the district or the education
21 achievement system receives the same amount of membership aid for
22 the pupil as if the pupil were counted in the district or the
23 education achievement system on the supplemental count day of the
24 preceding school year.

25 **(GG) A NONPUBLIC PART-TIME PUPIL ENROLLED IN GRADES 1 TO 12 IN**
26 **ACCORDANCE WITH SECTION 166B SHALL BE COUNTED FOR NO MORE THAN 0.5**
27 **OF A FULL-TIME EQUATED MEMBERSHIP.**

1 (HH) A PUPIL ENROLLED IN A COMMUNITY DISTRICT SHALL BE COUNTED
2 IN MEMBERSHIP IN THE COMMUNITY DISTRICT.

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

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

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

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

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

16 (d) A pupil enrolled in a district other than the pupil's
17 district of residence under an intermediate district schools of
18 choice pilot program as described in section 91a or former section
19 91 if the intermediate district and its constituent districts have
20 been exempted from section 105.

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

24 (f) A pupil who has made an official written complaint or
25 whose parent or legal guardian has made an official written
26 complaint to law enforcement officials and to school officials of
27 the pupil's district of residence that the pupil has been the

1 victim of a criminal sexual assault or other serious assault, if
2 the official complaint either indicates that the assault occurred
3 at school or that the assault was committed by 1 or more other
4 pupils enrolled in the school the pupil would otherwise attend in
5 the district of residence or by an employee of the district of
6 residence. A person who intentionally makes a false report of a
7 crime to law enforcement officials for the purposes of this
8 subdivision is subject to section 411a of the Michigan penal code,
9 1931 PA 328, MCL 750.411a, which provides criminal penalties for
10 that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

8 (i) A pupil enrolled in the Michigan Virtual School, for the
9 pupil's enrollment in the Michigan Virtual School.

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

16 (k) An expelled pupil who has been denied reinstatement by the
17 expelling district and is reinstated by another school board under
18 section 1311 or 1311a of the revised school code, MCL 380.1311 and
19 380.1311a.

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

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

27 (n) A pupil enrolled in a district other than the pupil's

1 district of residence pursuant to section 1148(2) of the revised
2 school code, MCL 380.1148.

3 (o) A pupil who enrolls in a district other than the pupil's
4 district of residence as a result of the pupil's school not making
5 adequate yearly progress under the no child left behind act of
6 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC**
7 **LAW 114-95.**

8 However, **EXCEPT FOR PUPILS ENROLLED IN THE YOUTH CHALLENGE**
9 **PROGRAM,** if a district educates pupils who reside in another
10 district and if the primary instructional site for those pupils is
11 established by the educating district after 2009-2010 and is
12 located within the boundaries of that other district, the educating
13 district must have the approval of that other district to count
14 those pupils in membership.

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

17 (a) Except as provided in subdivision (b) **OR (C),** the first
18 Wednesday in October each school year or, for a district or
19 building in which school is not in session on that Wednesday due to
20 conditions not within the control of school authorities, with the
21 approval of the superintendent, the immediately following day on
22 which school is in session in the district or building.

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

- 25 (i) Fourth Wednesday in July.
26 (ii) First Wednesday in October.
27 (iii) Second Wednesday in February.

1 (iv) Fourth Wednesday in April.

2 (C) FOR PUPILS ENROLLED IN THE YOUTH CHALLENGE PROGRAM
3 MAINTAINING A RESIDENTIAL 11-MONTH PROGRAM, THE FOURTH WEDNESDAY IN
4 AUGUST.

5 (8) "Pupils in grades K to 12 actually enrolled and in regular
6 daily attendance" means pupils in grades K to 12 in attendance and
7 receiving instruction in all classes for which they are enrolled on
8 the pupil membership count day or the supplemental count day, as
9 applicable. Except as otherwise provided in this subsection, a
10 pupil who is absent from any of the classes in which the pupil is
11 enrolled on the pupil membership count day or supplemental count
12 day and who does not attend each of those classes during the 10
13 consecutive school days immediately following the pupil membership
14 count day or supplemental count day, except for a pupil who has
15 been excused by the district, shall not be counted as 1.0 full-time
16 equated membership. A pupil who is excused from attendance on the
17 pupil membership count day or supplemental count day and who fails
18 to attend each of the classes in which the pupil is enrolled within
19 30 calendar days after the pupil membership count day or
20 supplemental count day shall not be counted as 1.0 full-time
21 equated membership. In addition, a pupil who was enrolled and in
22 attendance in a district, an intermediate district, a public school
23 academy, or the education achievement system before the pupil
24 membership count day or supplemental count day of a particular year
25 but was expelled or suspended on the pupil membership count day or
26 supplemental count day shall only be counted as 1.0 full-time
27 equated membership if the pupil resumed attendance in the district,

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

10 (9) "Rule" means a rule promulgated pursuant to the
11 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
12 24.328.

13 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
14 380.1852.

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

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

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

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

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

1 (16) "Tuition pupil" means a pupil of school age attending
2 school in a district other than the pupil's district of residence
3 for whom tuition may be charged to the district of residence.
4 Tuition pupil does not include a pupil who is a special education
5 pupil, a pupil described in subsection (6)(c) to (o), or a pupil
6 whose parent or guardian voluntarily enrolls the pupil in a
7 district that is not the pupil's district of residence. A pupil's
8 district of residence shall not require a high school tuition
9 pupil, as provided under section 111, to attend another school
10 district after the pupil has been assigned to a school district.

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

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

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

25 (20) "Total state aid" or "total state school aid" means the
26 total combined amount of all funds due to a district, intermediate
27 district, or other entity under all of the provisions of this

Senate Bill No. 801 as amended May 4, 2016

1 article.

2 Sec. 11. (1) ~~For the fiscal year ending September 30, 2015,~~
 3 ~~there is appropriated for the public schools of this state and~~
 4 ~~certain other state purposes relating to education the sum of~~
 5 ~~\$11,814,097,400.00 from the state school aid fund, the sum of~~
 6 ~~\$18,000,000.00 from the MPERS retirement obligation reform reserve~~
 7 ~~fund created under section 147b, and the sum of \$33,700,000.00 from~~
 8 ~~the general fund. For the fiscal year ending September 30, 2016,~~
 9 ~~there is appropriated for the public schools of this state and~~
 10 ~~certain other state purposes relating to education the sum of~~
 11 ~~\$12,078,985,100.00 from the state school aid fund and the sum of~~
 12 ~~\$45,900,000.00 from the general fund. FOR THE FISCAL YEAR ENDING~~
 13 ~~SEPTEMBER 30, 2017, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF~~
 14 ~~THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION~~
 15 ~~THE SUM OF <<\$12,062,479,500.00>> FROM THE STATE SCHOOL AID FUND, THE~~
 16 ~~SUM OF \$226,000,000.00 FROM THE GENERAL FUND, AND AN AMOUNT NOT TO~~
 17 ~~EXCEED \$100.00 FROM THE DRINKING WATER RESERVE EMERGENCY FUND. In~~
 18 ~~addition, all other available federal funds are appropriated each~~
 19 ~~fiscal year for the fiscal years YEAR ending September 30, 2015 and~~
 20 ~~September 30, 2016-2017.~~

21 (2) The appropriations under this section shall be allocated
 22 as provided in this article. Money appropriated under this section
 23 from the general fund shall be expended to fund the purposes of
 24 this article before the expenditure of money appropriated under
 25 this section from the state school aid fund.

26 (3) Any general fund allocations under this article that are
 27 not expended by the end of the state fiscal year are transferred to

1 the school aid stabilization fund created under section 11a.

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

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

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

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

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

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

20 (4) The state treasurer shall direct the investment of the
21 school aid stabilization fund. The state treasurer shall credit to
22 the school aid stabilization fund interest and earnings from fund
23 investments.

24 (5) Money in the school aid stabilization fund at the close of
25 a fiscal year shall remain in the school aid stabilization fund and
26 shall not lapse to the unreserved school aid fund balance or the
27 general fund.

1 (6) If the maximum amount appropriated under section 11 from
2 the state school aid fund for a fiscal year exceeds the amount
3 available for expenditure from the state school aid fund for that
4 fiscal year, there is appropriated from the school aid
5 stabilization fund to the state school aid fund an amount equal to
6 the projected shortfall as determined by the department of
7 treasury, but not to exceed available money in the school aid
8 stabilization fund. If the money in the school aid stabilization
9 fund is insufficient to fully fund an amount equal to the projected
10 shortfall, the state budget director shall notify the legislature
11 as required under section 296(2) and state payments in an amount
12 equal to the remainder of the projected shortfall shall be prorated
13 in the manner provided under section 296(3).

14 (7) For ~~2015-2016~~, **2016-2017**, in addition to the
15 appropriations in section 11, there is appropriated from the school
16 aid stabilization fund to the state school aid fund the amount
17 necessary to fully fund the allocations under this article.

18 Sec. 11j. From the appropriation in section 11, there is
19 allocated an amount not to exceed \$126,500,000.00 for ~~2015-2016~~
20 **2016-2017** for payments to the school loan bond redemption fund in
21 the department of treasury on behalf of districts and intermediate
22 districts. Notwithstanding section 296 or any other provision of
23 this act, funds allocated under this section are not subject to
24 proration and shall be paid in full.

25 Sec. 11k. For ~~2015-2016~~, **2016-2017**, there is appropriated from
26 the general fund to the school loan revolving fund an amount equal
27 to the amount of school bond loans assigned to the Michigan finance

1 authority, not to exceed the total amount of school bond loans held
2 in reserve as long-term assets. As used in this section, "school
3 loan revolving fund" means that fund created in section 16c of the
4 shared credit rating act, 1985 PA 227, MCL 141.1066c.

5 Sec. 11m. From the appropriation in section 11, there is
6 allocated for ~~2014-2015 an amount not to exceed \$0.00 and there is~~
7 ~~allocated for 2015-2016-2016-2017~~ an amount not to exceed
8 ~~\$2,000,000.00~~ **\$3,000,000.00** for fiscal year cash-flow borrowing
9 costs solely related to the state school aid fund established by
10 section 11 of article IX of the state constitution of 1963.

11 **SEC. 11S. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**
12 **11, THERE IS ALLOCATED \$10,142,500.00 FOR 2016-2017 FOR THE PURPOSE**
13 **OF PROVIDING SERVICES AND PROGRAMS TO CHILDREN WHO RESIDE WITHIN**
14 **THE BOUNDARIES OF A DISTRICT WITH THE MAJORITY OF ITS TERRITORY**
15 **LOCATED WITHIN THE BOUNDARIES OF A CITY FOR WHICH AN EXECUTIVE**
16 **PROCLAMATION OF EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY**
17 **PRECEDING FISCAL YEAR UNDER THE EMERGENCY MANAGEMENT ACT, 1976 PA**
18 **390, MCL 30.401 TO 30.421. IN ADDITION, FROM THE FUNDING**
19 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED \$100.00 FROM THE**
20 **DRINKING WATER EMERGENCY RESERVE FUND FOR THE PURPOSES OF THIS**
21 **SECTION.**

22 **(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**
23 **TO A DISTRICT WITH THE MAJORITY OF ITS TERRITORY LOCATED WITHIN THE**
24 **BOUNDARIES OF A CITY IN WHICH AN EXECUTIVE PROCLAMATION OF**
25 **EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY PRECEDING FISCAL**
26 **YEAR AND THAT HAS AT LEAST 5,000 PUPILS IN MEMBERSHIP FOR THE**
27 **CURRENT FISCAL YEAR, AN AMOUNT NOT TO EXCEED \$1,292,500.00 FOR THE**

1 PURPOSE OF EMPLOYING SCHOOL NURSES AND SCHOOL SOCIAL WORKERS. THE
2 DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A FORM,
3 MANNER, AND FREQUENCY APPROVED BY THE DEPARTMENT. THE DEPARTMENT
4 SHALL PROVIDE A COPY OF THAT REPORT TO THE GOVERNOR, THE HOUSE AND
5 SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL
6 AGENCIES, AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS AFTER
7 RECEIPT. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING
8 INFORMATION:

9 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS ALLOCATED
10 UNDER THIS SUBSECTION.

11 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO PUPILS BY THOSE
12 PERSONNEL.

13 (C) HOW MANY PUPILS RECEIVED EACH TYPE OF SERVICE IDENTIFIED
14 IN SUBDIVISION (B).

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

18 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
19 TO AN INTERMEDIATE DISTRICT THAT HAS A CONSTITUENT DISTRICT
20 DESCRIBED IN SUBSECTION (2) AN AMOUNT NOT TO EXCEED \$950,000.00 TO
21 AUGMENT STAFF FOR THE PURPOSE OF PROVIDING ADDITIONAL EARLY
22 CHILDHOOD SERVICES AND NUTRITIONAL SERVICES TO CHILDREN DESCRIBED
23 IN SUBSECTION (1), REGARDLESS OF LOCATION OF SCHOOL OF ATTENDANCE.
24 THE EARLY CHILDHOOD SERVICES TO BE PROVIDED UNDER THIS SUBSECTION
25 ARE STATE EARLY ON SERVICES AS DESCRIBED IN SUBSECTION (4) AND
26 EARLY LITERACY SERVICES. IN ADDITION, FUNDS ALLOCATED UNDER THIS
27 SUBSECTION MAY ALSO BE EXPENDED TO PROVIDE INFORMATIONAL RESOURCES

1 TO PARENTS, EDUCATORS, AND THE COMMUNITY, AND TO COORDINATE
2 SERVICES WITH OTHER LOCAL AGENCIES. THE INTERMEDIATE DISTRICT SHALL
3 PROVIDE A REPORT TO THE DEPARTMENT IN A FORM, MANNER, AND FREQUENCY
4 APPROVED BY THE DEPARTMENT. THE DEPARTMENT SHALL PROVIDE A COPY OF
5 THAT REPORT TO THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID
6 SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
7 BUDGET DIRECTOR WITHIN 5 DAYS AFTER RECEIPT. THE REPORT SHALL
8 PROVIDE AT LEAST THE FOLLOWING INFORMATION:

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

11 (B) A DESCRIPTION OF THE EARLY CHILDHOOD SERVICES PROVIDED TO
12 CHILDREN BY THOSE PERSONNEL.

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

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

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

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

22 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
23 AN AMOUNT NOT TO EXCEED \$6,400,000.00 TO AN INTERMEDIATE DISTRICT
24 DESCRIBED IN SUBSECTION (3) TO PROVIDE STATE EARLY ON SERVICES FOR
25 CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF
26 AGE AS OF SEPTEMBER 1, 2016. THE DEPARTMENT SHALL ADMINISTER THE
27 STATE EARLY ON SERVICES CONSISTENT WITH THE DEFINITIONS OF SERVICES

1 CONTAINED IN THE EARLY ON MICHIGAN STATE PLAN, EXCEPT THAT ALL
2 CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF
3 AGE AS OF SEPTEMBER 1, 2016 SHALL BE ASSESSED AND EVALUATED AT
4 LEAST TWICE ANNUALLY.

5 (5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
6 AN AMOUNT NOT TO EXCEED \$1,500,000.00 TO AN INTERMEDIATE DISTRICT
7 DESCRIBED IN SUBSECTION (3) TO ENROLL CHILDREN DESCRIBED IN
8 SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS,
9 REGARDLESS OF HOUSEHOLD INCOME ELIGIBILITY REQUIREMENTS CONTAINED
10 IN SECTION 39. THE DEPARTMENT SHALL ADMINISTER THIS FUNDING
11 CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT START READINESS
12 PROGRAMS CONTAINED IN SECTION 32D AND SECTION 39.

13 (6) IN ADDITION TO OTHER FUNDING ALLOCATED AND APPROPRIATED IN
14 THIS SECTION, THERE IS APPROPRIATED AN AMOUNT NOT TO EXCEED
15 \$15,000,000.00 FOR 2016-2017 FOR STATE RESTRICTED CONTINGENCY
16 FUNDS. THESE CONTINGENCY FUNDS ARE NOT AVAILABLE FOR EXPENDITURE
17 UNTIL THEY HAVE BEEN TRANSFERRED TO A SECTION WITHIN THIS ARTICLE
18 UNDER SECTION 393(2) OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431,
19 MCL 18.1393.

20 Sec. 15. (1) If a district or intermediate district fails to
21 receive its proper apportionment, the department, upon satisfactory
22 proof that the district or intermediate district was entitled
23 justly, shall apportion the deficiency in the next apportionment.
24 Subject to subsections (2) and (3), if a district or intermediate
25 district has received more than its proper apportionment, the
26 department, upon satisfactory proof, shall deduct the excess in the
27 next apportionment. Notwithstanding any other provision in this

1 article, state aid overpayments to a district, other than
2 overpayments in payments for special education or special education
3 transportation, may be recovered from any payment made under this
4 article other than a special education or special education
5 transportation payment, from the proceeds of a loan to the district
6 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
7 141.942, or from the proceeds of millage levied or pledged under
8 section 1211 of the revised school code, MCL 380.1211. State aid
9 overpayments made in special education or special education
10 transportation payments may be recovered from subsequent special
11 education or special education transportation payments, from the
12 proceeds of a loan to the district under the emergency municipal
13 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
14 of millage levied or pledged under section 1211 of the revised
15 school code, MCL 380.1211.

16 (2) If the result of an audit conducted by or for the
17 department affects the current fiscal year membership, affected
18 payments shall be adjusted in the current fiscal year. A deduction
19 due to an adjustment made as a result of an audit conducted by or
20 for the department, or as a result of information obtained by the
21 department from the district, an intermediate district, the
22 department of treasury, or the office of auditor general, shall be
23 deducted from the district's apportionments when the adjustment is
24 finalized. At the request of the district and upon the district
25 presenting evidence satisfactory to the department of the hardship,
26 the department may grant up to an additional 4 years for the
27 adjustment and may advance payments to the district otherwise

1 authorized under this article if the district would otherwise
2 experience a significant hardship in satisfying its financial
3 obligations. ~~For a district that is a strict discipline academy~~
4 ~~established under sections 1311b to 1311m of the revised school~~
5 ~~code, MCL 380.1311b to 380.1311m, and that claimed a hardship in~~
6 ~~2014-2015 because of an overpayment caused by a miscalculation of~~
7 ~~its pupil membership for 2013-2014, the department shall consider~~
8 ~~the amount of repayment made by the district as of the effective~~
9 ~~date of the amendatory act that added this sentence to constitute~~
10 ~~full repayment and the district is not required to continue making~~
11 ~~repayment for the overpayment that occurred in 2013-2014.~~

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

1 1211 of the revised school code, MCL 380.1211, as determined by the
2 department.

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

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

11 (6) In addition to funds appropriated in section 11 for all
12 programs and services, there is appropriated for ~~2014-2015 and for~~
13 ~~2015-2016-2016-2017~~ for obligations in excess of applicable
14 appropriations an amount equal to the collection of overpayments,
15 but not to exceed amounts available from overpayments.

16 Sec. 18. (1) Except as provided in another section of this
17 article, each district or other entity shall apply the money
18 received by the district or entity under this article to salaries
19 and other compensation of teachers and other employees, tuition,
20 transportation, lighting, heating, ventilation, water service, the
21 purchase of textbooks, other supplies, and any other school
22 operating expenditures defined in section 7. However, not more than
23 20% of the total amount received by a district under sections 22a
24 and 22b or received by an intermediate district under section 81
25 may be transferred by the board to either the capital projects fund
26 or to the debt retirement fund for debt service. The money shall
27 not be applied or taken for a purpose other than as provided in

1 this section. The department shall determine the reasonableness of
2 expenditures and may withhold from a recipient of funds under this
3 article the apportionment otherwise due upon a violation by the
4 recipient.

5 (2) A district or intermediate district shall adopt an annual
6 budget in a manner that complies with the uniform budgeting and
7 accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days
8 after a district board adopts its annual operating budget for the
9 following school fiscal year, or after a district board adopts a
10 subsequent revision to that budget, the district shall make all of
11 the following available through a link on its website homepage, or
12 may make the information available through a link on its
13 intermediate district's website homepage, in a form and manner
14 prescribed by the department:

15 (a) The annual operating budget and subsequent budget
16 revisions.

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

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

23 (A) Salaries and wages.

24 (B) Employee benefit costs, including, but not limited to,
25 medical, dental, vision, life, disability, and long-term care
26 benefits.

27 (C) Retirement benefit costs.

1 (D) All other personnel costs.

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

4 (A) Instruction.

5 (B) Support services.

6 (C) Business and administration.

7 (D) Operations and maintenance.

8 (c) Links to all of the following:

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

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

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

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

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

22 (vi) The district's written policy establishing specific
23 categories of reimbursable expenses, as described in section
24 1254(2) of the revised school code, MCL 380.1254.

25 (vii) Either the district's accounts payable check register
26 for the most recent school fiscal year or a statement of the total
27 amount of expenses incurred by board members or employees of the

1 district that were reimbursed by the district for the most recent
2 school fiscal year.

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

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

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

11 (g) Any deficit elimination plan or enhanced deficit
12 elimination plan the district was required to submit under the
13 revised school code.

14 (h) Identification of all credit cards maintained by the
15 district as district credit cards, the identity of all individuals
16 authorized to use each of those credit cards, the credit limit on
17 each credit card, and the dollar limit, if any, for each
18 individual's authorized use of the credit card.

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

24 (3) For the information required under subsection (2)(a),
25 (2)(b)(i), and (2)(c), an intermediate district shall provide the
26 same information in the same manner as required for a district
27 under subsection (2).

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

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

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

1 fiscal year varies from the district's membership for the
2 immediately preceding fiscal year by less than 5%.

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

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

11 (e) All of the following shall be done not later than November
12 1 each year for reporting the prior fiscal year data:

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

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

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

21 (f) The annual financial audit reports and pupil accounting
22 procedures reports shall be available to the public in compliance
23 with the freedom of information act, 1976 PA 442, MCL 15.231 to
24 15.246.

25 (g) Not later than January 31 of each year, the department
26 shall notify the state budget director and the legislative
27 appropriations subcommittees responsible for review of the school

1 aid budget of districts and intermediate districts that have not
2 filed an annual financial audit and pupil accounting procedures
3 report required under this section for the school year ending in
4 the immediately preceding fiscal year.

5 (5) By November 1 each fiscal year, each district and
6 intermediate district shall submit to the center, in a manner
7 prescribed by the center, annual comprehensive financial data
8 **CONSISTENT WITH THE DISTRICT'S OR INTERMEDIATE DISTRICT'S AUDITED**
9 **FINANCIAL STATEMENTS AND** consistent with accounting manuals and
10 charts of accounts approved and published by the department. For an
11 intermediate district, the report shall also contain the website
12 address where the department can access the report required under
13 section 620 of the revised school code, MCL 380.620. The department
14 shall ensure that the prescribed Michigan public school accounting
15 manual chart of accounts includes standard conventions to
16 distinguish expenditures by allowable fund function and object. The
17 functions shall include at minimum categories for instruction,
18 pupil support, instructional staff support, general administration,
19 school administration, business administration, transportation,
20 facilities operation and maintenance, facilities acquisition, and
21 debt service; and shall include object classifications of salary,
22 benefits, including categories for active employee health
23 expenditures, purchased services, supplies, capital outlay, and
24 other. Districts shall report the required level of detail
25 consistent with the manual as part of the comprehensive annual
26 financial report.

27 (6) By September 30 of each year, each district and

1 intermediate district shall file with the department the special
2 education actual cost report, known as "SE-4096", on a form and in
3 the manner prescribed by the department.

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

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

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

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

27 (11) If a district or intermediate district does not comply

1 with subsection (2), the department may withhold up to 10% of the
2 total state school aid due to the district or intermediate district
3 under this article, beginning with the next payment due to the
4 district or intermediate district, until the district or
5 intermediate district complies with subsection (2). If the district
6 or intermediate district does not comply with subsection (2) by the
7 end of the fiscal year, the district or intermediate district
8 forfeits the amount withheld.

9 (12) Not later than November 1, ~~2015,~~ **2016**, if a district or
10 intermediate district offers ~~online-~~**VIRTUAL** learning under section
11 21f, the district or intermediate district shall submit to the
12 department a report that details the per-pupil costs of operating
13 the ~~online-~~**VIRTUAL** learning by vendor type. The report shall
14 include at least all of the following information concerning the
15 operation of ~~online-~~**VIRTUAL** learning for the school fiscal year
16 ending June 30, ~~2015-~~**2016**:

17 (a) The name of the district operating the ~~online-~~**VIRTUAL**
18 learning and of each district that enrolled students in the ~~online~~
19 **VIRTUAL** learning.

20 (b) The total number of students enrolled in the ~~online~~
21 **VIRTUAL** learning and the total number of membership pupils enrolled
22 in the ~~online-~~**VIRTUAL** learning.

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

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

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

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

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

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

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

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

23 (a) ~~Online-VIRTUAL~~ courses provided by the Michigan Virtual
24 University.

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

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

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

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

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

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

1 state budget director, and the department not later than 30 days
2 after the publication of the list described in subsection (6).

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

8 (4) By June 30 of each year, a district shall furnish to the
9 center, in a manner prescribed by the center, information related
10 to safety practices and criminal incidents as necessary for
11 reporting required by state and federal law.

12 (5) If a district or intermediate district fails to meet the
13 requirements of this section, the department shall withhold 5% of
14 the total funds for which the district or intermediate district
15 qualifies under this article until the district or intermediate
16 district complies with all of those subsections. If the district or
17 intermediate district does not comply with all of those subsections
18 by the end of the fiscal year, the department shall place the
19 amount withheld in an escrow account until the district or
20 intermediate district complies with all of those subsections.

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

1 decided.

2 (7) ~~It is the intent of the legislature to implement not later~~
3 ~~than~~ **BEGINNING IN** 2016-2017, statewide standard reporting
4 requirements for education data approved by the department in
5 conjunction with the center **SHALL BE IMPLEMENTED**. The department
6 shall work with the center, intermediate districts, districts, and
7 other interested stakeholders to ~~develop recommendations on the~~
8 ~~implementation of~~ **IMPLEMENT** this policy change. A district or
9 intermediate district shall implement the statewide standard
10 reporting requirements not later than ~~2014-2015-2017-2018~~ or when a
11 district or intermediate district updates its education data
12 reporting system, whichever is later.

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

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

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

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

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

24 (a) Except as otherwise provided in this subdivision, for a
25 district that had a foundation allowance for the immediately
26 preceding state fiscal year that was equal to the minimum
27 foundation allowance for the immediately preceding state fiscal

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

24 (b) Except as otherwise provided in this subsection, for a
25 district that in the immediately preceding state fiscal year had a
26 foundation allowance in an amount equal to the amount of the basic
27 foundation allowance for the immediately preceding state fiscal

1 year, the district shall receive a foundation allowance for 2015—
2 ~~2016-2016-2017~~ in an amount equal to the basic foundation allowance
3 for ~~2015-2016-2016-2017~~.

4 (c) For a district that had a foundation allowance for the
5 immediately preceding state fiscal year that was greater than the
6 basic foundation allowance for the immediately preceding state
7 fiscal year, the district's foundation allowance is an amount equal
8 to the sum of the district's foundation allowance for the
9 immediately preceding state fiscal year plus the lesser of the
10 increase in the basic foundation allowance for the current state
11 fiscal year, as compared to the immediately preceding state fiscal
12 year, or the product of the district's foundation allowance for the
13 immediately preceding state fiscal year times the percentage
14 increase in the United States consumer price index in the calendar
15 year ending in the immediately preceding fiscal year as reported by
16 the May revenue estimating conference conducted under section 367b
17 of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

21 ~~—— (e) For a district that received a payment under section 22c~~
22 ~~as that section was in effect for 2014-2015, the district's 2014-~~
23 ~~2015 foundation allowance shall be considered to have been an~~
24 ~~amount equal to the sum of the district's actual 2014-2015~~
25 ~~foundation allowance as otherwise calculated under this section~~
26 ~~plus the per pupil amount of the district's equity payment for~~
27 ~~2014-2015 under section 22c as that section was in effect for 2014-~~

1 ~~2015-~~

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

26 (5) The allocation calculated under this section for a pupil
27 shall be based on the foundation allowance of the pupil's district

1 of residence. For a pupil enrolled pursuant to section 105 or 105c
2 in a district other than the pupil's district of residence, the
3 allocation calculated under this section shall be based on the
4 lesser of the foundation allowance of the pupil's district of
5 residence or the foundation allowance of the educating district.
6 For a pupil in membership in a K-5, K-6, or K-8 district who is
7 enrolled in another district in a grade not offered by the pupil's
8 district of residence, the allocation calculated under this section
9 shall be based on the foundation allowance of the educating
10 district if the educating district's foundation allowance is
11 greater than the foundation allowance of the pupil's district of
12 residence. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO**
13 **ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20F(6).**

14 (6) Except as otherwise provided in this subsection, for
15 pupils in membership, other than special education pupils, in a
16 public school academy, the allocation calculated under this section
17 is an amount per membership pupil other than special education
18 pupils in the public school academy equal to the foundation
19 allowance of the district in which the public school academy is
20 located or the state maximum public school academy allocation,
21 whichever is less. For pupils in membership, other than special
22 education pupils, in a public school academy that is a cyber school
23 and is authorized by a school district, the allocation calculated
24 under this section is an amount per membership pupil other than
25 special education pupils in the public school academy equal to the
26 foundation allowance of the district that authorized the public
27 school academy or the state maximum public school academy

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

18 (7) Except as otherwise provided in this subsection, for
19 pupils attending an achievement school and in membership in the
20 education achievement system, other than special education pupils,
21 the allocation calculated under this section is an amount per
22 membership pupil other than special education pupils equal to the
23 foundation allowance of the district in which the achievement
24 school is located, not to exceed the basic foundation allowance.
25 Notwithstanding section 101, for an achievement school that begins
26 operation after the pupil membership count day, the amount per
27 membership pupil calculated under this subsection shall be adjusted

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

17 **(8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR**
18 **PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL EDUCATION PUPILS, IN A**
19 **COMMUNITY DISTRICT, THE ALLOCATION CALCULATED UNDER THIS SECTION IS**
20 **AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS**
21 **IN THE COMMUNITY DISTRICT EQUAL TO THE FOUNDATION ALLOWANCE OF THE**
22 **QUALIFYING SCHOOL DISTRICT, AS DESCRIBED IN SECTION 12B OF THE**
23 **REVISED SCHOOL CODE, MCL 380.12B, THAT IS LOCATED WITHIN THE SAME**
24 **GEOGRAPHIC AREA AS THE COMMUNITY DISTRICT.**

25 **(9) ~~(8)~~—Subject to subsection (4) AND EXCEPT AS OTHERWISE**
26 **PROVIDED IN THIS SUBSECTION, for a district that is formed or**
27 **reconfigured after June 1, 2002 by consolidation of 2 or more**

Senate Bill No. 801 as amended May 4, 2016

1 districts or by annexation, the resulting district's foundation
2 allowance under this section beginning after the effective date of
3 the consolidation or annexation shall be the lesser of the sum of
4 the average of the foundation allowances of each of the original or
5 affected districts, calculated as provided in this section,
6 weighted as to the percentage of pupils in total membership in the
7 resulting district who reside in the geographic area of each of the
8 original or affected districts plus \$100.00 or the highest
9 foundation allowance among the original or affected districts. **FOR**
10 **A DISTRICT THAT IS FORMED OR RECONFIGURED AFTER JUNE 1, 2016 BY**
11 **CONSOLIDATION OF 2 OR MORE DISTRICTS OR BY ANNEXATION AND THAT**
12 **RECEIVED A GRANT UNDER SECTION 22G FOR REIMBURSEMENT OF TRANSITION**
13 **COSTS, FOR THE FIRST 2 FISCAL YEARS AFTER CONSOLIDATION OR**
14 **ANNEXATION, THE RESULTING DISTRICT'S FOUNDATION ALLOWANCE UNDER**
15 **THIS SECTION BEGINNING AFTER THE EFFECTIVE DATE OF THE**
16 **CONSOLIDATION OR ANNEXATION SHALL BE THE SUM OF THE AVERAGE OF THE**
17 **FOUNDATION ALLOWANCES OF EACH OF THE ORIGINAL OR AFFECTED**
18 **DISTRICTS, CALCULATED AS PROVIDED IN THIS SECTION, WEIGHTED AS TO**
19 **THE PERCENTAGE OF PUPILS IN TOTAL MEMBERSHIP IN THE RESULTING**
20 **DISTRICT WHO RESIDE IN THE GEOGRAPHIC AREA OF EACH OF THE ORIGINAL**
21 **OR AFFECTED DISTRICTS, PLUS \$300.00. BEGINNING WITH THE THIRD**
22 **FISCAL YEAR THAT STARTS AFTER THE CONSOLIDATION OR ANNEXATION, THE**
23 **RESULTING DISTRICT'S FOUNDATION ALLOWANCE SHALL BE CALCULATED IN**
24 **THE SAME MANNER AS PROVIDED UNDER THIS SUBSECTION FOR A DISTRICT**
25 **THAT IS FORMED OR RECONFIGURED AFTER JUNE 1, 2002 AND THAT DID NOT**
26 **RECEIVE A GRANT UNDER SECTION 22G. <<**
27

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10 This subsection does not apply to a receiving district unless there
11 is a subsequent consolidation or annexation that affects the
12 district. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO**
13 **ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20F(6).**

14 (10) ~~(9)~~—Each fraction used in making calculations under this
15 section shall be rounded to the fourth decimal place and the dollar
16 amount of an increase in the basic foundation allowance shall be
17 rounded to the nearest whole dollar.

18 (11) ~~(10)~~—State payments related to payment of the foundation
19 allowance for a special education pupil are not calculated under
20 this section but are instead calculated under section 51a.

21 (12) ~~(11)~~—To assist the legislature in determining the basic
22 foundation allowance for the subsequent state fiscal year, each
23 revenue estimating conference conducted under section 367b of the
24 management and budget act, 1984 PA 431, MCL 18.1367b, shall
25 calculate a pupil membership factor, a revenue adjustment factor,
26 and an index as follows:

27 (a) The pupil membership factor shall be computed by dividing

1 the estimated membership in the school year ending in the current
2 state fiscal year, excluding intermediate district membership, by
3 the estimated membership for the school year ending in the
4 subsequent state fiscal year, excluding intermediate district
5 membership. If a consensus membership factor is not determined at
6 the revenue estimating conference, the principals of the revenue
7 estimating conference shall report their estimates to the house and
8 senate subcommittees responsible for school aid appropriations not
9 later than 7 days after the conclusion of the revenue conference.

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

1 (c) The index shall be calculated by multiplying the pupil
2 membership factor by the revenue adjustment factor. If a consensus
3 index is not determined at the revenue estimating conference, the
4 principals of the revenue estimating conference shall report their
5 estimates to the house and senate subcommittees responsible for
6 school aid appropriations not later than 7 days after the
7 conclusion of the revenue conference.

8 (13) ~~(12)~~—Payments to districts, public school academies, or
9 the education achievement system shall not be made under this
10 section. Rather, the calculations under this section shall be used
11 to determine the amount of state payments under section 22b.

12 (14) ~~(13)~~—If an amendment to section 2 of article VIII of the
13 state constitution of 1963 allowing state aid to some or all
14 nonpublic schools is approved by the voters of this state, each
15 foundation allowance or per-pupil payment calculation under this
16 section may be reduced.

17 (15) ~~(14)~~—As used in this section:

18 (a) "Certified mills" means the lesser of 18 mills or the
19 number of mills of school operating taxes levied by the district in
20 1993-94.

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

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

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

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

7 (f) "Immediately preceding state fiscal year" means the state
8 fiscal year immediately preceding the current state fiscal year.

9 (g) "Local portion of the district's foundation allowance"
10 means an amount that is equal to the difference between (the sum of
11 the product of the taxable value per membership pupil of all
12 property in the district that is nonexempt property times the
13 district's certified mills and, for a district with certified mills
14 exceeding 12, the product of the taxable value per membership pupil
15 of property in the district that is commercial personal property
16 times the certified mills minus 12 mills) and (the quotient of the
17 product of the captured assessed valuation under tax increment
18 financing acts times the district's certified mills divided by the
19 district's membership excluding special education pupils).

20 (h) "Local school operating revenue" means school operating
21 taxes levied under section 1211 of the revised school code, MCL
22 380.1211. For a receiving district, if school operating taxes are
23 to be levied on behalf of a dissolved district that has been
24 attached in whole or in part to the receiving district to satisfy
25 debt obligations of the dissolved district under section 12 of the
26 revised school code, MCL 380.12, local school operating revenue
27 does not include school operating taxes levied within the

1 geographic area of the dissolved district.

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

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

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

1 (l) "Nonexempt property" means property that is not a
2 principal residence, qualified agricultural property, qualified
3 forest property, supportive housing property, industrial personal
4 property, commercial personal property, or property occupied by a
5 public school academy.

6 (m) "Principal residence", "qualified agricultural property",
7 "qualified forest property", "supportive housing property",
8 "industrial personal property", and "commercial personal property"
9 mean those terms as defined in section 1211 of the revised school
10 code, MCL 380.1211.

11 (n) "Receiving district" means a district to which all or part
12 of the territory of a dissolved district is attached under section
13 12 of the revised school code, MCL 380.12.

14 (o) "School operating purposes" means the purposes included in
15 the operation costs of the district as prescribed in sections 7 and
16 18 and purposes authorized under section 1211 of the revised school
17 code, MCL 380.1211.

18 (p) "School operating taxes" means local ad valorem property
19 taxes levied under section 1211 of the revised school code, MCL
20 380.1211, and retained for school operating purposes.

21 (q) "Tax increment financing acts" means 1975 PA 197, MCL
22 125.1651 to 125.1681, the tax increment finance authority act, 1980
23 PA 450, MCL 125.1801 to 125.1830, the local development financing
24 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
25 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
26 or the corridor improvement authority act, 2005 PA 280, MCL
27 125.2871 to 125.2899.

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

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

12 (a) For a district that had combined state and local revenue
13 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
14 or more and served as a fiscal agent for a state board designated
15 area vocational education center in the 1993-94 school year, total
16 state school aid received by or paid on behalf of the district
17 pursuant to this act in 1993-94 shall exclude payments made under
18 former section 146 and under section 147 on behalf of the
19 district's employees who provided direct services to the area
20 vocational education center. Not later than June 30, 1996, the
21 department shall make an adjustment under this subdivision to the
22 district's combined state and local revenue per membership pupil in
23 the 1994-95 state fiscal year and the department of treasury shall
24 make a final certification of the number of mills that may be
25 levied by the district under section 1211 of the revised school
26 code, MCL 380.1211, as a result of the adjustment under this
27 subdivision.

1 (b) If a district had an adjustment made to its 1993-94 total
2 state school aid that excluded payments made under former section
3 146 and under section 147 on behalf of the district's employees who
4 provided direct services for intermediate district center programs
5 operated by the district under article 5, if nonresident pupils
6 attending the center programs were included in the district's
7 membership for purposes of calculating the combined state and local
8 revenue per membership pupil for 1993-94, and if there is a signed
9 agreement by all constituent districts of the intermediate district
10 that an adjustment under this subdivision shall be made, the
11 foundation allowances for 1995-96 and 1996-97 of all districts that
12 had pupils attending the intermediate district center program
13 operated by the district that had the adjustment shall be
14 calculated as if their combined state and local revenue per
15 membership pupil for 1993-94 included resident pupils attending the
16 center program and excluded nonresident pupils attending the center
17 program.

18 Sec. 20f. (1) From the funds appropriated in section 11, there
19 is allocated an amount not to exceed ~~\$18,000,000.00~~ **\$27,000,000.00**
20 for ~~2015-2016-2016-2017~~ for payments to eligible districts under
21 this section.

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

27 (a) The increase in the district's foundation allowance or

1 per-pupil payment as calculated under section 20 from 2012-2013 to
2 2013-2014.

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

5 (c) The quotient of the district's allocation under section
6 147a for 2012-2013 divided by the district's membership pupils for
7 2012-2013 minus the quotient of the district's allocation under
8 section 147a for 2013-2014 divided by the district's membership
9 pupils for 2013-2014.

10 (3) The amount allocated to each eligible district under
11 subsection (2) is an amount per membership pupil equal to the
12 amount per membership pupil the district received under this
13 section in 2013-2014.

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

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

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

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

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

1 section 31a for 2014-2015 divided by the district's membership
2 pupils for 2014-2015.

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

6 (a) The increase in the district's foundation allowance or
7 per-pupil payment as calculated under section 20 from 2014-2015 to
8 2015-2016.

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

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

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

18 (6) THE FUNDING FOR THIS SUBSECTION IS FROM THE ALLOCATION
19 UNDER SUBSECTION (1). A DISTRICT IS ELIGIBLE FOR FUNDING UNDER THIS
20 SUBSECTION IF IT HAD A FOUNDATION ALLOWANCE GREATER THAN \$8,169.00
21 FOR THE 2015-2016 FISCAL YEAR. THE AMOUNT ALLOCATED TO EACH
22 ELIGIBLE DISTRICT UNDER THIS SUBSECTION SHALL BE DETERMINED AS
23 FOLLOWS:

24 (A) SUBJECT TO SUBDIVISION (B), THE PER-PUPIL ALLOCATION TO
25 EACH DISTRICT UNDER THIS SUBSECTION SHALL BE THE DIFFERENCE BETWEEN
26 THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING
27 STATE FISCAL YEAR TO THE CURRENT STATE FISCAL YEAR IN THE BASIC

1 FOUNDATION ALLOWANCE MINUS THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM
2 THE IMMEDIATELY PRECEDING FISCAL YEAR TO THE CURRENT STATE FISCAL
3 YEAR IN AN ELIGIBLE DISTRICT'S FOUNDATION ALLOWANCE.

4 (B) IF A DISTRICT'S LOCAL REVENUE PER PUPIL DOES NOT EXCEED
5 THE SUM OF ITS FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-
6 PUPIL ALLOCATION UNDER SUBDIVISION (A), THE TOTAL PAYMENT TO THE
7 DISTRICT CALCULATED UNDER THIS SUBSECTION SHALL BE THE PRODUCT OF
8 THE PER-PUPIL ALLOCATION UNDER SUBDIVISION (A) MULTIPLIED BY THE
9 DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. IF A
10 DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE FOUNDATION ALLOWANCE
11 UNDER SECTION 20 BUT DOES NOT EXCEED THE SUM OF THE FOUNDATION
12 ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL ALLOCATION UNDER
13 SUBDIVISION (A), THE TOTAL PAYMENT TO THE DISTRICT CALCULATED UNDER
14 THIS SUBSECTION SHALL BE THE PRODUCT OF THE DIFFERENCE BETWEEN THE
15 SUM OF THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
16 ALLOCATION UNDER SUBDIVISION (A) MINUS THE LOCAL REVENUE PER PUPIL
17 MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION
18 PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE SUM OF
19 THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
20 ALLOCATION UNDER SUBDIVISION (A), THERE IS NO PAYMENT CALCULATED
21 UNDER THIS SUBSECTION FOR THE DISTRICT.

22 (7) ~~(6)~~—If the allocation under subsection (1) is insufficient
23 to fully fund payments under subsections (3) and (5) as otherwise
24 calculated under this section, the department shall prorate
25 payments under this section on an equal per-pupil basis.

26 Sec. 20g. (1) From the money appropriated under section 11,
27 there is allocated an amount not to exceed \$2,200,000.00 for ~~2015-~~

1 ~~2016-2016-2017~~ for grants to eligible districts that first received
2 payments under this section in 2013-2014 for transition costs
3 related to the enrollment of pupils who were previously enrolled in
4 a district that was dissolved under section 12 of the revised
5 school code, MCL 380.12, allocated as provided under subsection
6 (3). Payments under this section shall continue for a total of 4
7 fiscal years following the dissolution of a district, after which
8 the payments shall cease.

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

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

21 (4) **IT IS THE INTENT OF THE LEGISLATURE THAT AN AMOUNT NOT TO**
22 **EXCEED \$660,000.00 BE USED SOLELY FOR PAYING OUTSTANDING DEBT OF A**
23 **DISSOLVED SCHOOL DISTRICT AND THAT THE PAYMENT BE MADE FROM,**
24 **CONSIDERED TO BE A PART OF, AND COUNTED AGAINST THE \$2,500,000.00**
25 **THAT WAS AVAILABLE FOR A QUALIFYING INTERMEDIATE DISTRICT UNDER**
26 **THIS SECTION AS IT WAS IN EFFECT FOR THE 2013-2014 FISCAL YEAR. FOR**
27 **PURPOSES OF THIS SUBSECTION, AN INTERMEDIATE DISTRICT IS A**

1 QUALIFYING INTERMEDIATE DISTRICT IF IT IS REQUIRED TO PERFORM THE
2 FUNCTIONS AND SATISFY THE RESPONSIBILITIES OF A DISSOLVED SCHOOL
3 DISTRICT UNDER SECTION 12(3) OF THE REVISED SCHOOL CODE, MCL
4 380.12, IF THE AUTHORIZATION FOR THAT DISSOLVED SCHOOL DISTRICT TO
5 LEVY MILLS FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211 OF THE
6 REVISED SCHOOL CODE, MCL 380.1211, WAS NOT RENEWED AFTER THE SCHOOL
7 DISTRICT WAS DISSOLVED, AND IF THE INTERMEDIATE DISTRICT IS LOCATED
8 IN A COUNTY WITH A POPULATION OF LESS THAN 250,000.

9 (5) ~~(4)~~—As used in this section, "dissolved school district"
10 means a school district that has been declared dissolved under
11 section 12 of the revised school code, 1976 PA 451, MCL 380.12.

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

17 (2) DISTRICTS ARE ELIGIBLE TO RECEIVE THE SUPPLEMENTAL
18 PAYMENTS CALCULATED UNDER THIS SECTION FOR 3 CONSECUTIVE FISCAL
19 YEARS IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

20 (A) THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS APPOINTED A
21 CHIEF EXECUTIVE OFFICER TO TAKE CONTROL OF 1 OR MORE PUBLIC SCHOOLS
22 IN THE DISTRICT, AS PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED
23 SCHOOL CODE, MCL 380.1280C, AND THERE IS AT LEAST 1 HIGH SCHOOL
24 OPERATED BY THE DISTRICT.

25 (B) AS DETERMINED BY THE SCHOOL REFORM OFFICE, AN INTERVENTION
26 AGREEMENT MEETING AT LEAST THE FOLLOWING CRITERIA HAS BEEN EXECUTED
27 BY THE STATE SCHOOL REFORM/REDESIGN OFFICER AND THE DISTRICT. THE

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1 INTERVENTION AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED TO:

2 (i) THE RIGHTS AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE
3 OFFICER. HOWEVER, THE INTERVENTION AGREEMENT SHALL NOT MITIGATE THE
4 AUTHORITY OF THE CHIEF EXECUTIVE OFFICER PRESCRIBED IN APPLICABLE
5 STATUTE INCLUDING FINANCIAL AND EMPLOYMENT AUTHORITY.

6 (ii) THE ALLOCATION OF SUPPLEMENTAL PAYMENTS UNDER THIS
7 SECTION.

8 (iii) THE COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER.

9 (iv) THE ROLE OF THE DISTRICT'S BOARD AND OFFICERS DURING THE
10 INTERVENTION TERM.

11 (v) TERMINATION AND RENEWAL RIGHTS OF THE SCHOOL REFORM
12 OFFICE.

13 (vi) LIABILITY PROVISIONS FOR THE CHIEF EXECUTIVE OFFICER.

14 (vii) A DISPUTE RESOLUTION PROCESS.

15 (viii) THE LENGTH OF THE TERM OF THE AGREEMENT.

16 (ix) OTHER PROVISIONS AS DETERMINED BY THE SCHOOL REFORM
17 OFFICE FOR SUCCESSFUL IMPLEMENTATION OF THE CHIEF EXECUTIVE OFFICER
18 INTERVENTION.

19 (C) THE DISTRICT AGREES TO APPEAR IN PERSON BEFORE THE HOUSE
20 AND SENATE APPROPRIATIONS SUBCOMMITTEES RESPONSIBLE FOR SCHOOL AID
21 AND PROVIDE A QUARTERLY REPORT CONCERNING THE DISTRICT'S USE OF
22 FUNDS TO INCREASE PUPIL ACHIEVEMENT.

<<(D) THE DISTRICT HAS NOT ENTERED INTO AND IS NOT CURRENTLY
OPERATING UNDER A LOCAL GOVERNMENT OPTION UNDER THE LOCAL
FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO
141.1575, OR A SUCCESSOR ACT.>>

23 (3) THE SUPPLEMENTAL PAYMENT PROVIDED TO A DISTRICT UNDER THIS
24 SECTION SHALL BE CALCULATED BY MULTIPLYING THE DISTRICT'S
25 FOUNDATION ALLOWANCE BY 20% OF THE HIGH SCHOOL'S MEMBERSHIP FOR THE
26 PRIOR FISCAL YEAR. THE SAME DOLLAR AMOUNT SHALL CONTINUE TO BE
27 AVAILABLE TO THE DISTRICT FOR A MAXIMUM OF 3 YEARS, SUBJECT TO THE

1 CONDITIONS SPECIFIED IN SUBSECTION (2).

2 (4) FROM THE ALLOCATION IN SUBSECTION (1), IN ADDITION TO THE
3 SUPPLEMENTAL PAYMENTS CALCULATED UNDER SUBSECTION (3), THERE IS
4 ALLOCATED AN AMOUNT SUFFICIENT TO PAY FOR THE APPOINTMENT OF CHIEF
5 EXECUTIVE OFFICERS BY THE STATE SCHOOL REFORM/REDESIGN OFFICER, AS
6 PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED SCHOOL CODE, MCL
7 380.1280C.

8 (5) AT LEAST TWICE A YEAR, THE STATE SCHOOL REFORM/REDESIGN
9 OFFICER SHALL PROVIDE A REPORT ON THE ACTIVITIES OF THE STATE
10 SCHOOL REFORM OFFICE TO THE SENATE AND HOUSE APPROPRIATIONS
11 SUBCOMMITTEES RESPONSIBLE FOR THE SCHOOL AID AND DEPARTMENT
12 BUDGETS.

13 (6) FOR THE PURPOSES OF THIS SECTION, A HIGH SCHOOL IS A
14 SCHOOL THAT OPERATES EXCLUSIVELY ALL OF GRADES 9 TO 12.

15 Sec. 21f. (1) ~~A pupil enrolled in a district in any of grades~~
16 ~~6 to 12 is eligible to enroll in an online course as provided for~~
17 ~~in this section.~~ TO BE ELIGIBLE TO RECEIVE FUNDING FOR A PUPIL
18 ENROLLED IN A VIRTUAL COURSE UNDER THIS SECTION, A PRIMARY DISTRICT
19 SHALL ENROLL AN ELIGIBLE PUPIL IN VIRTUAL COURSES IN ACCORDANCE
20 WITH THE PROVISIONS OF THIS SECTION. A PRIMARY DISTRICT SHALL NOT
21 OFFER A VIRTUAL COURSE TO AN ELIGIBLE PUPIL UNLESS THE VIRTUAL
22 COURSE IS PUBLISHED IN THE PRIMARY DISTRICT'S CATALOG OF BOARD-
23 APPROVED COURSES OR IN THE STATEWIDE CATALOG OF VIRTUAL COURSES
24 MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY PURSUANT TO SECTION
25 98. THE PRIMARY DISTRICT SHALL ALSO PROVIDE ON ITS PUBLICLY
26 ACCESSIBLE WEBSITE A LINK TO THE STATEWIDE CATALOG OF VIRTUAL
27 COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY. UNLESS THE

1 PUPIL IS AT LEAST AGE 18 OR IS AN EMANCIPATED MINOR, A PUPIL SHALL
2 NOT BE ENROLLED IN A VIRTUAL COURSE WITHOUT THE CONSENT OF THE
3 PUPIL'S PARENT OR LEGAL GUARDIAN.

4 ~~(2) With the consent of the pupil's parent or legal guardian,~~
5 ~~a-SUBJECT TO SUBSECTION (3), A PRIMARY~~ district shall enroll an
6 eligible pupil in up to 2 ~~online-VIRTUAL~~ courses as requested by
7 the pupil during an academic term, semester, or trimester. ~~Unless~~
8 ~~the pupil is newly enrolled in the pupil's primary district, the~~
9 ~~request for online course enrollment must be made in the academic~~
10 ~~term, semester, trimester, or summer preceding the enrollment. A~~
11 ~~district may not establish additional requirements that would~~
12 ~~prohibit a pupil from taking an online course. If a pupil has~~
13 ~~demonstrated previous success with online courses and the school~~
14 ~~leadership and the pupil's parent or legal guardian determine that~~
15 ~~it is in the best interest of the pupil, a pupil may be enrolled in~~
16 ~~more than 2 online courses in a specific academic term, semester,~~
17 ~~or trimester. Consent of the pupil's parent or legal guardian is~~
18 ~~not required if the pupil is at least age 18 or is an emancipated~~
19 ~~minor.~~

20 ~~——(3) An eligible pupil may enroll in an online course published~~
21 ~~in the pupil's primary district's catalog of online courses~~
22 ~~described in subsection (7) (a) or the statewide catalog of online~~
23 ~~courses maintained by the Michigan Virtual University pursuant to~~
24 ~~section 98.~~

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

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

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

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

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

27 (5) **A PRIMARY DISTRICT MAY NOT ESTABLISH ADDITIONAL**

1 **REQUIREMENTS BEYOND THOSE SPECIFIED IN THIS SUBSECTION THAT WOULD**
2 **PROHIBIT A PUPIL FROM TAKING A VIRTUAL COURSE.** A pupil's primary
3 district may deny the pupil enrollment in an online course if any
4 of the following apply, as determined by the district:

5 **(A) THE PUPIL IS ENROLLED IN ANY OF GRADES K TO 5.**

6 **(B) ~~(a)~~—The pupil has previously gained the credits **THAT WOULD****
7 **BE** provided from the completion of the ~~online~~**VIRTUAL** course.

8 **(C) ~~(b)~~—The ~~online~~**VIRTUAL** course is not capable of generating**
9 academic credit.

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

12 ~~—(d) The pupil does not possess the prerequisite knowledge and~~
13 ~~skills to be successful in the online course or has demonstrated~~
14 ~~failure in previous online coursework in the same subject.~~

15 **(E) THE PUPIL HAS NOT COMPLETED THE PREREQUISITE COURSEWORK**
16 **FOR THE REQUESTED VIRTUAL COURSE OR HAS NOT DEMONSTRATED**
17 **PROFICIENCY IN THE PREREQUISITE COURSE CONTENT.**

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

20 **(G) ~~(e)~~—The ~~online~~**VIRTUAL** course is of insufficient quality**
21 **or rigor. A **PRIMARY** district that denies a pupil enrollment **REQUEST****
22 **for this reason shall make a reasonable effort to assist the pupil**
23 **to find an alternative course in the same or a similar subject that**
24 **THE PRIMARY DISTRICT DETERMINES** is of acceptable rigor and quality.

25 **(H) ~~(f)~~—The cost of the ~~online~~**VIRTUAL** course exceeds the**
26 **amount identified in subsection ~~(10)~~, (9), unless the **PUPIL OR THE****
27 **pupil's parent or legal guardian agrees to pay the cost that**

1 exceeds this amount.

2 (I) ~~(g)~~—The online course enrollment request does not occur
3 within the same timelines established by the primary district for
4 enrollment and schedule changes for regular courses.

5 (J) **THE REQUEST FOR A VIRTUAL COURSE ENROLLMENT WAS NOT MADE**
6 **IN THE ACADEMIC TERM, SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE**
7 **ENROLLMENT. THIS SUBDIVISION DOES NOT APPLY TO A REQUEST MADE BY A**
8 **PUPIL WHO IS NEWLY ENROLLED IN THE PRIMARY DISTRICT.**

9 (6) If a pupil is denied enrollment in an ~~online~~ **A VIRTUAL**
10 course by the pupil's primary district, the **PRIMARY DISTRICT SHALL**
11 **PROVIDE WRITTEN NOTIFICATION TO THE PUPIL OF THE DENIAL, THE REASON**
12 **OR REASONS FOR THE DENIAL PURSUANT TO SUBSECTION (5), AND A**
13 **DESCRIPTION OF THE APPEAL PROCESS.** THE pupil may appeal the denial
14 by submitting a letter to the superintendent of the intermediate
15 district in which the pupil's primary district is located. The
16 letter of appeal shall include the reason provided by the primary
17 district for not enrolling the pupil and the reason why the pupil
18 is claiming that the enrollment should be approved. The
19 intermediate district superintendent or designee shall respond to
20 the appeal within 5 days after it is received. If the intermediate
21 district superintendent or designee determines that the denial of
22 enrollment does not meet 1 or more of the reasons specified in
23 subsection (5), the primary district shall ~~allow~~ **ENROLL** the pupil
24 ~~to enroll in the online~~ **VIRTUAL** course.

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

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

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

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

21 **(D) IF THE VIRTUAL COURSE IS OFFERED TO ELIGIBLE PUPILS IN**
22 **MORE THAN 1 DISTRICT, THE FOLLOWING ADDITIONAL REQUIREMENTS MUST**
23 **ALSO BE MET:**

24 **(i) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH A COURSE**
25 **SYLLABUS THAT MEETS THE REQUIREMENTS UNDER SUBSECTION (14) (G) IN A**
26 **FORM AND MANNER PRESCRIBED BY THE MICHIGAN VIRTUAL UNIVERSITY FOR**
27 **INCLUSION IN A STATEWIDE CATALOG OF VIRTUAL COURSES.**

1 (ii) ~~(d)~~ Not later than October 1, ~~2015,~~ **OF EACH FISCAL YEAR,**
2 provide the Michigan Virtual University with ~~the number of~~
3 ~~enrollments in each online~~ **AN AGGREGATED COUNT OF ENROLLMENTS FOR**
4 **EACH VIRTUAL** course the ~~district or intermediate district~~ provided
5 **PROVIDER DELIVERED** to pupils pursuant to this section ~~in~~ **DURING** the
6 immediately preceding school year, and the number of enrollments in
7 which the pupil earned 60% or more of the total course points for
8 each ~~online~~ **VIRTUAL** course.

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

11 ~~(a) Provide the Michigan Virtual University with the course~~
12 ~~syllabus in a form and method prescribed by the Michigan Virtual~~
13 ~~University for inclusion in a statewide online course catalog.~~

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

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

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

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

1 (8) ~~(9)~~ For any ~~online~~ **VIRTUAL** course a pupil enrolls in under
2 this section, the pupil's primary district must assign to the pupil
3 a mentor ~~to monitor the pupil's progress during the online course~~
4 and shall supply the ~~providing district~~ **PROVIDER** with the mentor's
5 contact information.

6 (9) ~~(10)~~ For a pupil enrolled in 1 or more ~~online~~ **VIRTUAL**
7 courses, ~~published in the pupil's primary district's catalog of~~
8 ~~online courses under subsection (7) or in the statewide catalog of~~
9 ~~online courses maintained by the Michigan Virtual University,~~ the
10 primary district shall use foundation allowance or per-pupil funds
11 calculated under section 20 to pay for the expenses associated with
12 the ~~online~~ **VIRTUAL** course or courses. A **PRIMARY** district is not
13 required to pay toward the cost of an ~~online~~ **A VIRTUAL** course an
14 amount that exceeds 6.67% of the minimum foundation allowance for
15 the current fiscal year as calculated under section 20.

16 (10) ~~(11)~~ An ~~online~~ **A VIRTUAL** learning pupil shall have the
17 same rights and access to technology in his or her primary
18 district's school facilities as all other pupils enrolled in the
19 pupil's primary district. **THE DEPARTMENT SHALL ESTABLISH STANDARDS**
20 **FOR HARDWARE, SOFTWARE, AND INTERNET ACCESS FOR PUPILS ENROLLED IN**
21 **MORE THAN 2 VIRTUAL COURSES IN AN ACADEMIC TERM, SEMESTER, OR**
22 **TRIMESTER TAKEN AT A LOCATION OTHER THAN A SCHOOL FACILITY.**

23 (11) ~~(12)~~ If a pupil successfully completes an ~~online~~ **A**
24 **VIRTUAL** course, as determined by the pupil's primary district, the
25 pupil's primary district shall grant appropriate academic credit
26 for completion of the course and shall count that credit toward
27 completion of graduation and subject area requirements. A pupil's

1 school record and transcript shall identify the ~~online~~-**VIRTUAL**
2 course title as it appears in the ~~online~~-**VIRTUAL** course syllabus.

3 (12) ~~(13)~~The enrollment of a pupil in 1 or more ~~online~~
4 **VIRTUAL** courses shall not result in a pupil being counted as more
5 than 1.0 full-time equivalent pupils under this article. **THE**
6 **DEPARTMENT SHALL ESTABLISH THE MINIMUM REQUIREMENTS TO COUNT THE**
7 **PUPIL IN PUPIL MEMBERSHIP.**

8 (13) ~~(14)~~The portion of the full-time equated pupil
9 membership for which a pupil is enrolled in 1 or more online
10 courses under this section shall not be transferred under the pupil
11 transfer process under section 25e.

12 (14) ~~(15)~~As used in this section:

13 (A) **"INSTRUCTOR" MEANS AN INDIVIDUAL WHO IS EMPLOYED BY OR**
14 **CONTRACTED THROUGH A COMMUNITY COLLEGE.**

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

22 ~~—— (b) "Online course" means a course of study that is capable of~~
23 ~~generating a credit or a grade, that is provided in an interactive~~
24 ~~Internet-connected learning environment, in which pupils are~~
25 ~~separated from their teachers by time or location, or both, and, if~~
26 ~~the course is provided by a district or intermediate district, in~~
27 ~~which a teacher who holds a valid Michigan teaching certificate~~

1 ~~that qualifies the teacher to teach the course is responsible for~~
2 ~~providing instruction, determining appropriate instructional~~
3 ~~methods for each pupil, diagnosing learning needs, assessing pupil~~
4 ~~learning, prescribing intervention strategies, reporting outcomes,~~
5 ~~and evaluating the effects of instruction and support strategies.~~

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

8 ~~—— (i) The state academic standards addressed in an online~~
9 ~~course.~~

10 ~~—— (ii) The online course content outline.~~

11 ~~—— (iii) The online course required assessments.~~

12 ~~—— (iv) The online course prerequisites.~~

13 ~~—— (v) Expectations for actual instructor contact time with the~~
14 ~~online learning pupil and other pupil to instructor communications.~~

15 ~~—— (vi) Academic support available to the online learning pupil.~~

16 ~~—— (vii) The online course learning outcomes and objectives.~~

17 ~~—— (viii) The name of the institution or organization providing~~
18 ~~the online content.~~

19 ~~—— (ix) The name of the institution or organization providing the~~
20 ~~online instructor.~~

21 ~~—— (x) The course titles assigned by the district or intermediate~~
22 ~~district and the course titles and course codes from the National~~
23 ~~Center for Education Statistics (NCES) school codes for the~~
24 ~~exchange of data (SCED).~~

25 ~~—— (xi) The number of eligible nonresident pupils that will be~~
26 ~~accepted by the district or intermediate district in the online~~
27 ~~course.~~

1 ~~—— (xii) The results of the online course quality review using~~
 2 ~~the guidelines and model review process published by the Michigan~~
 3 ~~Virtual University.~~

4 ~~—— (d) "Online learning pupil" means a pupil enrolled in 1 or~~
 5 ~~more online courses.~~

6 (C) ~~(e)~~—"Primary district" means the district that enrolls the
 7 pupil and reports the pupil as a full time equated pupil for pupil
 8 membership purposes.

9 (D) ~~(f)~~—"Providing district"—"**PROVIDER**" means the district,
 10 intermediate district, or community college that the primary
 11 district pays to provide the ~~online~~**VIRTUAL** course **OR THE MICHIGAN**
 12 **VIRTUAL UNIVERSITY IF IT IS PROVIDING THE VIRTUAL COURSE.**

13 (E) ~~(g)~~—"Teacher of record" means a teacher who holds a valid
 14 Michigan teaching certificate, who, if applicable, is endorsed in
 15 the subject area and grade of the online course, and is responsible
 16 for providing instruction, determining instructional methods for
 17 each pupil, diagnosing learning needs, assessing pupil learning,
 18 prescribing intervention strategies, reporting outcomes, and
 19 evaluating the effects of instruction and support strategies.**MEETS**
 20 **ALL OF THE FOLLOWING:**

21 (i) **HOLDS A VALID MICHIGAN TEACHING CERTIFICATE OR A TEACHING**
 22 **PERMIT RECOGNIZED BY THE DEPARTMENT.**

23 (ii) **IF APPLICABLE, IS ENDORSED IN THE SUBJECT AREA AND GRADE**
 24 **OF THE VIRTUAL COURSE.**

25 (iii) **IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING**
 26 **INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS,**
 27 **ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION STRATEGIES AND**

1 MODIFYING LESSONS, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS
2 OF INSTRUCTION AND SUPPORT STRATEGIES.

3 (iv) HAS A PERSONNEL IDENTIFICATION CODE PROVIDED BY THE
4 CENTER.

5 (v) IF THE PROVIDER IS A COMMUNITY COLLEGE, IS AN INSTRUCTOR
6 EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.

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

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

15 (i) AN ALIGNMENT DOCUMENT DETAILING HOW THE COURSE MEETS
16 APPLICABLE STATE STANDARDS OR, IF THE STATE DOES NOT HAVE STATE
17 STANDARDS, NATIONALLY RECOGNIZED STANDARDS.

18 (ii) THE VIRTUAL COURSE CONTENT OUTLINE.

19 (iii) THE VIRTUAL COURSE REQUIRED ASSESSMENTS.

20 (iv) THE VIRTUAL COURSE PREREQUISITES.

21 (v) EXPECTATIONS FOR ACTUAL INSTRUCTOR OR TEACHER OF RECORD
22 CONTACT TIME WITH THE VIRTUAL LEARNING PUPIL AND OTHER
23 COMMUNICATIONS BETWEEN A PUPIL AND THE INSTRUCTOR OR TEACHER OF
24 RECORD.

25 (vi) ACADEMIC SUPPORT AVAILABLE TO THE VIRTUAL LEARNING PUPIL.

26 (vii) THE VIRTUAL COURSE LEARNING OUTCOMES AND OBJECTIVES.

27 (viii) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING

1 THE VIRTUAL CONTENT.

2 (ix) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE
3 INSTRUCTOR OR TEACHER OF RECORD.

4 (x) THE COURSE TITLES ASSIGNED BY THE PROVIDER AND THE COURSE
5 TITLES AND COURSE CODES FROM THE NATIONAL CENTER FOR EDUCATION
6 STATISTICS (NCES) SCHOOL CODES FOR THE EXCHANGE OF DATA (SCED).

7 (xi) THE NUMBER OF ELIGIBLE PUPILS THAT WILL BE ACCEPTED BY
8 THE PROVIDER IN THE VIRTUAL COURSE. A PRIMARY DISTRICT THAT IS ALSO
9 THE PROVIDER MAY LIMIT THE ENROLLMENT TO THOSE PUPILS ENROLLED IN
10 THE PRIMARY DISTRICT.

11 (xii) THE RESULTS OF THE VIRTUAL COURSE QUALITY REVIEW USING
12 THE GUIDELINES AND MODEL REVIEW PROCESS PUBLISHED BY THE MICHIGAN
13 VIRTUAL UNIVERSITY.

14 (H) "VIRTUAL LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR
15 MORE VIRTUAL COURSES.

16 Sec. 22a. (1) From the appropriation in section 11, there is
17 allocated an amount not to exceed ~~\$5,377,000,000.00 for 2014-2015~~
18 ~~and an amount not to exceed \$5,281,700,000.00 for 2015-2016~~
19 **\$5,202,300,000.00 FOR 2016-2017** for payments to districts and
20 qualifying public school academies to guarantee each district and
21 qualifying public school academy an amount equal to its 1994-95
22 total state and local per pupil revenue for school operating
23 purposes under section 11 of article IX of the state constitution
24 of 1963. Pursuant to section 11 of article IX of the state
25 constitution of 1963, this guarantee does not apply to a district
26 in a year in which the district levies a millage rate for school
27 district operating purposes less than it levied in 1994. However,

1 subsection (2) applies to calculating the payments under this
2 section. Funds allocated under this section that are not expended
3 in the state fiscal year for which they were allocated, as
4 determined by the department, may be used to supplement the
5 allocations under sections 22b and 51c in order to fully fund those
6 calculated allocations for the same fiscal year.

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

12 (a) Except as otherwise provided in this subsection, the state
13 portion of a district's 1994-95 foundation allowance is an amount
14 equal to the district's 1994-95 foundation allowance or \$6,500.00,
15 whichever is less, minus the difference between the sum of the
16 product of the taxable value per membership pupil of all property
17 in the district that is nonexempt property times the district's
18 certified mills and, for a district with certified mills exceeding
19 12, the product of the taxable value per membership pupil of
20 property in the district that is commercial personal property times
21 the certified mills minus 12 mills and the quotient of the ad
22 valorem property tax revenue of the district captured under tax
23 increment financing acts divided by the district's membership. For
24 a district that has a millage reduction required under section 31
25 of article IX of the state constitution of 1963, the state portion
26 of the district's foundation allowance shall be calculated as if
27 that reduction did not occur. For a receiving district, if school

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

15 (b) For a district that had a 1994-95 foundation allowance
16 greater than \$6,500.00, the state payment under this subsection
17 shall be the sum of the amount calculated under subdivision (a)
18 plus the amount calculated under this subdivision. The amount
19 calculated under this subdivision shall be equal to the difference
20 between the district's 1994-95 foundation allowance minus \$6,500.00
21 and the current year hold harmless school operating taxes per
22 pupil. If the result of the calculation under subdivision (a) is
23 negative, the negative amount shall be an offset against any state
24 payment calculated under this subdivision. If the result of a
25 calculation under this subdivision is negative, there shall not be
26 a state payment or a deduction under this subdivision. The taxable
27 values per membership pupil used in the calculations under this

1 subdivision are as adjusted by ad valorem property tax revenue
2 captured under tax increment financing acts divided by the
3 district's membership. For a receiving district, if school
4 operating taxes are to be levied on behalf of a dissolved district
5 that has been attached in whole or in part to the receiving
6 district to satisfy debt obligations of the dissolved district
7 under section 12 of the revised school code, MCL 380.12, ad valorem
8 property tax revenue captured under tax increment financing acts do
9 not include ad valorem property tax revenue captured within the
10 geographic boundaries of the dissolved district under tax increment
11 financing acts.

12 (3) Beginning in 2003-2004, for pupils in membership in a
13 qualifying public school academy, there is allocated under this
14 section to the authorizing body that is the fiscal agent for the
15 qualifying public school academy for forwarding to the qualifying
16 public school academy an amount equal to the 1994-95 per pupil
17 payment to the qualifying public school academy under section 20.

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

22 (5) Except as otherwise provided in this subsection, for a
23 district that is formed or reconfigured after June 1, 2000 by
24 consolidation of 2 or more districts or by annexation, the
25 resulting district's 1994-95 foundation allowance under this
26 section beginning after the effective date of the consolidation or
27 annexation shall be the average of the 1994-95 foundation

1 allowances of each of the original or affected districts,
2 calculated as provided in this section, weighted as to the
3 percentage of pupils in total membership in the resulting district
4 in the state fiscal year in which the consolidation takes place who
5 reside in the geographic area of each of the original districts. If
6 an affected district's 1994-95 foundation allowance is less than
7 the 1994-95 basic foundation allowance, the amount of that
8 district's 1994-95 foundation allowance shall be considered for the
9 purpose of calculations under this subsection to be equal to the
10 amount of the 1994-95 basic foundation allowance. This subsection
11 does not apply to a receiving district unless there is a subsequent
12 consolidation or annexation that affects the district.

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

14 (7) As used in this section:

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

19 (b) "Certified mills" means the lesser of 18 mills or the
20 number of mills of school operating taxes levied by the district in
21 1993-94.

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

24 (d) "Current year hold harmless school operating taxes per
25 pupil" means the per pupil revenue generated by multiplying a
26 district's 1994-95 hold harmless millage by the district's current
27 year taxable value per membership pupil. For a receiving district,

1 if school operating taxes are to be levied on behalf of a dissolved
2 district that has been attached in whole or in part to the
3 receiving district to satisfy debt obligations of the dissolved
4 district under section 12 of the revised school code, MCL 380.12,
5 taxable value per membership pupil does not include the taxable
6 value of property within the geographic area of the dissolved
7 district.

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

12 (f) "Hold harmless millage" means, for a district with a 1994-
13 95 foundation allowance greater than \$6,500.00, the number of mills
14 by which the exemption from the levy of school operating taxes on a
15 homestead, qualified agricultural property, qualified forest
16 property, supportive housing property, industrial personal
17 property, commercial personal property, and property occupied by a
18 public school academy could be reduced as provided in section 1211
19 of the revised school code, MCL 380.1211, and the number of mills
20 of school operating taxes that could be levied on all property as
21 provided in section 1211(2) of the revised school code, MCL
22 380.1211, as certified by the department of treasury for the 1994
23 tax year. For a receiving district, if school operating taxes are
24 to be levied on behalf of a dissolved district that has been
25 attached in whole or in part to the receiving district to satisfy
26 debt obligations of the dissolved district under section 12 of the
27 revised school code, MCL 380.12, school operating taxes do not

1 include school operating taxes levied within the geographic area of
2 the dissolved district.

3 (g) "Homestead", "qualified agricultural property", "qualified
4 forest property", "supportive housing property", "industrial
5 personal property", and "commercial personal property" mean those
6 terms as defined in section 1211 of the revised school code, MCL
7 380.1211.

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

11 (i) "Nonexempt property" means property that is not a
12 principal residence, qualified agricultural property, qualified
13 forest property, supportive housing property, industrial personal
14 property, commercial personal property, or property occupied by a
15 public school academy.

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

19 (k) "Receiving district" means a district to which all or part
20 of the territory of a dissolved district is attached under section
21 12 of the revised school code, MCL 380.12.

22 (l) "School operating taxes" means local ad valorem property
23 taxes levied under section 1211 of the revised school code, MCL
24 380.1211, and retained for school operating purposes as defined in
25 section 20.

26 (m) "Tax increment financing acts" means 1975 PA 197, MCL
27 125.1651 to 125.1681, the tax increment finance authority act, 1980

1 PA 450, MCL 125.1801 to 125.1830, the local development financing
2 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
3 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
4 or the corridor improvement authority act, 2005 PA 280, MCL
5 125.2871 to 125.2899.

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

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

25 (ii) For the number of mills of school operating taxes that
26 may be levied on all property as provided in section 1211(2) of the
27 revised school code, MCL 380.1211, the taxable value of all

1 property for the calendar year ending in the current state fiscal
2 year. For a receiving district, if school operating taxes are to be
3 levied on behalf of a dissolved district that has been attached in
4 whole or in part to the receiving district to satisfy debt
5 obligations of the dissolved district under section 12 of the
6 revised school code, MCL 380.12, school operating taxes do not
7 include school operating taxes levied within the geographic area of
8 the dissolved district.

9 Sec. 22b. (1) ~~From the appropriation in section 11, FOR~~
10 **DISCRETIONARY NONMANDATED PAYMENTS TO DISTRICTS UNDER THIS SECTION,**
11 there is allocated **FOR 2016-2017** an amount not to exceed
12 ~~\$3,440,000,000.00 for 2014-2015 and an amount not to exceed~~
13 ~~\$3,728,000,000.00 for 2015-2016 for discretionary nonmandated~~
14 ~~payments to districts under this section. \$3,639,485,800.00 FROM~~
15 **THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, AND AN**
16 **AMOUNT NOT TO EXCEED \$180,414,200.00 FROM THE GENERAL FUND MONEY**
17 **APPROPRIATED IN SECTION 11.** Funds allocated under this section that
18 are not expended in the state fiscal year for which they were
19 allocated, as determined by the department, may be used to
20 supplement the allocations under sections 22a and 51c in order to
21 fully fund those calculated allocations for the same fiscal year.

22 (2) Subject to subsection (3) and section 296, the allocation
23 to a district under this section shall be an amount equal to the
24 sum of the amounts calculated under sections 20, 51a(2), 51a(3),
25 and 51a(11), minus the sum of the allocations to the district under
26 sections 22a and 51c.

27 (3) In order to receive an allocation under subsection (1),

1 each district shall do all of the following:

2 (a) Comply with section 1280b of the revised school code, MCL
3 380.1280b.

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

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

9 (d) Comply with section 1230g of the revised school code, MCL
10 380.1230g.

11 (e) Comply with section 21f.

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

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

22 (6) From the allocation in subsection (1), the department
23 shall pay up to \$1,000,000.00 in litigation costs incurred by this
24 state associated with lawsuits filed by 1 or more districts or
25 intermediate districts against this state. If the allocation under
26 this section is insufficient to fully fund all payments required
27 under this section, the payments under this subsection shall be

1 made in full before any proration of remaining payments under this
2 section.

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

18 (8) If the local claims review board or a court of competent
19 jurisdiction makes a final determination that this state is in
20 violation of section 29 of article IX of the state constitution of
21 1963 regarding state payments to districts, the state budget
22 director shall use work project funds under subsection (7) or
23 allocate from the discretionary funds for nonmandated payments
24 under this section the amount as may be necessary to satisfy the
25 amount owed to districts before making any payments to districts
26 under subsection (2).

27 (9) If a claim is made in court that challenges the

1 legislative determination of the adequacy of funding for this
2 state's constitutional obligations or alleges that there exists an
3 unfunded constitutional requirement, any interested party may seek
4 an expedited review of the claim by the local claims review board.
5 If the claim exceeds \$10,000,000.00, this state may remove the
6 action to the court of appeals, and the court of appeals shall have
7 and shall exercise jurisdiction over the claim.

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

15 (11) If a lawsuit challenging payments made to districts
16 related to costs reimbursed by federal title XIX Medicaid funds is
17 filed against this state, then, for the purpose of addressing
18 potential liability under such a lawsuit, the state budget director
19 may place funds allocated under this section in escrow or allocate
20 money from the funds otherwise allocated under this section, up to
21 a maximum of 50% of the amount allocated in subsection (1). If
22 funds are placed in escrow under this subsection, those funds are a
23 work project appropriation and the funds are carried forward into
24 the following fiscal year. The purpose of the work project is to
25 provide for any payments that may be awarded to districts as a
26 result of the litigation. The work project shall be completed upon
27 resolution of the litigation. In addition, this state reserves the

1 right to terminate future federal title XIX Medicaid reimbursement
2 payments to districts if the amount or allocation of reimbursed
3 funds is challenged in the lawsuit. As used in this subsection,
4 "title XIX" means title XIX of the social security act, 42 USC 1396
5 to 1396v.

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

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

10 (2) From the allocation under subsection (1), there is
11 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
12 \$957,300.00 for payments under this subsection to districts that
13 meet all of the following:

14 (a) Operates grades K to 12.

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

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

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

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

21 (3) The amount of the additional funding to each eligible
22 district under subsection (2) shall be determined under a spending
23 plan developed as provided in this subsection and approved by the
24 superintendent of public instruction. The spending plan shall be
25 developed cooperatively by the intermediate superintendents of each
26 intermediate district in which an eligible district is located. The
27 intermediate superintendents shall review the financial situation

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

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

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

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

20 Sec. 22g. (1) From the funds appropriated in section 11, there
21 is allocated for ~~2015-2016-2016-2017~~ only an amount not to exceed
22 ~~\$5,000,000.00~~ **\$6,500,000.00** for competitive assistance grants to
23 districts and intermediate districts, **AS PROVIDED UNDER THIS**
24 **SECTION.**

25 **(2) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), THERE IS**
26 **ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR**
27 **GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS FOR THE COST OF A**

1 FEASIBILITY STUDY EXPLORING THE POSSIBILITY OF DISSOLUTION,
2 CONSOLIDATION, OR ANNEXATION.

3 (3) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), THERE IS
4 ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR
5 GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS THAT MEET AT LEAST 1
6 OF THE FOLLOWING:

7 (A) THE DISTRICT OR INTERMEDIATE DISTRICT HAS CONTRACTED FOR A
8 FEASIBILITY STUDY EXPLORING DISSOLUTION, CONSOLIDATION, OR
9 ANNEXATION AND THE FEASIBILITY STUDY INDICATES THAT DISSOLUTION,
10 CONSOLIDATION, OR ANNEXATION WOULD BE IN THE BEST INTERESTS OF THE
11 DISTRICTS OR INTERMEDIATE DISTRICTS INVOLVED.

12 (B) THE STATE TREASURER HAS DECLARED THAT THE POTENTIAL FOR
13 FISCAL STRESS EXISTS FOR THE DISTRICT OR INTERMEDIATE DISTRICT, AS
14 PROVIDED UNDER SECTION 1219(3) OF THE REVISED SCHOOL CODE, MCL
15 380.1219.

16 (C) THE STATE TREASURER HAS DETERMINED THAT THE DISTRICT OR
17 INTERMEDIATE DISTRICT IS SUBJECT TO RAPIDLY DETERIORATING FINANCIAL
18 CIRCUMSTANCES AND THE STATE TREASURER HAS REQUIRED THE DISTRICT OR
19 INTERMEDIATE DISTRICT TO SUBMIT AN ENHANCED DEFICIT ELIMINATION
20 PLAN TO THE DEPARTMENT OF TREASURY UNDER SECTION 1220(5) OF THE
21 REVISED SCHOOL CODE, MCL 380.1220.

22 (4) ~~(2)~~ Funds received under ~~this section~~ SUBSECTION (3) may
23 be used for reimbursement of transition costs associated with the
24 DISSOLUTION, consolidation, or annexation of districts or
25 intermediate districts. Grant funding UNDER SUBSECTION (3) shall be
26 available for DISSOLUTIONS, consolidations, or annexations that
27 occur on or after June 1, 2015.—2016. Districts may spend funds

1 allocated under this section over 3 fiscal years.

2 (5) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), THERE IS
3 ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR
4 GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS THAT RECEIVED A GRANT
5 UNDER THIS SECTION AS IT WAS IN EFFECT FOR 2015-2016 FOR
6 REIMBURSEMENT OF REMAINING TRANSITION COSTS ASSOCIATED WITH A
7 DISSOLUTION, CONSOLIDATION, OR ANNEXATION.

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

13 (a) Enrolls only eligible pupils.

14 (b) Provides an advocate. An advocate may serve in that role
15 for more than 1 pupil but no more than 50 pupils. An advocate may
16 be employed by the district or may be provided by an education
17 management organization that is partnering with the district.
18 Before an individual is assigned to be an advocate for a pupil in
19 the dropout recovery program, the district shall comply with
20 sections 1230 and 1230a of the revised school code, MCL 380.1230
21 and 380.1230a, with respect to that individual.

22 (c) Develops a written learning plan.

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

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

27 (f) Reports the pupil's progress results to the partner

1 district at least monthly.

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

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

7 (i) If the district partners with an education management
8 organization for the program, the education management organization
9 has a dropout recovery program partnership relationship with at
10 least 1 other district.

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

15 (3) As used in this section:

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

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

25 (c) "Eligible pupil" means a pupil who has been expelled from
26 school under the mandatory expulsion provisions in section 1311 or
27 1311a of the revised school code, MCL 380.1311 and 380.1311a, a

1 pupil who has been suspended or expelled from school under a local
2 policy, a pupil who is referred by a court, a pupil who is pregnant
3 or is a parent, a pupil who was previously a dropout, or a pupil
4 who is determined by the district to be at risk of dropping out.

5 (d) "Satisfactory monthly progress" means an amount of
6 progress that is measurable on a monthly basis and that, if
7 continued for a full 12 months, would result in the same amount of
8 academic credit being awarded to the pupil as would be awarded to a
9 general education pupil completing a full school year. Satisfactory
10 monthly progress may include a lesser required amount of progress
11 for the first 2 months a pupil participates in the program.

12 (E) **"TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID**
13 **MICHIGAN TEACHING CERTIFICATE; WHO, IF APPLICABLE, IS ENDORSED IN**
14 **THE SUBJECT AREA AND GRADE OF THE COURSE; AND IS RESPONSIBLE FOR**
15 **PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR EACH**
16 **PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING,**
17 **PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND**
18 **EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.**

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

24 Sec. 24. (1) From the appropriation in section 11, there is
25 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
26 \$8,000,000.00 for payments to the educating district or
27 intermediate district for educating pupils assigned by a court or

1 the department of health and human services to reside in or to
2 attend a juvenile detention facility or child caring institution
3 licensed by the department of health and human services and
4 approved by the department to provide an on-grounds education
5 program. The amount of the payment under this section to a district
6 or intermediate district shall be calculated as prescribed under
7 subsection (2).

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

14 (a) "Added cost" means 100% of the added cost each fiscal year
15 for educating all pupils assigned by a court or the department of
16 health and human services to reside in or to attend a juvenile
17 detention facility or child caring institution licensed by the
18 department of health and human services or the department of
19 licensing and regulatory affairs and approved by the department to
20 provide an on-grounds education program. Added cost shall be
21 computed by deducting all other revenue received under this article
22 for pupils described in this section from total costs, as approved
23 by the department, in whole or in part, for educating those pupils
24 in the on-grounds education program or in a program approved by the
25 department that is located on property adjacent to a juvenile
26 detention facility or child caring institution. Costs reimbursed by
27 federal funds are not included.

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

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

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

18 Sec. 24a. From the appropriation in section 11, there is
19 allocated an amount not to exceed ~~\$2,189,800.00 for 2015-2016~~
20 **\$1,328,100.00 FOR 2016-2017** for payments to intermediate districts
21 for pupils who are placed in juvenile justice service facilities
22 operated by the department of health and human services. Each
23 intermediate district shall receive an amount equal to the state
24 share of those costs that are clearly and directly attributable to
25 the educational programs for pupils placed in facilities described
26 in this section that are located within the intermediate district's
27 boundaries. The intermediate districts receiving payments under

1 this section shall cooperate with the department of health and
2 human services to ensure that all funding allocated under this
3 section is utilized by the intermediate district and department of
4 health and human services for educational programs for pupils
5 described in this section. Pupils described in this section are not
6 eligible to be funded under section 24. However, a program
7 responsibility or other fiscal responsibility associated with these
8 pupils shall not be transferred from the department of health and
9 human services to a district or intermediate district unless the
10 district or intermediate district consents to the transfer.

11 Sec. 24c. From the appropriation in section 11, there is
12 allocated an amount not to exceed ~~\$1,497,400.00 for 2015-2016~~
13 **\$1,732,400.00 FOR 2016-2017** for payments to districts for pupils
14 who are enrolled in a nationally administered community-based
15 education and youth mentoring program, known as the youth challenge
16 program, that is administered by the department of military and
17 veterans affairs. Both of the following apply to a district
18 receiving payments under this section:

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

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

26 Sec. 25e. (1) The pupil membership transfer application and
27 pupil transfer process administered by the center under this

1 section shall be used for processing pupil transfers.

2 (2) If a pupil counted in membership for the pupil membership
3 count day transfers from a district or intermediate district to
4 enroll in another district or intermediate district after the pupil
5 membership count day and before the supplemental count day and, due
6 to the pupil's enrollment and attendance status as of the pupil
7 membership count day, the pupil was not counted in membership in
8 the educating district or intermediate district, the educating
9 district or intermediate district may report the enrollment and
10 attendance information to the center through the pupil transfer
11 process within 30 days after the transfer or within 30 days after
12 the pupil membership count certification date, whichever is later.
13 Pupil transfers may be submitted no earlier than the first day
14 after the certification deadline for the pupil membership count day
15 and before the supplemental count day. Upon receipt of the transfer
16 information under this subsection indicating that a pupil has
17 enrolled and is in attendance in an educating district or
18 intermediate district as described in this subsection, the pupil
19 transfer process shall do the following:

20 (a) Notify the district in which the pupil was previously
21 enrolled.

22 (b) Notify both the pupil auditing staff of the intermediate
23 district in which the educating district is located and the pupil
24 auditing staff of the intermediate district in which the district
25 that previously enrolled the pupil is located. The pupil auditing
26 staff shall investigate a representative sample based on required
27 audit sample sizes in the pupil auditing manual and may deny the

1 pupil membership transfer.

2 (c) Aggregate the districtwide changes and notify the
3 department for use in adjusting the state aid payment system.

4 (3) The department shall do all of the following:

5 (a) Adjust the membership calculation for each district or
6 intermediate district in which the pupil was previously counted in
7 membership or that previously received an adjustment in its
8 membership calculation under this section due to a change in the
9 pupil's enrollment and attendance so that the district's or
10 intermediate district's membership is prorated to allow the
11 district or intermediate district to receive for each school day,
12 as determined by the financial calendar furnished by the center, in
13 which the pupil was enrolled and in attendance in the district or
14 intermediate district an amount equal to 1/105 of a full-time
15 equated membership claimed in the fall pupil membership count. The
16 district or intermediate district shall receive a prorated
17 foundation allowance in an amount equal to the product of the
18 adjustment under this subdivision for the district or intermediate
19 district multiplied by the foundation allowance or per-pupil
20 payment as calculated under section 20 for the district or
21 intermediate district. The foundation allowance or per-pupil
22 payment shall be adjusted by the pupil's full-time equated status
23 as affected by the membership definition under section 6(4).

24 (b) Adjust the membership calculation for the educating
25 district or intermediate district in which the pupil is enrolled
26 and is in attendance so that the district's or intermediate
27 district's membership is increased to allow the district or

1 intermediate district to receive an amount equal to the difference
2 between the full-time equated membership claimed in the fall pupil
3 membership count and the sum of the adjustments calculated under
4 subdivision (a) for each district or intermediate district in which
5 the pupil was previously enrolled and in attendance. The educating
6 district or intermediate district shall receive a prorated
7 foundation allowance in an amount equal to the product of the
8 adjustment under this subdivision for the educating district or
9 intermediate district multiplied by the foundation allowance or
10 per-pupil payment as calculated under section 20 for the educating
11 district or intermediate district. The foundation allowance or per-
12 pupil payment shall be adjusted by the pupil's full-time equated
13 status as affected by the membership definition under section 6(4).

14 (4) The changes in calculation of state school aid required
15 under subsection (3) shall take effect as of the date that the
16 pupil becomes enrolled and in attendance in the educating district
17 or intermediate district, and the department shall base all
18 subsequent payments under this article for the fiscal year to the
19 affected districts or intermediate districts on this recalculation
20 of state school aid.

21 (5) If a pupil enrolls in an educating district or
22 intermediate district as described in subsection (2), the district
23 or intermediate district in which the pupil is counted in
24 membership or another educating district or intermediate district
25 that received an adjustment in its membership calculation under
26 subsection (3), if any, and the educating district or intermediate
27 district shall provide to the center and the department all

1 information they require to comply with this section.

2 (6) The portion of the full-time equated pupil membership for
3 which a pupil is enrolled in 1 or more online courses under section
4 21f shall not be counted or transferred under the pupil transfer
5 process under this section.

6 (7) The center shall determine the number of pupils who did
7 not reside in this state as of the ~~2015-2016~~**2016-2017** pupil
8 membership count day but who newly enrolled in a district or
9 intermediate district after that pupil membership count day and
10 before the ~~2015-2016~~**2016-2017** supplemental count day. The center
11 shall further determine the number of pupils who were counted in
12 membership for the ~~2015-2016~~**2016-2017** pupil membership count day
13 but who left this state before the ~~2015-2016~~**2016-2017** supplemental
14 count day. The center shall provide a report to the senate and
15 house appropriations subcommittees on state school aid, and to the
16 senate and house fiscal agencies, detailing the number of pupils
17 transferring in from another state or transferring out from this
18 state between the pupil membership count day and supplemental count
19 day as described in this subsection. The center shall include in
20 the report a discussion of benefits and obstacles to developing a
21 pupil enrollment process for pupils who newly enroll in a district
22 or intermediate district after the pupil membership count day and
23 before the supplemental count day, and developing a process for
24 deducting pupils who were counted on the pupil membership count day
25 and transfer out of this state before the supplemental count day.

26 (8) As used in this section:

27 (a) "Educating district or intermediate district" means the

1 district or intermediate district in which a pupil enrolls after
2 the pupil membership count day or after an adjustment was made in
3 another district's or intermediate district's membership
4 calculation under this section due to the pupil's enrollment and
5 attendance.

6 (b) "Pupil" means that term as defined under section 6 and
7 also children receiving early childhood special education programs
8 and services.

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

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

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

1 to strict discipline academies under this section on a monthly
2 basis. For the purposes of this subsection:

3 (a) "Added cost" means 100% of the added cost each fiscal year
4 for educating all pupils enrolled and in regular daily attendance
5 at a strict discipline academy. Added cost shall be computed by
6 deducting all other revenue received under this article for pupils
7 described in this subsection from total costs, as approved by the
8 department, in whole or in part, for educating those pupils in a
9 strict discipline academy. The department shall include all costs
10 including, but not limited to, educational costs, insurance,
11 management fees, technology costs, legal fees, auditing fees,
12 interest, pupil accounting costs, and any other administrative
13 costs necessary to operate the program or to comply with statutory
14 requirements. Costs reimbursed by federal funds are not included.

15 (b) "Department's approved per-pupil allocation" for a strict
16 discipline academy shall be determined by dividing the total amount
17 allocated under this subsection for a fiscal year by the full-time
18 equated membership total for all pupils approved by the department
19 to be funded under this subsection for that fiscal year for the
20 strict discipline academy.

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

23 (5) If the funds allocated under this section are insufficient
24 to fully fund the adjustments under subsection (3), payments under
25 this section shall be prorated on an equal per-pupil basis.

26 (6) Payments to districts under this section shall be made
27 according to the payment schedule under section 17b.

1 Sec. 25g. (1) From the state school aid fund money
2 appropriated in section 11, there is allocated an amount not to
3 exceed \$1,000,000.00 for ~~2015-2016~~**2016-2017** for the purposes of
4 this section. If the operation of the special membership counting
5 provisions under section 6(4)(dd) and the other membership counting
6 provisions under section 6(4) result in a pupil being counted as
7 more than 1.0 FTE in a fiscal year, then the payment made for the
8 pupil under sections 22a and 22b shall not be based on more than
9 1.0 FTE for that pupil, and that portion of the FTE that exceeds
10 1.0 shall be paid under this section in an amount equal to that
11 portion multiplied by the educating district's foundation allowance
12 or per-pupil payment calculated under section 20.

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

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

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

20 Sec. 26a. From the funds appropriated in section 11, there is
21 allocated an amount not to exceed ~~\$26,300,000.00 for 2015-2016~~
22 **\$20,000,000.00 FOR 2016-2017** to reimburse districts and
23 intermediate districts pursuant to section 12 of the Michigan
24 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
25 in ~~2015-2016~~. The allocations shall be made not later than 60 days
26 after the department of treasury certifies to the department and to
27 the state budget director that the department of treasury has

1 received all necessary information to properly determine the
2 amounts due to each eligible recipient.

3 Sec. 26b. (1) From the appropriation in section 11, there is
4 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
5 ~~\$4,276,800.00~~ **\$4,405,100.00** for payments to districts, intermediate
6 districts, and community college districts for the portion of the
7 payment in lieu of taxes obligation that is attributable to
8 districts, intermediate districts, and community college districts
9 pursuant to section 2154 of the natural resources and environmental
10 protection act, 1994 PA 451, MCL 324.2154.

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

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

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

24 (3) The promise zone fund is created as a separate account
25 within the state school aid fund to be used solely for the purposes
26 of the Michigan promise zone authority act, 2008 PA 549, MCL
27 390.1661 to 390.1679. All of the following apply to the promise

1 zone fund:

2 (a) The state treasurer shall direct the investment of the
3 promise zone fund. The state treasurer shall credit to the promise
4 zone fund interest and earnings from fund investments.

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

8 (4) Subject to subsection (2), the state treasurer may make
9 payments from the promise zone fund to eligible districts and
10 intermediate districts pursuant to the Michigan promise zone
11 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used
12 for the purposes of a promise zone authority created under that
13 act.

14 Sec. 31a. (1) From the state school aid fund money
15 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
16 **2017** an amount not to exceed \$389,695,500.00 for payments to
17 eligible districts, eligible public school academies, and the
18 education achievement system for the purposes of ensuring that
19 pupils are proficient in reading by the end of grade 3 and that
20 high school graduates are career and college ready and for the
21 purposes under subsections (7) and (8).

22 (2) For a district or public school academy, or the education
23 achievement system, to be eligible to receive funding under this
24 section, other than funding under subsection (7) or (8), the sum of
25 the district's or public school academy's or the education
26 achievement system's combined state and local revenue per
27 membership pupil in the current state fiscal year, as calculated

1 under section 20, **PLUS THE AMOUNT OF A DISTRICT'S PER-PUPIL**
2 **ALLOCATION UNDER SECTION 20F(6)**, must be less than or equal to the
3 basic foundation allowance under section 20 for the current state
4 fiscal year.

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

16 (a) Implements effective instruction for all learners.

17 (b) Intervenes early.

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

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

22 (ii) Targeted group interventions.

23 (iii) Intense individual interventions.

24 (d) Monitors pupil progress to inform instruction.

25 (e) Uses data to make instructional decisions.

26 (f) Uses assessments including universal screening,
27 diagnostics, and progress monitoring.

1 (g) Engages families and the community.

2 (h) Implements evidence-based, scientifically validated,
3 instruction and intervention.

4 (i) Implements instruction and intervention practices with
5 fidelity.

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

7 (4) Except as otherwise provided in this subsection, an
8 eligible district or eligible public school academy or the
9 education achievement system shall receive under this section for
10 each membership pupil in the district or public school academy or
11 the education achievement system who met the income eligibility
12 criteria for free breakfast, lunch, or milk, as determined under
13 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
15 prescribed by the department not later than the fifth Wednesday
16 after the pupil membership count day of the immediately preceding
17 fiscal year and adjusted not later than December 31 of the
18 immediately preceding fiscal year, an amount per pupil equal to
19 11.5% of the sum of the district's foundation allowance or the
20 public school academy's or the education achievement system's per
21 pupil amount calculated under section 20 **PLUS THE AMOUNT OF THE**
22 **DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20F(6)**, not to exceed
23 the basic foundation allowance under section 20 for the current
24 state fiscal year, or of the public school academy's or the
25 education achievement system's per membership pupil amount
26 calculated under section 20 for the current state fiscal year.
27 However, a public school academy that began operations as a public

1 school academy, ~~or~~ an achievement school that began operations as
2 an achievement school, **OR A DISTRICT THAT IS A COMMUNITY DISTRICT**
3 **AND THAT FIRST ENROLLED PUPILS** after the pupil membership count day
4 of the immediately preceding school year shall receive under this
5 section for each membership pupil in the public school academy, **IN**
6 **THE COMMUNITY DISTRICT**, or in the education achievement system who
7 met the income eligibility criteria for free breakfast, lunch, or
8 milk, as determined under the Richard B. Russell national school
9 lunch act and as reported to the department not later than the
10 fifth Wednesday after the pupil membership count day of the current
11 fiscal year and adjusted not later than December 31 of the current
12 fiscal year, an amount per pupil equal to 11.5% of the public
13 school academy's, **THE COMMUNITY DISTRICT'S**, or the education
14 achievement system's per membership pupil amount calculated under
15 section 20 for the current state fiscal year.

16 (5) Except as otherwise provided in this section, a district
17 or public school academy, or the education achievement system,
18 receiving funding under this section shall use that money only to
19 provide instructional programs and direct noninstructional
20 services, including, but not limited to, medical, mental health, or
21 counseling services, for at-risk pupils; for school health clinics;
22 and for the purposes of subsection (6), (7), (8), or (11). In
23 addition, a district that is a school district of the first class
24 or a district or public school academy in which at least 50% of the
25 pupils in membership met the income eligibility criteria for free
26 breakfast, lunch, or milk in the immediately preceding state fiscal
27 year, as determined and reported as described in subsection (4), or

1 the education achievement system if it meets this requirement, may
2 use not more than 20% of the funds it receives under this section
3 for school security. A district, the public school academy, or the
4 education achievement system shall not use any of that money for
5 administrative costs. The instruction or direct noninstructional
6 services provided under this section may be conducted before or
7 after regular school hours or by adding extra school days to the
8 school year.

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

18 (7) From the funds allocated under subsection (1), there is
19 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
20 ~~\$3,557,300.00~~ **\$5,557,300.00** to support child and adolescent health
21 centers. These grants shall be awarded for 5 consecutive years
22 beginning with 2003-2004 in a form and manner approved jointly by
23 the department and the department of health and human services.
24 Each grant recipient shall remain in compliance with the terms of
25 the grant award or shall forfeit the grant award for the duration
26 of the 5-year period after the noncompliance. To continue to
27 receive funding for a child and adolescent health center under this

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

21 (8) From the funds allocated under subsection (1), there is
22 allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed
23 \$5,150,000.00 for the state portion of the hearing and vision
24 screenings as described in section 9301 of the public health code,
25 1978 PA 368, MCL 333.9301. A local public health department shall
26 pay at least 50% of the total cost of the screenings. The frequency
27 of the screenings shall be as required under R 325.13091 to R

1 325.13096 and R 325.3271 to R 325.3276 of the Michigan
2 administrative code. Funds shall be awarded in a form and manner
3 approved jointly by the department and the department of health and
4 human services. Notwithstanding section 17b, payments to eligible
5 entities under this subsection shall be paid on a schedule
6 determined by the department.

7 (9) Each district or public school academy receiving funds
8 under this section and the education achievement system shall
9 submit to the department by July 15 of each fiscal year a report,
10 not to exceed 10 pages, on the usage by the district or public
11 school academy or the education achievement system of funds under
12 this section, which report shall include a brief description of
13 each program conducted or services performed by the district or
14 public school academy or the education achievement system using
15 funds under this section, the amount of funds under this section
16 allocated to each of those programs or services, the total number
17 of at-risk pupils served by each of those programs or services, and
18 the data necessary for the department and the department of health
19 and human services to verify matching funds for the temporary
20 assistance for needy families program. If a district or public
21 school academy or the education achievement system does not comply
22 with this subsection, the department shall withhold an amount equal
23 to the August payment due under this section until the district or
24 public school academy or the education achievement system complies
25 with this subsection. If the district or public school academy or
26 the education achievement system does not comply with this
27 subsection by the end of the state fiscal year, the withheld funds

1 shall be forfeited to the school aid fund.

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

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

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

25 (13) If a district is formed by consolidation after June 1,
26 1995, and if 1 or more of the original districts were not eligible
27 before the consolidation for an additional allowance under this

1 section, the amount of the additional allowance under this section
2 for the consolidated district shall be based on the number of
3 pupils described in subsection (1) enrolled in the consolidated
4 district who reside in the territory of an original district that
5 was eligible before the consolidation for an additional allowance
6 under this section. In addition, if a district is dissolved
7 pursuant to section 12 of the revised school code, MCL 380.12, the
8 intermediate district to which the dissolved school district was
9 constituent shall determine the estimated number of pupils that
10 meet the income eligibility criteria for free breakfast, lunch, or
11 milk, as described under subsection (4), enrolled in each of the
12 other districts within the intermediate district and provide that
13 estimate to the department for the purposes of distributing funds
14 under this section within 60 days after the school district is
15 declared dissolved.

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

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

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

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

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

27 (e) Is a pupil who is at risk of not meeting the district's

1 core academic curricular objectives in English language arts or
2 mathematics, as demonstrated on local assessments.

3 (f) The pupil is enrolled in a priority or priority-successor
4 school, as defined in the elementary and secondary education act of
5 2001 flexibility waiver approved by the United States Department of
6 Education.

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

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

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

14 (iii) The pupil is homeless.

15 (iv) The pupil is a migrant.

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

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

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

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

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

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

18 (b) The district, public school academy, or the education
19 achievement system shall determine the proportion of total at-risk
20 pupils that represent the number of pupils in grade 11 that are not
21 career- and college-ready as measured by the student's score on the
22 English language arts, mathematics, and science content area
23 assessments on the grade 11 summative assessment under section
24 1279g(2)(a) of the revised school code, MCL 380.1279g, and the
25 district, public school academy, or the education achievement
26 system shall expend that same proportion multiplied by 1/2 of its
27 total at-risk funds under this section on tutoring and other

1 activities to improve scores on the college entrance examination
2 portion of the Michigan merit examination.

3 (16) As used in subsection (15), "total at-risk pupils" means
4 the sum of the number of pupils in grade 3 that are not ~~reading at~~
5 ~~grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the end of third
6 grade as measured on the state assessment and the number of pupils
7 in grade 11 that are not career- and college-ready as measured by
8 the student's score on the English language arts, mathematics, and
9 science content area assessments on the grade 11 summative
10 assessment under section 1279g(2) (a) of the revised school code,
11 MCL 380.1279g.

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

16 (18) The department shall collaborate with the department of
17 health and human services to prioritize assigning Pathways to
18 Potential Success coaches to elementary schools that have a high
19 percentage of pupils in grades K to 3 who are not reading at grade
20 level.

21 Sec. 31d. (1) From the appropriations in section 11, there is
22 allocated an amount not to exceed \$22,495,100.00 ~~for 2015-2016~~ **FOR**
23 **2016-2017** for the purpose of making payments to districts and other
24 eligible entities under this section.

25 (2) The amounts allocated from state sources under this
26 section shall be used to pay the amount necessary to reimburse
27 districts for 6.0127% of the necessary costs of the state mandated

1 portion of the school lunch programs provided by those districts.
2 The amount due to each district under this section shall be
3 computed by the department using the methods of calculation adopted
4 by the Michigan supreme court in the consolidated cases known as
5 Durant v State of Michigan, Michigan supreme court docket no.
6 104458-104492.

7 (3) The payments made under this section include all state
8 payments made to districts so that each district receives at least
9 6.0127% of the necessary costs of operating the state mandated
10 portion of the school lunch program in a fiscal year.

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

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

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

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

1 of comparable quality.

2 Sec. 31f. (1) From the appropriations in section 11, there is
3 allocated an amount not to exceed ~~\$5,625,000.00 for 2015-2016~~
4 **\$2,500,000.00 FOR 2016-2017** for the purpose of making payments to
5 districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

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

1 Sec. 31h. From the funds appropriated in section 11, there is
2 allocated an amount not to exceed \$300,000.00 for ~~2015-2016-2016-~~
3 **2017** for the purpose of providing funding to a district that
4 educates high school pupils from another district that voluntarily
5 closed its high school program in 2013. The funding under this
6 section is ~~intended to be for the first~~ **SECOND** of 2 years, unless
7 it is determined that the federal elementary and secondary
8 education act allows federal title I funds that previously
9 supported the high school pupils in their resident district to
10 instead be provided to the educating district. Funding under this
11 section shall be used to support the additional costs of educating
12 high school pupils in a manner that is similar to the way title I
13 funds provided additional support to the education of those pupils
14 when they were educated in their resident district high school
15 program before its closure in 2013.

16 **SEC. 31J. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN**
17 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00**
18 **FOR 2016-2017 FOR A PILOT PROJECT TO SUPPORT DISTRICTS IN THE**
19 **PURCHASE OF LOCALLY GROWN FRUITS AND VEGETABLES AS DESCRIBED IN**
20 **THIS SECTION.**

21 **(2) THE DEPARTMENT SHALL PROVIDE FUNDING TO PROSPERITY REGIONS**
22 **2, 4, AND 6 FOR THE PILOT PROJECT DESCRIBED UNDER THIS SECTION.**
23 **FROM THE FUNDING IDENTIFIED IN SUBSECTION (1), FUNDING RETAINED BY**
24 **THE PROSPERITY REGIONS FOR ADMINISTRATION OF THE PROJECT SHALL NOT**
25 **EXCEED 10%, AND FUNDING RETAINED BY THE DEPARTMENT FOR**
26 **ADMINISTRATION SHALL NOT EXCEED 6%.**

27 **(3) THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A COMPETITIVE**

1 GRANT PROGRAM FOR DISTRICTS WITHIN THE IDENTIFIED PROSPERITY
2 REGIONS TO ASSIST IN PAYING FOR THE COSTS INCURRED BY THE DISTRICT
3 TO PURCHASE OR INCREASE PURCHASES OF WHOLE OR MINIMALLY PROCESSED
4 FRUITS, VEGETABLES, AND LEGUMES GROWN IN THIS STATE. THE MAXIMUM
5 AMOUNT THAT MAY BE DRAWN DOWN ON A GRANT TO A DISTRICT SHALL BE
6 BASED ON THE NUMBER OF MEALS SERVED BY THE SCHOOL DISTRICT DURING
7 THE PREVIOUS SCHOOL YEAR UNDER THE RICHARD B. RUSSELL NATIONAL
8 SCHOOL LUNCH ACT, 42 USC 1751 TO 1769. THE DEPARTMENT SHALL
9 COLLABORATE WITH THE MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL
10 DEVELOPMENT TO PROVIDE TRAINING TO NEWLY PARTICIPATING SCHOOLS AND
11 ELECTRONIC INFORMATION ON MICHIGAN AGRICULTURE.

12 (4) THE GOALS OF THE PILOT PROJECT INCLUDE IMPROVING DAILY
13 NUTRITION AND EATING HABITS FOR CHILDREN THROUGH THE SCHOOL
14 SETTINGS WHILE INVESTING IN MICHIGAN'S AGRICULTURAL AND RELATED
15 FOOD BUSINESS ECONOMY.

16 (5) A DISTRICT THAT RECEIVES A GRANT UNDER THIS SECTION SHALL
17 USE THOSE FUNDS FOR THE COSTS INCURRED BY THE SCHOOL DISTRICT TO
18 PURCHASE WHOLE OR MINIMALLY PROCESSED FRUITS, VEGETABLES, AND
19 LEGUMES THAT MEET ALL OF THE FOLLOWING:

20 (A) ARE PURCHASED ON OR AFTER THE DATE THE DISTRICT RECEIVED
21 NOTIFICATION FROM THE DEPARTMENT OF THE AMOUNT TO BE DISTRIBUTED TO
22 THE DISTRICT UNDER THIS SUBSECTION, INCLUDING PURCHASES MADE TO
23 LAUNCH MEALS IN SEPTEMBER 2016 FOR THE 2016-2017 SCHOOL YEAR.

24 (B) ARE GROWN IN THIS STATE AND, IF MINIMALLY PROCESSED, ARE
25 ALSO PROCESSED IN THIS STATE.

26 (C) ARE USED FOR MEALS THAT ARE SERVED AS PART OF THE UNITED
27 STATES DEPARTMENT OF AGRICULTURE'S CHILD NUTRITION PROGRAMS.

1 (6) FOR MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES THAT
2 SATISFY THE REQUIREMENTS OF SUBSECTION (5), MATCHING REIMBURSEMENTS
3 SHALL BE MADE IN AN AMOUNT NOT TO EXCEED 10 CENTS FOR EVERY SCHOOL
4 MEAL THAT IS SERVED AS PART OF THE UNITED STATES DEPARTMENT OF
5 AGRICULTURE'S CHILD NUTRITION PROGRAMS AND THAT USES MICHIGAN-GROWN
6 FRUITS, VEGETABLES, AND LEGUMES.

7 (7) A DISTRICT THAT RECEIVES A GRANT FOR REIMBURSEMENT UNDER
8 THIS SECTION SHALL USE THE GRANT TO PURCHASE WHOLE OR MINIMALLY
9 PROCESSED FRUITS, VEGETABLES, AND LEGUMES THAT ARE GROWN IN THIS
10 STATE AND, IF MINIMALLY PROCESSED, ARE ALSO PROCESSED IN THIS
11 STATE.

12 (8) IN AWARDING GRANTS UNDER THIS SECTION, THE DEPARTMENT
13 SHALL WORK IN CONJUNCTION WITH PROSPERITY REGION OFFICES, IN
14 CONSULTATION WITH MICHIGAN-BASED FARM TO SCHOOL RESOURCE
15 ORGANIZATIONS, TO DEVELOP SCORING CRITERIA THAT ASSESS AN
16 APPLICANT'S ABILITY TO PROCURE MICHIGAN-GROWN PRODUCTS, PREPARE AND
17 MENU MICHIGAN-GROWN PRODUCTS, PROMOTE AND MARKET MICHIGAN-GROWN
18 PRODUCTS, AND SUBMIT LETTERS OF INTENT FROM DISTRICTS ON PLANS FOR
19 EDUCATIONAL ACTIVITIES THAT PROMOTE THE GOALS OF THE PROGRAM.

20 (9) THE DEPARTMENT SHALL GIVE PREFERENCE TO DISTRICTS THAT
21 PROPOSE EDUCATIONAL ACTIVITIES THAT MEET 1 OR MORE OF THE
22 FOLLOWING: PROMOTE HEALTHY FOOD ACTIVITIES; HAVE CLEAR EDUCATIONAL
23 OBJECTIVES; INVOLVE PARENTS OR THE COMMUNITY; AND CONNECT TO A
24 SCHOOL'S FARM-TO-SCHOOL PROCUREMENT ACTIVITIES.

25 (10) IN AWARDING GRANTS, THE DEPARTMENT SHALL ALSO CONSIDER
26 ALL OF THE FOLLOWING: THE PERCENTAGE OF CHILDREN WHO QUALIFY FOR
27 FREE OR REDUCED PRICE SCHOOL MEALS UNDER THE RICHARD B. RUSSELL

1 NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769; THE VARIETY OF
2 SCHOOL SIZES AND GEOGRAPHIC LOCATIONS WITHIN THE IDENTIFIED
3 PROSPERITY REGIONS; AND EXISTING OR FUTURE COLLABORATION
4 OPPORTUNITIES BETWEEN MORE THAN 1 DISTRICT IN A PROSPERITY REGION.

5 (11) AS A CONDITION OF RECEIVING A GRANT UNDER THIS SECTION, A
6 DISTRICT SHALL PROVIDE OR DIRECT ITS VENDORS TO PROVIDE TO
7 PROSPERITY REGION OFFICES COPIES OF MONTHLY RECEIPTS THAT SHOW THE
8 QUANTITY OF DIFFERENT MICHIGAN-GROWN FRUITS, VEGETABLES, AND
9 LEGUMES PURCHASED, THE AMOUNT OF MONEY SPENT ON EACH OF THESE
10 PRODUCTS, AND THE NAME AND MICHIGAN LOCATION OF THE FARM THAT GREW
11 THE PRODUCTS. THE DISTRICT SHALL ALSO PROVIDE TO THE PROSPERITY
12 REGION MONTHLY LUNCH NUMBERS AND LUNCH PARTICIPATION RATES, AND
13 CALENDARS OR MONTHLY MENUS NOTING WHEN AND HOW MICHIGAN-GROWN
14 PRODUCTS WERE USED IN MEALS. THE DISTRICT AND SCHOOL FOOD SERVICE
15 DIRECTOR OR DIRECTORS ALSO SHALL AGREE TO RESPOND TO BRIEF ONLINE
16 SURVEYS AND TO PROVIDE A REPORT THAT SHOWS THE PERCENTAGE
17 RELATIONSHIP OF MICHIGAN SPENDING COMPARED TO TOTAL FOOD SPENDING.
18 NOT LATER THAN MARCH 1, 2017, EACH PROSPERITY REGION OFFICE SHALL
19 SUBMIT A REPORT TO THE DEPARTMENT ON EXPECTED OUTCOMES AND RELATED
20 MEASUREMENTS FOR ECONOMIC DEVELOPMENT AND CHILDREN'S NUTRITION AND
21 READINESS TO LEARN BASED ON PROGRESS SO FAR. THE REPORT SHALL
22 INCLUDE AT LEAST ALL OF THE FOLLOWING:

23 (A) THE EXTENT TO WHICH FARMERS AND RELATED BUSINESSES,
24 INCLUDING DISTRIBUTORS AND PROCESSORS, SEE AN INCREASE IN MARKET
25 OPPORTUNITIES AND INCOME GENERATION THROUGH SALES OF MICHIGAN OR
26 LOCAL PRODUCTS TO DISTRICTS. ALL OF THE FOLLOWING APPLY FOR
27 PURPOSES OF THIS SUBDIVISION:

1 (i) THE DATA USED TO DETERMINE THE AMOUNT OF THIS INCREASE
2 SHALL BE THE TOTAL DOLLAR AMOUNT OF MICHIGAN OR LOCAL FRUITS,
3 VEGETABLES, AND LEGUMES PURCHASED BY SCHOOLS, ALONG WITH THE NUMBER
4 OF DIFFERENT TYPES OF PRODUCTS PURCHASED; SCHOOL FOOD PURCHASING
5 TRENDS IDENTIFIED ALONG WITH PRODUCTS THAT ARE OF NEW AND GROWING
6 INTEREST AMONG FOOD SERVICE DIRECTORS; THE NUMBER OF BUSINESSES
7 IMPACTED; AND THE PERCENTAGE OF TOTAL FOOD BUDGET SPENT ON
8 MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES.

9 (ii) THE PROSPERITY REGION OFFICE SHALL USE PURCHASING DATA
10 COLLECTED FOR THE PROJECT AND SURVEYS OF SCHOOL FOOD SERVICE
11 DIRECTORS ON THE IMPACT AND SUCCESS OF THE PROJECT AS THE SOURCE
12 FOR THE DATA DESCRIBED IN SUBPARAGRAPH (i).

13 (B) THE ABILITY TO WHICH PUPILS CAN ACCESS A VARIETY OF
14 HEALTHY MICHIGAN-GROWN FOODS THROUGH SCHOOLS AND INCREASE THEIR
15 CONSUMPTION OF THOSE FOODS. ALL OF THE FOLLOWING APPLY FOR PURPOSES
16 OF THIS SUBDIVISION:

17 (i) THE DATA USED TO DETERMINE WHETHER THIS SUBPARAGRAPH IS
18 MET SHALL BE THE NUMBER OF PUPILS EXPOSED TO MICHIGAN-GROWN FRUITS,
19 VEGETABLES, AND LEGUMES AT SCHOOLS; THE VARIETY OF PRODUCTS SERVED;
20 NEW ITEMS TASTE-TESTED OR PLACED ON MENUS; AND THE INCREASE IN
21 PUPIL WILLINGNESS TO TRY NEW LOCAL, HEALTHY FOODS.

22 (ii) THE PROSPERITY REGION OFFICE SHALL USE PURCHASING DATA
23 COLLECTED FOR THE PROJECT, MEAL COUNT AND ENROLLMENT NUMBERS,
24 SCHOOL MENU CALENDARS, AND SURVEYS OF SCHOOL FOOD SERVICE DIRECTORS
25 AS THE SOURCE FOR THE DATA DESCRIBED IN SUBPARAGRAPH (i).

26 (12) THE DEPARTMENT SHALL COMPILE THE REPORTS PROVIDED BY
27 PROSPERITY REGION OFFICES UNDER SUBSECTION (11) INTO 1 LEGISLATIVE

1 REPORT. THE DEPARTMENT SHALL PROVIDE THIS REPORT NOT LATER THAN
2 APRIL 1, 2017 TO THE HOUSE AND SENATE SUBCOMMITTEES RESPONSIBLE FOR
3 SCHOOL AID, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
4 BUDGET DIRECTOR.

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

22 (2) Funds allocated under subsection (1) shall be allocated to
23 intermediate districts or consortia of intermediate districts based
24 on the formula in section 39. An intermediate district or
25 consortium of intermediate districts receiving funding under this
26 section shall act as the fiduciary for the great start readiness
27 programs. In order to be eligible to receive funds allocated under

1 this subsection from an intermediate district or consortium of
2 intermediate districts, a district, a consortium of districts, or a
3 public or private for-profit or nonprofit legal entity or agency
4 shall comply with this section and section 39.

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

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

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

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

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

25 (d) Physical and dental health and developmental screening
26 services for all program participants.

27 (e) Referral services for families of program participants to

1 community social service agencies, including mental health
2 services, as appropriate.

3 (f) Active and continuous involvement of the parents or
4 guardians of the program participants.

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

8 (h) Participation in a school readiness advisory committee
9 convened as a workgroup of the great start collaborative that
10 provides for the involvement of classroom teachers, parents or
11 guardians of program participants, and community, volunteer, and
12 social service agencies and organizations, as appropriate. The
13 advisory committee annually shall review and make recommendations
14 regarding the program components listed in this subsection. The
15 advisory committee also shall make recommendations to the great
16 start collaborative regarding other community services designed to
17 improve all children's school readiness.

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

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

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

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

27 (b) Except as otherwise provided in this subdivision, ensure

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

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

24 (i) Teachers possessing proper training. A lead teacher must
25 have a valid teaching certificate with an early childhood (ZA or
26 ZS) endorsement or a bachelor's **OR HIGHER** degree in child
27 development or early ~~child development~~ **CHILDHOOD EDUCATION** with

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

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

1 (d) Include a program budget that contains only those costs
2 that are not reimbursed or reimbursable by federal funding, that
3 are clearly and directly attributable to the great start readiness
4 program, and that would not be incurred if the program were not
5 being offered. Eligible costs include transportation costs. The
6 program budget shall indicate the extent to which these funds will
7 supplement other federal, state, local, or private funds. Funds
8 received under this section shall not be used to supplant any
9 federal funds received by the applicant to serve children eligible
10 for a federally funded preschool program that has the capacity to
11 serve those children.

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

19 (7) For a grant recipient that enrolls pupils in a GSRP/head
20 start blended program, the grant recipient shall ensure that all
21 head start and GSRP policies and regulations are applied to the
22 blended slots, with adherence to the highest standard from either
23 program, to the extent allowable under federal law.

24 (8) An intermediate district or consortium of intermediate
25 districts receiving a grant under this section shall designate an
26 early childhood coordinator, and may provide services directly or
27 may contract with 1 or more districts or public or private for-

1 profit or nonprofit providers that meet all requirements of
2 subsection ~~(4)~~. **SUBSECTIONS (4) AND (5).**

3 ~~—— (9) Funds received under this section may be retained for
4 administrative services as follows:~~

5 ~~—— (a) For the portion of the total grant amount for which
6 services are provided directly by an intermediate district or
7 consortium of intermediate districts, the intermediate district or
8 consortium of intermediate districts may retain an amount equal to
9 not more than 7% of that portion of the grant amount.~~

10 ~~—— (b) For the portion of the total grant amount for which
11 services are contracted, the intermediate district or consortium of
12 intermediate districts receiving the grant may retain an amount
13 equal to not more than 4% of that portion of the grant amount and
14 the subrecipients engaged by the intermediate district to provide
15 program services may retain for administrative services an amount
16 equal to not more than 4% of that portion of the grant amount.~~

17 **(9) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE**
18 **DISTRICTS MAY RETAIN FOR ADMINISTRATIVE SERVICES PROVIDED BY THE**
19 **INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS AN**
20 **AMOUNT NOT TO EXCEED 4% OF THE GRANT AMOUNT. EXPENSES INCURRED BY**
21 **SUBRECIPIENTS ENGAGED BY THE INTERMEDIATE DISTRICT OR CONSORTIUM OF**
22 **INTERMEDIATE DISTRICTS FOR DIRECTLY RUNNING PORTIONS OF THE PROGRAM**
23 **SHALL BE CONSIDERED PROGRAM COSTS OR A CONTRACTED PROGRAM FEE FOR**
24 **SERVICE.**

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

1 (11) Each grant recipient shall enroll children identified
2 under subsection (5)(b) according to how far the child's household
3 income is below 250% of the federal poverty level by ranking each
4 applicant child's household income from lowest to highest and
5 dividing the applicant children into quintiles based on how far the
6 child's household income is below 250% of the federal poverty
7 level, and then enrolling children in the quintile with the lowest
8 household income before enrolling children in the quintile with the
9 next lowest household income until slots are completely filled. If
10 the grant recipient determines that all eligible children are being
11 served and that there are no children on the waiting list under
12 section 39(1)(d) who live with families with a household income
13 that is equal to or less than 250% of the federal poverty level,
14 the grant recipient may then enroll children who live with families
15 with a household income that is equal to or less than 300% of the
16 federal poverty level. The enrollment process shall consider income
17 and risk factors, such that children determined with higher need
18 are enrolled before children with lesser need. For purposes of this
19 subdivision, all age-eligible children served in foster care or who
20 are experiencing homelessness or who have individualized education
21 plans recommending placement in an inclusive preschool setting
22 shall be considered to live with families with household income
23 equal to or less than 250% of the federal poverty level regardless
24 of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT**
25 **WITHIN THE LOWEST QUINTILE.**

26 (12) An intermediate district or consortium of intermediate
27 districts receiving a grant under this section shall allow parents

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1 of eligible children who are residents of the intermediate district
 2 or within the consortium to choose a program operated by or
 3 contracted with another intermediate district or consortium of
 4 intermediate districts and shall ~~pay to the educating intermediate~~
 5 ~~district or consortium the per child amount attributable to each~~
 6 ~~child enrolled pursuant to this sentence, as determined under~~
 7 ~~section 39.~~ **ENTER INTO A WRITTEN AGREEMENT REGARDING PAYMENT, IN A**
 8 **MANNER PRESCRIBED THE DEPARTMENT.**

9 (13) An intermediate district or consortium of intermediate
 10 districts receiving a grant under this section shall conduct a
 11 local process to contract with interested and eligible public and
 12 private for-profit and nonprofit community-based providers that
 13 meet all requirements of subsection (4) for at least 30% of its
 14 total slot allocation. **<<FOR THE PURPOSES OF THIS 30% ALLOCATION,**
 15 **AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS MAY**
 16 **COUNT CHILDREN SERVED BY A HEAD START GRANTEE OR DELEGATE IN A**
 17 **BLENDED HEAD START AND GREAT START READINESS SCHOOL-DAY PROGRAM.**
 18 **CHILDREN SERVED IN A PROGRAM FUNDED ONLY THROUGH HEAD START SHALL**
 19 **NOT BE COUNTED TOWARD THIS 30% ALLOCATION.>>** The

20 intermediate district or consortium shall report to the department,
 21 in a manner prescribed by the department, a detailed list of
 22 community-based providers by provider type, including private for-
 23 profit, private nonprofit, community college or university, **<<head**
 24 **start grantee or delegate,>>** and district or intermediate district,
 25 and the number and proportion of its total slot allocation
 26 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 allocation, the grant recipient shall notify the
 department and, if the department verifies that the intermediate
 district or consortium attempted to contract for at least 30% of

1 its total slot allocation and was not able to do so, then the
2 intermediate district or consortium may retain and use all of its
3 allocated slots as provided under this section. To be able to use
4 this exemption, the intermediate district or consortium shall
5 demonstrate to the department that the intermediate district or
6 consortium increased the percentage of its total slot allocation
7 for which it contracts with a community-based provider and the
8 intermediate district or consortium shall submit evidence
9 satisfactory to the department, and the department must be able to
10 verify this evidence, demonstrating that the intermediate district
11 or consortium took measures to contract for at least 30% of its
12 total slot allocation as required under this subsection, including,
13 but not limited to, at least all of the following measures:

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

24 (b) The intermediate district or consortium provided to each
25 **NONPARTICIPATING** licensed child care center located in the service
26 area of the intermediate district or consortium information
27 regarding great start readiness program requirements and a

1 description of the application and selection process for community-
2 based providers.

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

7 (14) If an intermediate district or consortium of intermediate
8 districts receiving a grant under this section fails to submit
9 satisfactory evidence to demonstrate its effort to contract for at
10 least 30% of its total slot allocation, as required under
11 subsection (1), the department shall reduce the slots allocated to
12 the intermediate district or consortium by a percentage equal to
13 the difference between the percentage of an intermediate district's
14 or consortium's total slot allocation awarded to community-based
15 providers and 30% of its total slot allocation.

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

20 (a) Ensure that a great start resource center or the
21 department provides each intermediate district or consortium
22 receiving a grant under this section with the contact information
23 for each licensed child care center located in the service area of
24 the intermediate district or consortium by March 1 of each year.

25 (b) Provide, or ensure that an organization with which the
26 department contracts provides, a community-based provider with a
27 validated great start to quality rating within 90 days of the

1 provider's having submitted a request and self-assessment.

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

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

19 (16) A recipient of funds under this section shall report to
20 the department in a form and manner prescribed by the department
21 the number of children participating in the program who meet the
22 income eligibility criteria under subsection (5)(b) and the total
23 number of children participating in the program. For children
24 participating in the program who meet the income eligibility
25 criteria specified under subsection (5)(b), a recipient shall also
26 report whether or not a parent is available to provide care based
27 on employment status. For the purposes of this subsection,

1 "employment status" shall be defined by the department of health
2 and human services in a manner consistent with maximizing the
3 amount of spending that may be claimed for temporary assistance for
4 needy families maintenance of effort purposes.

5 (17) As used in this section:

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

9 (b) "Part-day program" means a program that operates at least
10 4 days per week, 30 weeks per year, for at least 3 hours of
11 teacher-child contact time per day but for fewer hours of teacher-
12 child contact time per day than a school-day program.

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

18 (18) An intermediate district or consortium of intermediate
19 districts receiving funds under this section shall establish a
20 sliding scale of tuition rates based upon household income for
21 children participating in an eligible great start readiness program
22 who live with families with a household income that is more than
23 250% of the federal poverty level to be used by all of its
24 providers, as approved by the department. A grant recipient shall
25 charge tuition according to that sliding scale of tuition rates on
26 a uniform basis for any child who does not meet the income
27 eligibility requirements under this section.

1 (19) From the amount appropriated in subsection (1), there is
2 allocated an amount not to exceed \$10,000,000.00 for reimbursement
3 of transportation costs for children attending great start
4 readiness programs funded under this section. To receive
5 reimbursement under this subsection, not later than November 1,
6 ~~2015, 2016~~, a program funded under this section that provides
7 transportation shall submit to the intermediate district that is
8 the fiscal agent for the program a projected transportation budget.
9 The amount of the reimbursement for transportation under this
10 subsection shall be no more than the projected transportation
11 budget or \$150.00 multiplied by the number of slots funded for the
12 program under this section. If the amount allocated under this
13 subsection is insufficient to fully reimburse the transportation
14 costs for all programs that provide transportation and submit the
15 required information, the reimbursement shall be prorated in an
16 equal amount per slot funded. Payments shall be made to the
17 intermediate district that is the fiscal agent for each program,
18 and the intermediate district shall then reimburse the program
19 provider for transportation costs as prescribed under this
20 subsection.

21 Sec. 32p. (1) From the school aid fund appropriation in
22 section 11, there is allocated an amount not to exceed
23 \$13,400,000.00 to intermediate districts for ~~2015-2016~~ **2016-2017**
24 for the purpose of providing early childhood funding to
25 intermediate school districts to support the activities under
26 subsection (2) and subsection (4), and to provide early childhood
27 programs for children from birth through age 8. The funding

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

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

16 (a) Children born healthy.

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

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

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

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

- 1 (a) Physical health.
2 (b) Social-emotional health.
3 (c) Family supports and basic needs.
4 (d) Parent education.
5 (e) Early education, **INCLUDING THE CHILD'S VOCABULARY**
6 **DEVELOPMENT**, and care.

7 (4) From the funds allocated in subsection (1), at least
8 \$2,500,000.00 shall be used for the purpose of providing home
9 visits to at-risk children and their families. The home visits
10 shall be conducted as part of a locally coordinated, family-
11 centered, evidence-based, data-driven home visit strategic plan
12 that is approved by the department. The goals of the home visits
13 funded under this subsection shall be to improve school readiness
14 **USING EVIDENCE-BASED METHODS, INCLUDING VOCABULARY DEVELOPMENT, TO**
15 reduce the number of pupils retained in grade level, and **TO** reduce
16 the number of pupils requiring special education services. The
17 department shall coordinate the goals of the home visit strategic
18 plans approved under this subsection with other state agency home
19 visit programs in a way that strengthens Michigan's home visiting
20 infrastructure and maximizes federal funds available for the
21 purposes of at-risk family home visits. **THE COORDINATION AMONG**
22 **DEPARTMENTS AND AGENCIES IS INTENDED TO AVOID DUPLICATION OF STATE**
23 **SERVICES AND SPENDING, AND SHOULD EMPHASIZE EFFICIENT SERVICE**
24 **DELIVERY OF HOME VISITING PROGRAMS.**

25 (5) Not later than December 1 of each year, each intermediate
26 district shall provide a report to the department detailing the
27 activities actually provided during the immediately preceding

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

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

20 **SEC. 32Q. FROM THE GENERAL FUND ALLOCATION UNDER SECTION 11,**
21 **THERE IS ALLOCATED TO A DISTRICT OR INTERMEDIATE DISTRICT AN AMOUNT**
22 **EQUAL TO \$175,000.00 IN 2016-2017 FOR THE PURPOSE OF THIS SECTION.**
23 **A DISTRICT OR INTERMEDIATE DISTRICT RECEIVING A GRANT UNDER THIS**
24 **SECTION SHALL PARTNER WITH AN EARLY CHILDHOOD COLLABORATIVE TO**
25 **CONDUCT A PILOT PROGRAM AS PROVIDED UNDER THIS SECTION. IT IS THE**
26 **INTENT OF THE LEGISLATURE THAT THIS IS THE FIRST OF 3 YEARS OF**
27 **FUNDING, AND THAT FUNDING SHALL CONTINUE IN 2017-2018 AND 2018-**

1 2019. FUNDING ALLOCATED TO A DISTRICT OR INTERMEDIATE DISTRICT
2 SHALL BE USED IN PARTNERSHIP WITH A COLLABORATIVE TO CONDUCT A
3 PILOT PROGRAM TO EVALUATE THE RELATIVE IMPACT ON VULNERABLE
4 CHILDREN OF 1 VERSUS 2 YEARS OF PRESCHOOL EDUCATION. ALL OF THE
5 FOLLOWING APPLY TO THE PILOT PROGRAM FUNDED UNDER THIS SECTION:

6 (A) THE FUNDS SHALL BE USED FOR RESEARCH, FAMILY COACHING
7 SUPPORT, ADMINISTRATION, INFORMATION SYSTEMS, AND EVALUATION.

8 (B) IN ORDER TO BE ELIGIBLE TO RECEIVE THE APPROPRIATED FUNDS,
9 THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE DISTRICT
10 OR INTERMEDIATE DISTRICT, SHALL PROVIDE THE FUNDING FOR ALL
11 ELIGIBLE CHILDREN INCLUDED IN THE PILOT PROGRAM.

12 (C) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE
13 DISTRICT OR INTERMEDIATE DISTRICT, SHALL DEVELOP A 3-YEAR PILOT
14 PROGRAM UNDER THE SUPERVISION OF THE OFFICE OF GREAT START IN THE
15 DEPARTMENT.

16 (D) FOR A CHILD TO BE ELIGIBLE FOR PARTICIPATION IN THE PILOT
17 PROGRAM UNDER THIS SECTION, THE CHILD SHALL BE 3 YEARS OF AGE AS OF
18 THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND
19 SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

20 (E) A CHILD PARTICIPATING IN THE PILOT PROGRAM SHALL MEET THE
21 PARTICIPANT ELIGIBILITY AND PRIORITIZATION GUIDELINES AS DEFINED BY
22 THE DEPARTMENT.

23 (F) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL
24 DISTRIBUTE FUNDS UNDER THIS SECTION NOT LATER THAN NOVEMBER 15 OF
25 THE FISCAL YEAR.

26 (G) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE
27 DISTRICT OR INTERMEDIATE DISTRICT, SHALL PROVIDE ANNUAL PROGRESS

1 EVALUATIONS TO THE OFFICE OF GREAT START.

2 (H) BY DECEMBER 1, 2019, THE EARLY LEARNING COLLABORATIVE, IN
3 PARTNERSHIP WITH THE DISTRICT OR INTERMEDIATE DISTRICT, SHALL
4 PROVIDE A PILOT PROGRAM REPORT AND EVALUATION TO THE OFFICE OF
5 GREAT START. THE OFFICE OF GREAT START SHALL REVIEW THE PILOT
6 PROGRAM REPORT AND EVALUATION AND, BY FEBRUARY 15, 2020, PROVIDE A
7 REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
8 STATE SCHOOL AID AND TO THE SENATE AND HOUSE FISCAL AGENCIES OF ITS
9 EVALUATION OF THE PILOT PROGRAM.

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

19 (2) From the general fund appropriation in section 11, there
20 is allocated to the department an amount not to exceed
21 \$1,000,000.00 for ~~2015-2016~~ **2016-2017** for implementation costs
22 associated with programs funded under section 35a.

23 ~~—— (3) From the amount allocated under subsection (2), there is~~
24 ~~allocated an amount not to exceed \$100,000.00 for the purpose of~~
25 ~~performing an evaluation of the pilot programs under section 35a(2)~~
26 ~~in a manner approved by the department. The evaluation report shall~~
27 ~~include at least all of the following:~~

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

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

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

9 Sec. 35a. (1) From the appropriations in section 11, there is
10 allocated for ~~2015-2016-2016-2017~~ for the purposes of this section
11 an amount not to exceed ~~\$23,900,000.00~~ **\$22,900,000.00** from the
12 state school aid fund appropriation and an amount not to exceed
13 ~~\$1,500,000.00~~ **\$1,000,000.00** from the general fund appropriation.

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

21 ~~—— (a) The department shall develop a competitive application~~
22 ~~process and method of grant distribution consistent with the~~
23 ~~provisions of this subsection. The amount of a grant award to a~~
24 ~~pilot program shall be an amount equal to the number of children~~
25 ~~residing in the district or consortium of districts operating the~~
26 ~~program who are younger than 4 years of age as of the date~~
27 ~~specified for determining a child's eligibility to attend school~~

1 ~~under section 1147 of the revised school code, MCL 380.1147,~~
2 ~~multiplied by \$120.00 per child or \$130,000.00, whichever is less.~~
3 ~~The department shall ensure that grants are awarded in each~~
4 ~~prosperity region or subregion.~~

5 ~~—— (b) An application for a competitive grant under this~~
6 ~~subsection shall be submitted by an intermediate district on behalf~~
7 ~~of a district or consortium of districts within the intermediate~~
8 ~~district. The application shall be submitted in a form and manner~~
9 ~~approved by the department and shall contain at least the following~~
10 ~~components:~~

11 ~~—— (i) A description of the program design including the names of~~
12 ~~the district or consortium of districts that will operate the~~
13 ~~program, the physical location of the program, and the anticipated~~
14 ~~number of families that will be served.~~

15 ~~—— (ii) An assurance that the program will be supervised by a~~
16 ~~teacher who has a valid teaching certificate with an early~~
17 ~~childhood (ZA or ZS) endorsement, a valid teaching certificate in~~
18 ~~career education with both a KH and VH endorsement, a bachelor's~~
19 ~~degree in child development or early child development, or a~~
20 ~~bachelor's degree related to adult learning.~~

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

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

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

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

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

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

15 ~~—— (i) Require that parents be physically present in classes with~~
16 ~~their children or be in concurrent classes.~~

17 ~~—— (ii) Use research based information to educate parents about~~
18 ~~the physical, cognitive, social, and emotional development of~~
19 ~~children.~~

20 ~~—— (iii) Provide structured learning activities requiring~~
21 ~~interaction between children and their parents.~~

22 ~~—— (iv) Provide structured learning activities for children that~~
23 ~~promote positive interaction with their peers.~~

24 ~~—— (d) For a child to be eligible to participate in a program~~
25 ~~under this subsection, the child shall be less than 4 years of age~~
26 ~~as of the date specified for determining a child's eligibility to~~
27 ~~attend school under section 1147 of the revised school code, MCL~~

1 ~~380.1147-~~

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

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

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

21 (c) The funds allocated under this subsection are a work
22 project appropriation, and any unexpended funds for ~~2015–2016–2016–~~
23 **2017** are carried forward into ~~2016–2017–~~ **2017–2018**. The purpose of
24 the work project is to continue to implement the professional
25 development training described in this subsection. The estimated
26 completion date of the work project is September 30, ~~2017–~~ **2018**.

27 (3) ~~(4)~~—From the allocations under subsection (1), there is

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

5 (a) The department shall award grants to districts to
6 administer department-approved screening and diagnostic tools to
7 monitor the development of early literacy and early reading skills
8 of pupils in grades K to 3 and to support research-based
9 professional development for educators in administering screening
10 and diagnostic tools and in data interpretation of the results
11 obtained through the use of those tools for the purpose of
12 implementing a multi-tiered system of support to improve reading
13 proficiency among pupils in grades K to 3. The department shall
14 award grants to eligible districts in an amount determined by the
15 department.

16 (B) A DEPARTMENT-APPROVED SCREENING AND DIAGNOSTIC TOOL
17 ADMINISTERED BY A DISTRICT USING FUNDING UNDER THIS SECTION MUST
18 INCLUDE ALL OF THE FOLLOWING COMPONENTS: PHONEMIC AWARENESS,
19 PHONICS, FLUENCY, AND COMPREHENSION. FURTHER, ALL OF THE FOLLOWING
20 SUB-SKILLS MUST BE ASSESSED WITHIN EACH OF THESE COMPONENTS:

21 (i) PHONEMIC AWARENESS - SEGMENTATION, BLENDING, AND SOUND
22 MANIPULATION (DELETION AND SUBSTITUTION).

23 (ii) PHONICS - DECODING (READING) AND ENCODING (SPELLING).

24 (iii) FLUENCY - READING RATE, ACCURACY, AND EXPRESSION.

25 (iv) COMPREHENSION - MAKING MEANING OF TEXT.

26 (C) ~~(b)~~—In addition to other methods of professional
27 development delivery, the department shall collaborate with the

1 Michigan Virtual University to provide this training online to all
2 educators of pupils in grades K to 3.

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

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

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

20 (i) Current state literacy standards for pupils in grades K to
21 3.

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

27 (iii) The use of data from diagnostic tools to determine the

1 necessary additional supports and interventions needed by
2 individual pupils in grades K to 3 in order to be reading at grade
3 level.

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

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

12 (ii) After distribution of the grant funding under
13 subparagraph (i), the department shall distribute the remainder of
14 grant funding for additional early literacy coaches in an amount
15 not to exceed \$37,500.00 per early literacy coach. The number of
16 funded early literacy coaches for each intermediate district shall
17 be based on the percentage of the total statewide number of pupils
18 in grades K to 3 who meet the income eligibility standards for the
19 federal free and reduced-price lunch programs who are enrolled in
20 districts in the intermediate district. For each additional early
21 literacy coach funded under this subparagraph, the department shall
22 not make an award to an intermediate district under this
23 subparagraph in an amount that is less than the amount necessary to
24 pay 1/2 of the total cost of that additional early literacy coach.

25 (c) The funds allocated under this subsection are a work
26 project appropriation, and any unexpended funds for ~~2015-2016-2016-~~
27 ~~2017~~ are carried forward into ~~2016-2017.-2017-2018~~. The purpose of

1 the work project is to continue to provide early literacy coaches
2 as described in this subsection. The estimated completion date of
3 the work project is September 30, ~~2017-2018~~.

4 (5) ~~(6)~~—From the allocations under subsection (1), there is
5 allocated an amount not to exceed \$17,500,000.00 for ~~2015-2016~~
6 **2016-2017** to districts that provide additional instructional time
7 to those pupils in grades K to 3 who have been identified by using
8 department-approved screening and diagnostic tools as needing
9 additional supports and interventions in order to be reading at
10 grade level by the end of grade 3. Additional instructional time
11 may be provided before, during, and after regular school hours or
12 as part of a year-round balanced school calendar. All of the
13 following apply to funding under this subsection:

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

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

24 (A) Implements effective instruction for all learners.

25 (B) Intervenes early.

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

1 classroom interventions available to all pupils that meet the needs
2 of most pupils; targeted group interventions; and intense
3 individual interventions.

4 (D) Monitors pupil progress to inform instruction.

5 (E) Uses data to make instructional decisions.

6 (F) Uses assessments including universal screening,
7 diagnostics, and progress monitoring.

8 (G) Engages families and the community.

9 (H) Implements evidence-based, scientifically validated,
10 instruction and intervention.

11 (I) Implements instruction and intervention practices with
12 fidelity.

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

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

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

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

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

27 (c) If the funds allocated under this subsection are

1 insufficient to fully fund the payments under this subsection,
2 payments under this subsection shall be prorated on an equal per-
3 pupil basis based on grade 1 pupils.

4 (6) ~~(7)~~—From the general fund money allocated in subsection
5 (1), the department shall allocate the amount of \$1,000,000.00 for
6 ~~2015-2016-2016-2017~~ to the Michigan Education Corps. All of the
7 following apply to funding under this subsection:

8 (a) By August 1, ~~2016,~~ **2017**, the Michigan Education Corps
9 shall provide a report concerning its use of the funding to the
10 senate and house appropriations subcommittees on state school aid,
11 the senate and house fiscal agencies, and the senate and house
12 caucus policy offices on outcomes and performance measures of the
13 Michigan Education Corps, including, but not limited to, the degree
14 to which the Michigan Education Corps's replication of the Michigan
15 Reading Corps program is demonstrating sufficient efficacy and
16 impact. The report must include data pertaining to at least all of
17 the following:

18 (i) The current impact of the Michigan Reading Corps on this
19 state in terms of numbers of children and programs receiving
20 support. This portion of the report shall specify the number of
21 children tutored, including dosage and completion, and the
22 demographics of those children.

23 (ii) Whether the assessments and interventions are implemented
24 with fidelity. This portion of the report shall include details on
25 the total number of assessments and interventions completed and the
26 range, median, mean, and standard deviation for all assessments.

27 (iii) Whether the literacy improvement of children

1 participating in the Michigan Reading Corps is consistent with
2 expectations. This portion of the report shall detail at least all
3 of the following:

4 (A) Growth rate by grade level, in comparison to targeted
5 growth rate.

6 (B) Average linear growth rates.

7 (C) Exit rates.

8 (D) Percentage of children who exit who also meet or exceed
9 spring benchmarks.

10 (iv) The impact of the Michigan Reading Corps on organizations
11 and stakeholders, including, but not limited to, school
12 administrators, internal coaches, and AmeriCorps members.

13 (b) If the department determines that the Michigan Education
14 Corps has misused the funds allocated under this subsection, the
15 Michigan Education Corps shall reimburse this state for the amount
16 of state funding misused.

17 (8) From the general fund money allocated under subsection
18 (1), there is allocated to the department an amount not to exceed
19 \$500,000.00 for 2015-2016 for the adoption of a certification test
20 to ensure that all newly certificated elementary teachers have the
21 skills to deliver evidence-based literacy instruction. **THE FUNDS**
22 **ALLOCATED UNDER THIS SUBSECTION ARE A WORK PROJECT APPROPRIATION,**
23 **AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO**
24 **2016-2017.**

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

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

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

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

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

20 (d) The estimated number of **SLOTS THAT WILL REMAIN UNFILLED**
21 **AND** children who meet the criteria of section 32d who will remain
22 unserved after the applicant and community early childhood programs
23 have met their funded enrollments. The applicant shall maintain a
24 waiting list of identified unserved eligible children who would be
25 served when openings are available.

26 (2) After notification of funding allocations, an applicant
27 receiving funds under section 32d shall also submit an

1 implementation plan for approval, in a form and manner prescribed
2 by the department, by a date specified by the department, that
3 details how the applicant complies with the program components
4 established by the department pursuant to section 32d.

5 (3) The number of prekindergarten children construed to be in
6 need of special readiness assistance under section 32d shall be
7 calculated for each applicant in the following manner: 1/2 of the
8 percentage of the applicant's pupils in grades 1 to 5 in all
9 districts served by the applicant who are eligible for free lunch,
10 as determined using the district's pupil membership count as of the
11 pupil membership count day in the school year prior to the fiscal
12 year for which the calculation is made, under the Richard B.
13 Russell national school lunch act, 42 USC 1751 to 1769i, shall be
14 multiplied by the average kindergarten enrollment of the districts
15 served by the applicant on the pupil membership count day of the 2
16 immediately preceding fiscal years. **EACH CHILD CONSTRUED TO BE IN**
17 **NEED SHALL CONSTITUTE 1 SLOT.**

18 (4) The initial allocation for each fiscal year to each
19 eligible applicant under section 32d shall be determined by
20 multiplying the number of ~~children~~**SLOTS** determined by the formula
21 under subsection (3) or the number of ~~children~~**SLOTS** the applicant
22 indicates it will be able to ~~serve~~**FILL** under subsection (1)(c),
23 whichever is less, by \$3,625.00 and shall be distributed among
24 applicants in decreasing order of concentration of eligible
25 children as determined by the formula under subsection (3). If the
26 number of ~~children~~**SLOTS** an applicant indicates it will be able to
27 ~~serve~~**FILL** under subsection (1)(c) includes children able to be

1 served in a school-day program, then the number ~~able to be served~~
2 ~~in~~ **OF SLOTS FOR** a school-day program shall be doubled for the
3 purposes of making this calculation. ~~of the lesser of the number of~~
4 ~~children determined by the formula under subsection (3) and the~~
5 ~~number of children the applicant indicates it will be able to serve~~
6 ~~under subsection (1)(c) and determining the amount of the initial~~
7 ~~allocation to the applicant under section 32d.~~ A district may
8 contract with a head start agency to serve children enrolled in
9 head start with a school-day program by blending head start funds
10 with a part-day great start readiness program allocation. All head
11 start and great start readiness program policies and regulations
12 apply to the blended program.

13 (5) If funds allocated for eligible applicants under section
14 32d remain after the initial allocation under subsection (4), the
15 allocation under this subsection shall be distributed to each
16 eligible applicant under section 32d in decreasing order of
17 concentration of eligible children as determined by the formula
18 under subsection (3). The allocation shall be determined by
19 multiplying the number of ~~children~~ **SLOTS** in each district within
20 the applicant's service area ~~served~~ **FILLED** in the immediately
21 preceding fiscal year or the number of ~~children~~ **SLOTS** the applicant
22 indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c),
23 whichever is less, minus the number of ~~children~~ **SLOTS** for which the
24 applicant received funding in subsection (4) by \$3,625.00.

25 (6) If funds allocated for eligible applicants under section
26 32d remain after the allocations under subsections (4) and (5),
27 remaining funds shall be distributed to each eligible applicant

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

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

20 (7) ~~(8)~~—If, taking into account the total amount to be
21 allocated to the applicant as calculated under this section, an
22 applicant determines that it is able to include additional eligible
23 children in the great start readiness program without additional
24 funds under section 32d, the applicant may include additional
25 eligible children but shall not receive additional funding under
26 section 32d for those children.

27 Sec. 39a. (1) From the federal funds appropriated in section

1 11, there is allocated for ~~2015-2016~~ **2016-2017** to districts,
2 intermediate districts, and other eligible entities all available
3 federal funding, estimated at \$779,076,400.00 for the federal
4 programs under the no child left behind act of 2001, Public Law
5 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95.**

6 These funds are allocated as follows:

7 (a) An amount estimated at \$5,000,000.00 to provide students
8 with drug- and violence-prevention programs and to implement
9 strategies to improve school safety, funded from DED-OESE, drug-
10 free schools and communities funds.

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

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

18 (d) An amount estimated at \$10,286,500.00 for the Michigan
19 charter school subgrant program, funded from DED-OESE, charter
20 school funds.

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

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

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

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

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

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

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

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

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

26 (c) An amount estimated at \$4,000,000.00 to provide mental
27 health, substance abuse, or violence prevention services to

1 students, funded from HHS-SAMHSA.

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

5 (3) All federal funds allocated under this section shall be
6 distributed in accordance with federal law and with flexibility
7 provisions outlined in Public Law 107-116, and in the education
8 flexibility partnership act of 1999, Public Law 106-25.
9 Notwithstanding section 17b, payments of federal funds to
10 districts, intermediate districts, and other eligible entities
11 under this section shall be paid on a schedule determined by the
12 department.

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

18 **(5) FOR THE PURPOSES OF FUNDING FEDERAL TITLE I GRANTS UNDER**
19 **THIS ARTICLE, IN ADDITION TO ANY OTHER FEDERAL GRANTS FOR WHICH A**
20 **STRICT DISCIPLINE ACADEMY IS ELIGIBLE, THE DEPARTMENT SHALL**
21 **ALLOCATE TO STRICT DISCIPLINE ACADEMIES OUT OF TITLE I, PART A**
22 **FUNDS EQUAL TO WHAT A STRICT DISCIPLINE ACADEMY WOULD HAVE RECEIVED**
23 **IF INCLUDED AND CALCULATED UNDER TITLE I, PART D, OR WHAT IT WOULD**
24 **RECEIVE UNDER THE FORMULA ALLOCATION UNDER TITLE I, PART A,**
25 **WHICHEVER IS GREATER.**

26 (6) ~~(5)~~—As used in this section:

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

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

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

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

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

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

21 Sec. 51a. (1) From the appropriation in section 11, there is
22 allocated an amount not to exceed ~~\$901,946,100.00 for 2014-2015 and~~
23 ~~an amount not to exceed \$918,546,100.00 for 2015-2016~~
24 **\$973,046,100.00 FOR 2016-2017** from state sources and all available
25 federal funding under sections 611 to 619 of part B of the
26 individuals with disabilities education act, 20 USC 1411 to 1419,
27 estimated at \$370,000,000.00 ~~each fiscal year for 2014-2015 and for~~

1 ~~2015-2016,~~ **FOR 2016-2017**, plus any carryover federal funds from
2 previous year appropriations. The allocations under this subsection
3 are for the purpose of reimbursing districts and intermediate
4 districts for special education programs, services, and special
5 education personnel as prescribed in article 3 of the revised
6 school code, MCL 380.1701 to 380.1766; net tuition payments made by
7 intermediate districts to the Michigan schools for the deaf and
8 blind; and special education programs and services for pupils who
9 are eligible for special education programs and services according
10 to statute or rule. For meeting the costs of special education
11 programs and services not reimbursed under this article, a district
12 or intermediate district may use money in general funds or special
13 education funds, not otherwise restricted, or contributions from
14 districts to intermediate districts, tuition payments, gifts and
15 contributions from individuals or other entities, or federal funds
16 that may be available for this purpose, as determined by the
17 intermediate district plan prepared pursuant to article 3 of the
18 revised school code, MCL 380.1701 to 380.1766. Notwithstanding
19 section 17b, payments of federal funds to districts, intermediate
20 districts, and other eligible entities under this section shall be
21 paid on a schedule determined by the department.

22 (2) From the funds allocated under subsection (1), there is
23 allocated the amount necessary, estimated at ~~\$248,100,000.00 for~~
24 ~~2014-2015 and estimated at \$251,800,000.00 for 2015-2016,~~
25 **\$271,600,000.00 FOR 2016-2017**, for payments toward reimbursing
26 districts and intermediate districts for 28.6138% of total approved
27 costs of special education, excluding costs reimbursed under

1 section 53a, and 70.4165% of total approved costs of special
2 education transportation. Allocations under this subsection shall
3 be made as follows:

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

26 (b) After the allocations under subdivision (a), districts and
27 intermediate districts for which the payments calculated under

1 subdivision (a) do not fulfill the specified percentages shall be
2 paid the amount necessary to achieve the specified percentages for
3 the district or intermediate district.

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

24 (4) If the department determines that the sum of the amounts
25 allocated for a fiscal year to a district or intermediate district
26 under subsection (2) (a) and (b) is not sufficient to fulfill the
27 specified percentages in subsection (2), then the shortfall shall

1 be paid to the district or intermediate district during the fiscal
2 year beginning on the October 1 following the determination and
3 payments under subsection (3) shall be adjusted as necessary. If
4 the department determines that the sum of the amounts allocated for
5 a fiscal year to a district or intermediate district under
6 subsection (2)(a) and (b) exceeds the sum of the amount necessary
7 to fulfill the specified percentages in subsection (2), then the
8 department shall deduct the amount of the excess from the
9 district's or intermediate district's payments under this article
10 for the fiscal year beginning on the October 1 following the
11 determination and payments under subsection (3) shall be adjusted
12 as necessary. However, if the amount allocated under subsection
13 (2)(a) in itself exceeds the amount necessary to fulfill the
14 specified percentages in subsection (2), there shall be no
15 deduction under this subsection.

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

25 (6) From the amount allocated in subsection (1), there is
26 allocated an amount not to exceed \$2,200,000.00 ~~each fiscal year~~
27 ~~for 2014-2015 and for 2015-2016~~ **FOR 2016-2017** to reimburse 100% of

1 the net increase in necessary costs incurred by a district or
2 intermediate district in implementing the revisions in the
3 administrative rules for special education that became effective on
4 July 1, 1987. As used in this subsection, "net increase in
5 necessary costs" means the necessary additional costs incurred
6 solely because of new or revised requirements in the administrative
7 rules minus cost savings permitted in implementing the revised
8 rules. Net increase in necessary costs shall be determined in a
9 manner specified by the department.

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

12 (a) "Total approved costs of special education" shall be
13 determined in a manner specified by the department and may include
14 indirect costs, but shall not exceed 115% of approved direct costs
15 for section 52 and section 53a programs. The total approved costs
16 include salary and other compensation for all approved special
17 education personnel for the program, including payments for social
18 security and Medicare and public school employee retirement system
19 contributions. The total approved costs do not include salaries or
20 other compensation paid to administrative personnel who are not
21 special education personnel as defined in section 6 of the revised
22 school code, MCL 380.6. Costs reimbursed by federal funds, other
23 than those federal funds included in the allocation made under this
24 article, are not included. Special education approved personnel not
25 utilized full time in the evaluation of students or in the delivery
26 of special education programs, ancillary, and other related
27 services shall be reimbursed under this section only for that

1 portion of time actually spent providing these programs and
2 services, with the exception of special education programs and
3 services provided to youth placed in child caring institutions or
4 juvenile detention programs approved by the department to provide
5 an on-grounds education program.

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

20 (c) If the department determines before bookclosing for a
21 fiscal year that the amounts allocated for that fiscal year under
22 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
23 will exceed expenditures for that fiscal year under subsections
24 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
25 district or intermediate district whose reimbursement for that
26 fiscal year would otherwise be affected by subdivision (b),
27 subdivision (b) does not apply to the calculation of the

1 reimbursement for that district or intermediate district and
2 reimbursement for that district or intermediate district shall be
3 calculated in the same manner as it was for 2003-2004. If the
4 amount of the excess allocations under subsections (2), (3), (6),
5 and (11) and sections 53a, 54, and 56 is not sufficient to fully
6 fund the calculation of reimbursement to those districts and
7 intermediate districts under this subdivision, then the
8 calculations and resulting reimbursement under this subdivision
9 shall be prorated on an equal percentage basis. Beginning in 2015-
10 2016, the amount of reimbursement under this subdivision for a
11 fiscal year shall not exceed \$2,000,000.00 for any district or
12 intermediate district.

13 (d) Reimbursement for ancillary and other related services, as
14 defined by R 340.1701c of the Michigan administrative code, shall
15 not be provided when those services are covered by and available
16 through private group health insurance carriers or federal
17 reimbursed program sources unless the department and district or
18 intermediate district agree otherwise and that agreement is
19 approved by the state budget director. Expenses, other than the
20 incidental expense of filing, shall not be borne by the parent. In
21 addition, the filing of claims shall not delay the education of a
22 pupil. A district or intermediate district shall be responsible for
23 payment of a deductible amount and for an advance payment required
24 until the time a claim is paid.

25 (e) Beginning with calculations for 2004-2005, if an
26 intermediate district purchases a special education pupil
27 transportation service from a constituent district that was

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

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

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

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

1 state treasury to the credit of the state school aid fund.

2 (11) From the funds allocated in subsection (1), there is
3 allocated the amount necessary, estimated at ~~\$3,400,000.00 for~~
4 ~~2014-2015 and estimated at \$3,300,000.00 for 2015-2016,~~
5 **\$3,700,000.00 FOR 2016-2017**, to pay the foundation allowances for
6 pupils described in this subsection. The allocation to a district
7 under this subsection shall be calculated by multiplying the number
8 of pupils described in this subsection who are counted in
9 membership in the district times **SUM OF** the foundation allowance
10 under section 20 of the pupil's district of residence **PLUS THE**
11 **AMOUNT OF THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20F(6)**,
12 not to exceed the basic foundation allowance under section 20 for
13 the current fiscal year, or, for a pupil described in this
14 subsection who is counted in membership in a district that is a
15 public school academy, times an amount equal to the amount per
16 membership pupil under section 20(6) or, for a pupil described in
17 this subsection who is counted in membership in the education
18 achievement system, times an amount equal to the amount per
19 membership pupil under section 20(7). The allocation to an
20 intermediate district under this subsection shall be calculated in
21 the same manner as for a district, using the foundation allowance
22 under section 20 of the pupil's district of residence, not to
23 exceed the basic foundation allowance under section 20 for the
24 current fiscal year, **AND THAT DISTRICT'S PER-PUPIL ALLOCATION UNDER**
25 **SECTION 20F(6)**. This subsection applies to all of the following
26 pupils:

27 (a) Pupils described in section 53a.

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

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

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

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

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

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

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

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

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

25 (14) If a public school academy enrolls pursuant to this
26 section a pupil who resides outside of the intermediate district in
27 which the public school academy is located and who is eligible for

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

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

23 Sec. 51c. As required by the court in the consolidated cases
24 known as Durant v State of Michigan, Michigan supreme court docket
25 no. 104458-104492, from the allocation under section 51a(1), there
26 is allocated ~~each fiscal year for 2014-2015 and for 2015-2016~~ the
27 amount necessary, estimated at ~~\$597,300,000.00 for 2014-2015 and~~

1 ~~estimated at \$610,000,000.00 for 2015-2016,~~ **\$644,500,000.00 FOR**
2 **2016-2017**, for payments to reimburse districts for 28.6138% of
3 total approved costs of special education excluding costs
4 reimbursed under section 53a, and 70.4165% of total approved costs
5 of special education transportation. Funds allocated under this
6 section that are not expended in the state fiscal year for which
7 they were allocated, as determined by the department, may be used
8 to supplement the allocations under sections 22a and 22b in order
9 to fully fund those calculated allocations for the same fiscal
10 year.

11 Sec. 51d. (1) From the federal funds appropriated in section
12 11, there is allocated for ~~2015-2016,~~ **2016-2017**, all available
13 federal funding, estimated at \$71,000,000.00, for special education
14 programs and services that are funded by federal grants. All
15 federal funds allocated under this section shall be distributed in
16 accordance with federal law. Notwithstanding section 17b, payments
17 of federal funds to districts, intermediate districts, and other
18 eligible entities under this section shall be paid on a schedule
19 determined by the department.

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

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

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

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

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

7 Sec. 53a. (1) For districts, reimbursement for pupils
8 described in subsection (2) shall be 100% of the total approved
9 costs of operating special education programs and services approved
10 by the department and included in the intermediate district plan
11 adopted pursuant to article 3 of the revised school code, MCL
12 380.1701 to 380.1766, minus the district's foundation allowance
13 calculated under section 20 **AND MINUS THE DISTRICT'S PER-PUPIL**
14 **ALLOCATION UNDER SECTION 20F(6)**. For intermediate districts,
15 reimbursement for pupils described in subsection (2) shall be
16 calculated in the same manner as for a district, using the
17 foundation allowance under section 20 of the pupil's district of
18 residence, not to exceed the basic foundation allowance under
19 section 20 for the current fiscal year, **AND THAT DISTRICT'S PER-**
20 **PUPIL ALLOCATION UNDER SECTION 20F(6)**.

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

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

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

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

6 (d) Pupils enrolled in a department-approved on-grounds
7 educational program longer than 180 days, but not longer than 233
8 days, at a residential child care institution, if the child care
9 institution offered in 1991-92 an on-grounds educational program
10 longer than 180 days but not longer than 233 days.

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

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

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

21 (5) Not more than \$10,500,000.00 of the allocation for ~~2015-~~
22 ~~2016-2016-2017~~ in section 51a(1) shall be allocated under this
23 section.

24 Sec. 54. Each intermediate district shall receive an amount
25 per-pupil for each pupil in attendance at the Michigan schools for
26 the deaf and blind. The amount shall be proportionate to the total
27 instructional cost at each school. Not more than \$1,688,000.00 of

1 the allocation for ~~2015-2016~~-2016-2017 in section 51a(1) shall be
2 allocated under this section.

3 SEC. 54B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
4 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,370,000.00 FOR
5 2016-2017 TO BEGIN IMPLEMENTATION OF THE RECOMMENDATIONS OF THE
6 SPECIAL EDUCATION REFORM TASK FORCE PUBLISHED IN JANUARY 2016.

7 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
8 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$750,000.00 FOR THE PURPOSE
9 OF PILOTING STATEWIDE IMPLEMENTATION OF THE MICHIGAN INTEGRATED
10 BEHAVIOR AND LEARNING SUPPORT INITIATIVE (MIBLSI), A NATIONALLY
11 RECOGNIZED PROGRAM THAT INCLUDES POSITIVE BEHAVIORAL INTERVENTION
12 AND SUPPORTS AND PROVIDES A STATEWIDE STRUCTURE TO SUPPORT LOCAL
13 INITIATIVES FOR AN INTEGRATED BEHAVIOR AND READING PROGRAM. WITH
14 THE ASSISTANCE OF THE INTERMEDIATE DISTRICTS INVOLVED IN MIBLSI,
15 THE DEPARTMENT SHALL IDENTIFY AT LEAST 3 INTERMEDIATE DISTRICTS TO
16 PARTICIPATE IN THE PILOT TO ENSURE THAT MIBLSI CAN BE IMPLEMENTED
17 STATEWIDE WITH FIDELITY AND SUSTAINABILITY. THE DEPARTMENT SHALL
18 ENSURE THAT THE INTERMEDIATE DISTRICTS CHOSEN ARE GEOGRAPHICALLY
19 DIVERSE IN EACH PILOT COHORT. IN ADDITION, THE DEPARTMENT SHALL
20 IDENTIFY AN INTERMEDIATE DISTRICT TO ACT AS A FISCAL AGENT FOR
21 THESE FUNDS.

22 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
23 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$620,000.00 FOR THE PURPOSE
24 OF PROVIDING TRAINING TO INTERMEDIATE DISTRICTS AND DISTRICTS
25 RELATED TO THE SAFE IMPLEMENTATION OF EMERGENCY RESTRAINTS AND
26 SECLUSION. THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A TRAINING
27 PROGRAM THAT IS BASED ON THE STATE BOARD'S ADOPTED STANDARDS AND ON

1 **ANY OTHER LEGISLATION ENACTED BY THE LEGISLATURE REGARDING THE**
2 **EMERGENCY USE OF SECLUSION AND RESTRAINT.**

3 Sec. 55. (1) From the money appropriated in section 11, there
4 is allocated an amount not to exceed \$150,000.00 for ~~2015-2016~~
5 **2016-2017** to Michigan State University, Department of Epidemiology,
6 for a study of the Conductive Learning Center located at Aquinas
7 College. This funding shall be used to develop and implement an
8 evaluation of the effectiveness of conductive education for
9 children with cerebral palsy. The evaluation shall be
10 multidimensional and shall include a control group of children with
11 cerebral palsy not enrolled in conductive education. It should
12 include an assessment of the motor system itself as well as the
13 impact of conductive education on each of the following:

14 (a) The acquisition of skills permitting complex motor
15 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
19 cerebral palsy.

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

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

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

27 (b) "Millage levied" means the millage levied for special

1 education pursuant to part 30 of the revised school code, MCL
2 380.1711 to 380.1743, including a levy for debt service
3 obligations.

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

10 (2) From the allocation under section 51a(1), there is
11 allocated an amount not to exceed \$37,758,100.00 for ~~2015-2016~~
12 **2016-2017** to reimburse intermediate districts levying millages for
13 special education pursuant to part 30 of the revised school code,
14 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
15 reimbursement shall be limited as if the funds were generated by
16 these millages and governed by the intermediate district plan
17 adopted pursuant to article 3 of the revised school code, MCL
18 380.1701 to 380.1766. As a condition of receiving funds under this
19 section, an intermediate district distributing any portion of
20 special education millage funds to its constituent districts shall
21 submit for departmental approval and implement a distribution plan.

22 (3) Reimbursement for those millages levied in ~~2014-2015-2015-~~
23 **2016** shall be made in ~~2015-2016-2016-2017~~ at an amount per ~~2014-~~
24 ~~2015-2015-2016~~ membership pupil computed by subtracting from
25 ~~\$174,400.00~~ **\$179,100.00** the ~~2014-2015-2015-2016~~ taxable value
26 behind each membership pupil and multiplying the resulting
27 difference by the ~~2014-2015-2015-2016~~ millage levied.

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

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

<<SEC. 59. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$100.00 FOR PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS SECTION. AN INTERMEDIATE DISTRICT SHALL USE MONEY RECEIVED UNDER THIS SECTION TO OFFSET THE COSTS OF IDENTIFYING PUPILS WHO ARE GIFTED AND TALENTED, AS PROVIDED UNDER THIS SECTION, OR FOR REIMBURSING DISTRICTS THAT PERFORM 1 OR MORE OF THE FUNCTIONS UNDER THIS SECTION UNDER AN ARRANGEMENT WITH THE INTERMEDIATE DISTRICT. THE AMOUNT OF THE PAYMENT TO EACH INTERMEDIATE DISTRICT UNDER THIS SECTION SHALL BE AN EQUAL PER-PUPIL AMOUNT CALCULATED BY DIVIDING THE TOTAL AMOUNT ALLOCATED UNDER THIS SECTION BY THE TOTAL NUMBER OF PUPILS IN MEMBERSHIP STATEWIDE FOR 2016-2017 AND MULTIPLYING THAT AMOUNT BY THE TOTAL NUMBER OF PUPILS IN MEMBERSHIP IN DISTRICTS LOCATED IN THE INTERMEDIATE DISTRICT FOR 2016-2017.

(2) NOT LATER THAN MARCH 1, 2017, EACH INTERMEDIATE DISTRICT SHALL IMPLEMENT MEASURES TO IDENTIFY PUPILS WHO ARE GIFTED AND TALENTED. EXCEPT FOR DEVELOPING A METHOD FOR IDENTIFYING PUPILS WHO ARE GIFTED AND TALENTED UNDER SUBDIVISION (A), AN INTERMEDIATE DISTRICT MAY ALLOW 1 OR MORE OF THE DISTRICTS LOCATED WITHIN THE INTERMEDIATE DISTRICT TO IMPLEMENT 1 OR MORE OF THESE MEASURES AT THE DISTRICT LEVEL UNDER AN ARRANGEMENT WITH THE INTERMEDIATE DISTRICT. THESE STEPS SHALL INCLUDE ALL OF THE FOLLOWING:

(A) THE INTERMEDIATE DISTRICT SHALL DEVELOP A METHOD FOR THE IDENTIFICATION OF PUPILS AS GIFTED AND TALENTED. THE METHOD OF IDENTIFICATION SHALL CONFORM TO THESE GENERAL PRINCIPLES:

(i) STANDARDS SHALL ENSURE THE IDENTIFICATION OF PUPILS WHO POSSESS A CAPACITY FOR EXCELLENCE FAR BEYOND THAT OF THEIR CHRONOLOGICAL PEERS.

(ii) METHODS SHALL BE DESIGNED TO SEEK OUT AND IDENTIFY THOSE PUPILS WHOSE EXTRAORDINARY CAPACITIES REQUIRE SPECIAL SERVICES AND PROGRAMS.

(iii) PROVISION SHALL BE MADE FOR EXAMINING A PUPIL'S RANGE OF CAPACITIES.

(iv) METHODS AND TECHNIQUES OF IDENTIFICATION SHALL GENERATE INFORMATION AS TO A PUPIL'S CAPACITIES AND NEEDS.

(v) THERE SHALL BE EQUAL OPPORTUNITY TO BE IDENTIFIED IN THE CATEGORIES SERVED.

(vi) METHODS SHALL BE DESIGNED TO SEEK OUT AND IDENTIFY GIFTED AND TALENTED PUPILS FROM VARYING LINGUISTIC, ECONOMIC, AND CULTURAL BACKGROUNDS.

(B) AN INTERMEDIATE DISTRICT, OR A DISTRICT UNDER AN ARRANGEMENT WITH THE INTERMEDIATE DISTRICT, SHALL USE 1 OR MORE OF THE FOLLOWING CATEGORIES IN IDENTIFYING PUPILS AS GIFTED AND TALENTED. IN ALL CATEGORIES, IDENTIFICATION OF A PUPIL'S EXTRAORDINARY CAPABILITY SHALL BE IN RELATION TO THE PUPIL'S

CHRONOLOGICAL PEERS:

(i) **INTELLECTUAL ABILITY:** A PUPIL DEMONSTRATES EXTRAORDINARY OR POTENTIAL FOR EXTRAORDINARY INTELLECTUAL DEVELOPMENT.

(ii) **CREATIVE ABILITY:** A PUPIL CHARACTERISTICALLY DOES THE FOLLOWING:

(A) PERCEIVES UNUSUAL RELATIONSHIPS AMONG ASPECTS OF THE PUPIL'S ENVIRONMENT AND AMONG IDEAS.

(B) OVERCOMES OBSTACLES TO THINKING AND DOING.

(C) PRODUCES UNIQUE SOLUTIONS TO PROBLEMS.

(iii) **SPECIFIC ACADEMIC ABILITY:** A PUPIL FUNCTIONS AT HIGHLY ADVANCED ACADEMIC LEVELS IN PARTICULAR SUBJECT AREAS.

(iv) **LEADERSHIP ABILITY:** A PUPIL DISPLAYS THE CHARACTERISTIC BEHAVIORS NECESSARY FOR EXTRAORDINARY LEADERSHIP.

(v) **HIGH ACHIEVEMENT:** A PUPIL CONSISTENTLY PRODUCES ADVANCED IDEAS AND PRODUCTS OR ATTAINS EXCEPTIONALLY HIGH SCORES ON ACHIEVEMENT TESTS.

(vi) **VISUAL AND PERFORMING ARTS TALENT:** A PUPIL ORIGINATES, PERFORMS, PRODUCES, OR RESPONDS AT EXTRAORDINARILY HIGH LEVELS IN THE ARTS.

(C) BEFORE IDENTIFICATION UNDER SUBDIVISION (B), AN INTERMEDIATE DISTRICT, OR A DISTRICT UNDER AN ARRANGEMENT WITH THE INTERMEDIATE DISTRICT, SHALL COMPILE PERTINENT EVIDENCE AS TO A PUPIL'S CAPACITY FOR EXCELLENCE FAR BEYOND THAT OF CHRONOLOGICAL PEERS. APPROPRIATE DATA TO BE COLLECTED BY THE INTERMEDIATE DISTRICT OR DISTRICT MAY INCLUDE: SCHOOL, CLASS, AND INDIVIDUAL PUPIL RECORDS; INDIVIDUAL TESTS (INCLUDING SUMMARY AND EVALUATION BY CREDENTIALLED SCHOOL PSYCHOLOGIST); GROUP TESTS; AND INTERVIEWS AND QUESTIONNAIRES (TEACHER, PARENT, AND OTHERS). THE RANGE OF DATA SHALL BE BROAD ENOUGH TO REVEAL GIFTS AND TALENTS ACROSS CULTURAL, ECONOMIC, AND LINGUISTIC GROUPS. EVIDENCE OF A PUPIL'S CAPABILITY MAY ALSO BE DERIVED FROM PUPIL PRODUCTS, COMMENTS FROM PEERS, AND OPINIONS OF PROFESSIONAL PERSONS. STUDIES OF THE FACTORS CONTRIBUTING TO A PUPIL'S UNDERACHIEVEMENT AND STUDIES OF A PUPIL'S UNDERACHIEVEMENT RESULTING FROM HANDICAPPING OR DISADVANTAGED CONDITIONS SHALL BE CONSIDERED. THE PERTINENT EVIDENCE SHALL REFLECT CONSIDERATION OF THE ECONOMIC, LINGUISTIC, AND CULTURAL CHARACTERISTICS OF THE PUPIL'S BACKGROUND.

(D) THE INTERMEDIATE SUPERINTENDENT, OR THE DISTRICT SUPERINTENDENT OR CHIEF ADMINISTRATIVE OFFICER, OR HIS OR HER DESIGNEE, SHALL MAKE THE FINAL DETERMINATION IDENTIFYING A PUPIL AS GIFTED AND TALENTED IN ACCORDANCE WITH PROCEDURES ADOPTED BY THE INTERMEDIATE DISTRICT. THIS INDIVIDUAL SHALL BASE THE DECISION UPON THE EVALUATION OF THE PERTINENT EVIDENCE BY THE SCHOOL PRINCIPAL OR A DESIGNEE OF THE SCHOOL PRINCIPAL, A CLASSROOM TEACHER FAMILIAR WITH THE SCHOOLWORK OF THE PUPIL, AND, WHEN APPROPRIATE, A CREDENTIALLED SCHOOL PSYCHOLOGIST. TO DETERMINE THE FULL RANGE OF A PUPIL'S CAPABILITY, AN INDIVIDUAL RECOGNIZED AS AN EXPERT IN THE GIFTED AND TALENTED CATEGORY UNDER CONSIDERATION, OR AN INDIVIDUAL WHO HAS IN-DEPTH UNDERSTANDING OF THE PUPIL'S LINGUISTIC OR CULTURAL GROUP, OR BOTH, SHALL PARTICIPATE IN THE EVALUATION OF THE EVIDENCE UNLESS THERE IS NO DOUBT THAT THE PUPIL IS GIFTED AND TALENTED. THESE INDIVIDUALS MAY REVIEW SCREENING, IDENTIFICATION, AND PLACEMENT DATA IN SERIAL ORDER IF THESE INDIVIDUALS MEET TO RESOLVE DIFFERENCES IN ASSESSMENT AND RECOMMENDATIONS. THIS SUBDIVISION DOES NOT PROHIBIT THE USE OF AN IDENTIFICATION COMMITTEE.

(3) NOT LATER THAN APRIL 1, 2017, EACH INTERMEDIATE DISTRICT SHALL PROVIDE TO THE DEPARTMENT, IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, A REPORT THAT DOES BOTH OF THE FOLLOWING:

(A) SUMMARIZES THE MEASURES THE INTERMEDIATE DISTRICT AND ITS DISTRICTS HAVE IMPLEMENTED TO IDENTIFY PUPILS WHO ARE GIFTED AND TALENTED, DETAILING THE METHOD OF IDENTIFICATION, AND SPECIFYING

THE NUMBER OF THOSE PUPILS ENROLLED IN EACH GRADE LEVEL IN DISTRICTS LOCATED WITHIN THE INTERMEDIATE DISTRICT.

(B) ESTIMATES, ON A PER-PUPIL BASIS, THE ADDED COSTS THAT WOULD BE INCURRED AT THE INTERMEDIATE DISTRICT AND DISTRICT LEVELS FOR PROVIDING FOR THE PUPILS IDENTIFIED AS BEING GIFTED AND TALENTED QUALITY GIFTED AND TALENTED EDUCATION PROGRAMS THAT MEET GUIDELINES ESTABLISHED BY THE NATIONAL ASSOCIATION FOR GIFTED CHILDREN.

(4) NOTWITHSTANDING SECTION 17B, PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

(5) IT IS THE INTENT OF THE LEGISLATURE TO ALLOCATE MONEY UNDER THIS ACT FOR 2017-2018 FOR THE IMPLEMENTATION OF PILOT GIFTED AND TALENTED EDUCATION PROGRAMS FOR THE 2017-2018 SCHOOL YEAR. THESE PILOT PROGRAMS MAY BE OPERATED AT THE DISTRICT OR INTERMEDIATE DISTRICT LEVEL AND SHALL BE REQUIRED TO MEET GUIDELINES ESTABLISHED BY THE NATIONAL ASSOCIATION FOR GIFTED CHILDREN.

(6) AS USED IN THIS SECTION, "GIFTED AND TALENTED" MEANS CHILDREN AND YOUTH WITH OUTSTANDING TALENT WHO PERFORM OR SHOW THE POTENTIAL FOR PERFORMING AT REMARKABLY HIGH LEVELS OF ACCOMPLISHMENT WHEN COMPARED WITH OTHERS OF THEIR AGE, EXPERIENCE, OR ENVIRONMENT; WHO EXHIBIT HIGH PERFORMANCE CAPABILITY IN 1 OR MORE INTELLECTUAL, CREATIVE, OR ARTISTIC AREAS, POSSESS AN UNUSUAL LEADERSHIP CAPACITY, OR EXCEL IN 1 OR MORE SPECIFIC ACADEMIC FIELDS; WHO REQUIRE SERVICES OR ACTIVITIES NOT ORDINARILY PROVIDED BY SCHOOLS; AND WHO MAY BE FOUND IN ALL CULTURAL GROUPS, ACROSS ALL ECONOMIC STRATA, AND IN ALL AREAS OF HUMAN ENDEAVOR.>>

8 Sec. 61a. (1) From the appropriation in section 11, there is
 9 allocated an amount not to exceed \$36,611,300.00 for ~~2015-2016~~
 10 ~~2016-2017~~ to reimburse on an added cost basis districts, except for
 11 a district that served as the fiscal agent for a vocational
 12 education consortium in the 1993-94 school year, and secondary area
 13 vocational-technical education centers for secondary-level career
 14 and technical education programs according to rules approved by the
 15 superintendent. Applications for participation in the programs
 16 shall be submitted in the form prescribed by the department. The
 17 department shall determine the added cost for each career and
 18 technical education program area. The allocation of added cost
 19 funds shall be prioritized based on the capital and program
 20 expenditures needed to operate the career and technical education
 21 programs provided; the number of pupils enrolled; the advancement
 22 of pupils through the instructional program; the existence of an
 23 articulation agreement with at least 1 postsecondary institution
 24 that provides pupils with opportunities to earn postsecondary
 25 credit during the pupil's participation in the career and technical
 26 education program and transfers those credits to the postsecondary
 27 institution upon completion of the career and technical education

1 program; **AND** the program rank in student placement, job openings,
2 and wages, ~~, and the length of the training period provided,~~ and
3 shall not exceed 75% of the added cost of any program.

4 Notwithstanding any rule or department determination to the
5 contrary, when determining a district's allocation or the formula
6 for making allocations under this section, the department shall
7 include the participation of pupils in grade 9 in all of those
8 determinations and in all portions of the formula. With the
9 approval of the department, the board of a district maintaining a
10 secondary career and technical education program may offer the
11 program for the period from the close of the school year until
12 September 1. The program shall use existing facilities and shall be
13 operated as prescribed by rules promulgated by the superintendent.

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

24 (3) A career and technical education program funded under this
25 section may provide an opportunity for participants who are
26 eligible to be funded under section 107 to enroll in the career and
27 technical education program funded under this section if the

1 participation does not occur during regular school hours.

2 Sec. 61b. (1) From the appropriation in section 11, there is
3 allocated an amount not to exceed \$10,000,000.00 for ~~2015-2016~~
4 **2016-2017** for CTE early/middle college programs authorized under
5 this section **AND FOR PROVIDING GRANTS TO SUPPORT THE PLANNING,**
6 **DEVELOPMENT, OR EXPANSION OF CTE EARLY/MIDDLE COLLEGE PROGRAMS.** The
7 purpose of these programs is to increase the number of Michigan
8 residents with high-quality degrees or credentials, and to increase
9 the number of students who are college and career ready upon high
10 school graduation.

11 (2) From the funds allocated under subsection (1), an amount
12 as determined under this ~~subsection~~**SECTION** shall be allocated to
13 each intermediate district serving as a fiscal agent for state-
14 approved CTE early/middle college programs in each of the
15 prosperity regions and subregions identified by the department. An
16 intermediate district shall not use more than 5% of the funds
17 allocated under this ~~subsection~~**SECTION** for administrative costs
18 for serving as the fiscal agent.

19 (3) To be an eligible fiscal agent **FOR A GRANT TO EXISTING CTE**
20 **EARLY MIDDLE/COLLEGE PROGRAMS,** an intermediate district must agree
21 to do all of the following in a form and manner determined by the
22 department:

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

26 (b) Collaborate with the talent district career council that
27 is located in the prosperity region or subregion to develop a

1 regional strategic plan under subsection ~~(4)~~-(5) that aligns CTE
2 programs and services into an efficient and effective delivery
3 system for high school students.

4 (c) Implement a regional process to rank career clusters in
5 the prosperity region or subregion as described under subsection
6 ~~(4)~~-(5). Regional processes shall be approved by the department
7 before the ranking of career clusters.

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

10 (4) TO BE AN ELIGIBLE FISCAL AGENT FOR A PLANNING,
11 DEVELOPMENT, OR EXPANSION GRANT FOR CTE EARLY MIDDLE/COLLEGE
12 PROGRAMS, AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE
13 DISTRICTS MUST AGREE TO DO ALL OF THE FOLLOWING IN A FORM AND
14 MANNER DETERMINED BY THE DEPARTMENT:

15 (A) COMPLETE AND SUBMIT A CTE EARLY/MIDDLE COLLEGE APPLICATION
16 THROUGH THE DEPARTMENT, INCLUDING THE MEMORANDUM OF UNDERSTANDING
17 UNDER SUBDIVISION (B) AND THE TOTAL POPULATION OF HIGH SCHOOL
18 STUDENTS AS MEASURED BY THE PUPIL MEMBERSHIP COUNT DAY FOR EACH
19 HIGH SCHOOL THAT IS FORMALLY PART OF THE CTE EARLY/MIDDLE COLLEGE
20 THAT IS BEING DEVELOPED OR EXPANDED.

21 (B) DEVELOP AND APPROVE AN ACCEPTABLE MEMORANDUM OF
22 UNDERSTANDING WITH A COMMUNITY COLLEGE OR OTHER INSTITUTION OF
23 HIGHER EDUCATION.

24 (C) ESTABLISH BUSINESS PARTNERSHIPS FOR EACH OF THE PROGRAMS
25 OF STUDY THAT ARE DEVELOPED OR EXPANDED.

26 (D) OBTAIN APPROVAL OF AN ACCEPTABLE CONSORTIUM AGREEMENT FROM
27 PARTICIPATING LOCAL SCHOOL DISTRICTS' BOARDS OF EDUCATION THAT

1 OFFICIALLY CREATES THE PROGRAM FOR THEIR HIGH SCHOOL STUDENTS FOR
2 THE 2017-2018 SCHOOL YEAR.

3 (E) NOT LATER THAN APRIL 1, 2017, ADVERTISE TO HIGH SCHOOL
4 STUDENTS AND THEIR PARENTS OR GUARDIANS THE CTE EARLY/MIDDLE
5 COLLEGE LEARNING OPPORTUNITY, AND PROVIDE PROOF OF THE
6 ADVERTISEMENT TO THE DEPARTMENT.

7 (F) IF THE FISCAL AGENT IS A CONSORTIUM, REQUIRE THE FISCAL
8 AGENT TO SERVE AS TECHNICAL SUPPORT FOR INTERMEDIATE DISTRICTS THAT
9 ARE WORKING WITH THEIR LOCAL DISTRICTS TO DEVELOP A CTE
10 EARLY/MIDDLE COLLEGE FOR STUDENTS.

11 (5) ~~(4)~~—A regional strategic plan must be approved by the
12 talent district career council before submission to the department.
13 A regional strategic plan shall include, but not be limited to, the
14 following:

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

1 years.

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

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

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

11 (6) ~~(5)~~—An eligible CTE early/middle college program is a 5-
12 year high school program that meets all of the following:

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

17 (b) Has a coherent sequence of courses that will allow a
18 student to earn a high school diploma and achieve at least 1 of the
19 following in a specific career cluster:

20 (i) An associate degree.

21 (ii) An industry-recognized technical certification approved
22 by the Michigan talent investment agency in the department of
23 talent and economic development.

24 (iii) Up to 60 transferable college credits.

25 (iv) Participation in a registered apprenticeship.

26 (c) Is aligned with the Michigan merit curriculum.

27 (d) Has an articulation agreement with at least 1

1 postsecondary institution that provides students with opportunities
2 to receive postsecondary credits during the student's participation
3 in the CTE early/middle college program and transfers those credits
4 to the postsecondary institution upon completion of the CTE
5 early/middle college program.

6 (e) Provides instruction that is supervised, directed, or
7 coordinated by an appropriately certificated CTE teacher or, for
8 concurrent enrollment courses, a postsecondary faculty member.

9 (f) Provides for highly integrated student support services
10 that include at least the following:

11 (i) Teachers as academic advisors.

12 (ii) Supervised course selection.

13 (iii) Monitoring of student progress and completion.

14 (iv) Career planning services provided by a local one-stop
15 service center as described in the Michigan works one-stop service
16 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
17 high school counselor or advisor.

18 (g) Has courses that are taught on a college campus, are
19 college courses offered at the high school and taught by college
20 faculty, or are courses taught in combination with online
21 instruction.

22 (7) ~~(6)~~ Funds to eligible **EXISTING** CTE early/middle college
23 programs shall be distributed as follows:

24 (a) The department shall calculate statewide average CTE costs
25 per ~~full-time-equated~~ pupil for each career cluster by dividing
26 total prior year statewide costs for each career cluster by prior
27 year ~~full-time-equated~~ pupils for each career cluster.

1 (b) Distribution to each eligible CTE early/middle college
2 program shall be the product of 50% of CTE costs per ~~full-time~~
3 ~~equated-pupil~~ times the current year ~~full-time-equated-pupil~~
4 enrollment of each career cluster in an eligible CTE early/middle
5 college program.

6 (8) FUNDS TO INTERMEDIATE DISTRICTS OR CONSORTIA OF
7 INTERMEDIATE DISTRICTS FOR PLANNING, DEVELOPMENT, OR EXPANSION
8 GRANTS SHALL BE MADE IN A FORM AND MANNER AS DETERMINED BY THE
9 DEPARTMENT. THE PER-PUPIL AMOUNT OF A PLANNING, DEVELOPMENT, OR
10 EXPANSION GRANT SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE TOTAL
11 ALLOCATION UNDER SUBSECTION (1) AND THE CALCULATED PAYMENTS TO
12 EXISTING PROGRAMS UNDER SUBSECTION (7), DIVIDED BY THE TOTAL NUMBER
13 OF PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE IN GRADES 9 TO
14 12 AS OF THE MOST RECENT PUPIL MEMBERSHIP COUNT DAY WHO WOULD BE
15 PART OF THE CTE EARLY/MIDDLE COLLEGE OPPORTUNITIES THAT ARE BEING
16 DEVELOPED OR EXPANDED. THE AMOUNT OF A GRANT TO AN INTERMEDIATE
17 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS UNDER THIS
18 SUBSECTION SHALL BE EQUAL TO THE PER-PUPIL AMOUNT CALCULATED UNDER
19 THIS SUBSECTION MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED AND IN
20 REGULAR DAILY ATTENDANCE IN GRADES 9 TO 12 AS OF THE MOST RECENT
21 PUPIL MEMBERSHIP COUNT DAY WITHIN THE INTERMEDIATE DISTRICT OR
22 CONSORTIUM OF INTERMEDIATE DISTRICTS FOR EACH HIGH SCHOOL THAT IS
23 PART OF A CTE EARLY/MIDDLE COLLEGE OPPORTUNITY THAT IS BEING
24 DEVELOPED OR EXPANDED. AT A MINIMUM, ELIGIBLE INTERMEDIATE
25 DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS RECEIVING FUNDING
26 FOR PLANNING, DEVELOPMENT, OR EXPANSION GRANTS UNDER THIS SECTION
27 SHALL ENSURE THE CTE EARLY/MIDDLE COLLEGE PROVIDES ALL OF THE

1 FOLLOWING:

2 (A) AN INDIVIDUALIZED EDUCATION PLAN FOR EACH PUPIL ENROLLED
3 IN THE PROGRAM.

4 (B) A CURRICULUM THAT INCLUDES ENTRY-LEVEL COLLEGE COURSES.

5 (C) INSTRUCTION IN MATHEMATICS, SCIENCE, AND LANGUAGE ARTS
6 THAT IS INTEGRATED, WHERE APPROPRIATE, INTO THE COURSES IN THE
7 APPROVED FIELD.

8 (9) FUNDING PROVIDED TO INTERMEDIATE DISTRICTS OR CONSORTIA OF
9 INTERMEDIATE DISTRICTS FOR PLANNING, DEVELOPMENT, OR EXPANSION
10 GRANTS SHALL BE FOR A PERIOD OF 4 CONSECUTIVE FISCAL YEARS. FOR THE
11 FIRST 2 FISCAL YEARS OF THE GRANT PERIOD, THE GRANT AMOUNT SHALL BE
12 100% OF THE AWARD DETERMINED BY THE DEPARTMENT. FOR EACH OF THE
13 REMAINING 2 FISCAL YEARS OF THE GRANT PERIOD, THE GRANT AMOUNT
14 SHALL BE AN AMOUNT EQUAL TO 50% OF THE RECIPIENT'S GRANT AMOUNT FOR
15 THE PREVIOUS FISCAL YEAR.

16 (10) ~~(7)~~—In order to receive funds under this section, a CTE
17 early/middle college program shall furnish to the intermediate
18 district that is the fiscal agent identified in subsection (1), in
19 a form and manner determined by the department, all information
20 needed to administer this program and meet federal reporting
21 requirements; shall allow the department or the department's
22 designee to review all records related to the program for which it
23 receives funds; and shall reimburse the state for all disallowances
24 found in the review, as determined by the department.

25 (11) ~~(8)~~—Funds distributed under this section may be used to
26 fund program expenditures that would otherwise be paid from
27 foundation allowances. **A PROGRAM RECEIVING FUNDING UNDER SECTION**

1 61A MAY RECEIVE FUNDING UNDER THIS SECTION FOR ALLOWABLE COSTS THAT
2 EXCEED THE REIMBURSEMENT THE PROGRAM RECEIVED UNDER SECTION 61A.
3 THE COMBINED PAYMENTS RECEIVED BY A PROGRAM UNDER SECTION 61A AND
4 THIS SECTION SHALL NOT EXCEED THE TOTAL ALLOWABLE COSTS OF THE
5 PROGRAM. A program provider shall not use more than 5% of the funds
6 allocated under this section to the program for administrative
7 costs.

8 (12) ~~(9)~~—If the allocation under subsection (1) is
9 insufficient to fully fund payments as otherwise calculated under
10 this section, the department shall prorate payments under this
11 section on an equal percentage basis.

12 (13) ~~(10)~~—If pupils enrolled in a career cluster in an
13 eligible CTE early/middle college program qualify to be reimbursed
14 under this section, those pupils continue to qualify for
15 reimbursement until graduation, even if the career cluster is no
16 longer identified as being in the highest 5 career cluster
17 rankings.

18 (14) ~~(11)~~—As used in this section:

19 (a) "Allowable costs" means those costs directly attributable
20 to the program as jointly determined by the Michigan talent
21 investment agency and the department.

22 (b) "CTE" means career and technical education.

23 (c) "Talent district career council" means an advisory council
24 to the local workforce development boards located in a prosperity
25 region consisting of educational, employer, labor, and parent
26 representatives.

27 **SEC. 61C. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**

1 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED
2 \$10,000,000.00 TO COOPERATING EDUCATIONAL POLICY DISTRICTS FOR THE
3 CTE SKILLED TRADES INITIATIVE UNDER THIS SECTION.

4 (2) TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, EACH
5 CEPD SHALL APPLY IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.
6 FUNDING TO EACH CEPD SHALL BE EQUAL TO THE QUOTIENT OF THE
7 ALLOCATION UNDER SUBSECTION (1) AND THE SUM OF THE NUMBER OF
8 COOPERATING EDUCATIONAL POLICY DISTRICTS APPLYING FOR FUNDING UNDER
9 THIS SECTION.

10 (3) THE FUNDING ALLOCATED TO EACH CEPD SHALL BE USED TO UPDATE
11 EQUIPMENT IN CURRENT CTE PROGRAMS THAT ARE SUPPORTING AND DRIVING
12 ECONOMIC DEVELOPMENT IN THEIR INDIVIDUAL COMMUNITIES, OR FOR NEW
13 AND EMERGING CERTIFIED CTE PROGRAMS TO ALLOW CEPD ADMINISTRATORS TO
14 PROVIDE PROGRAMMING IN COMMUNITIES THAT WILL ENHANCE ECONOMIC
15 DEVELOPMENT. THE FUNDING FOR EQUIPMENT SHOULD BE USED TO SUPPORT
16 AND ENHANCE COMMUNITY AREAS THAT HAVE SUSTAINED JOB GROWTH, AND ACT
17 AS A COMMITMENT TO BUILD A MORE QUALIFIED AND SKILLED WORKFORCE.

18 (4) THE ALLOCATION OF FUNDS AT THE LOCAL LEVEL SHALL BE
19 DETERMINED BY CEPD ADMINISTRATORS USING DATA FROM THE STATE,
20 REGION, AND LOCAL SOURCES TO MAKE WELL-INFORMED DECISIONS ON
21 PROGRAM EQUIPMENT IMPROVEMENTS. GRANTS AWARDED BY CEPD
22 ADMINISTRATORS FOR CAPITAL INFRASTRUCTURE SHALL BE USED TO ENSURE
23 THAT CTE PROGRAMS CAN DELIVER EDUCATIONAL PROGRAMS IN HIGH-WAGE,
24 HIGH-SKILL, AND HIGH-DEMAND OCCUPATIONS. EACH CEPD SHALL CONTINUE
25 TO ENSURE THAT PROGRAM ADVISORY BOARDS MAKE RECOMMENDATIONS ON
26 NEEDED IMPROVEMENTS FOR EQUIPMENT THAT SUPPORT JOB GROWTH AND JOB
27 SKILL DEVELOPMENT AND RETENTION FOR BOTH THE PRESENT AND THE

1 FUTURE.

2 (5) NOT LATER THAN SEPTEMBER 15 OF EACH FISCAL YEAR, EACH CEPD
3 RECEIVING FUNDING UNDER THIS SECTION SHALL ANNUALLY REPORT TO THE
4 DEPARTMENT, THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
5 STATE SCHOOL AID, AND THE SENATE AND HOUSE FISCAL AGENCIES AND
6 LEGISLATURE ON EQUIPMENT PURCHASED UNDER THIS SECTION. IN ADDITION,
7 THE REPORT SHALL IDENTIFY GROWTH DATA ON PROGRAM INVOLVEMENT,
8 RETENTION, AND DEVELOPMENT OF STUDENT SKILLS.

9 (6) AS USED IN THIS SECTION, "CEPD" MEANS A COOPERATING
10 EDUCATIONAL POLICY DISTRICT DESCRIBED IN THIS SECTION.

11 SEC. 61D. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER
12 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00
13 FOR A COMPETITIVE GRANT TO SUPPORT A PROGRAM THAT IS AN INNOVATIVE
14 RETENTION AND COMPLETION PROGRAM DESIGNED TO CREATE A SEAMLESS
15 EDUCATIONAL AND CAREER PATHWAY SUPPORT STRUCTURE FROM KINDERGARTEN
16 TO A COLLEGE CREDENTIAL THAT DOES AT LEAST ALL OF THE FOLLOWING:

17 (A) CREATES A PIPELINE FROM KINDERGARTEN TO COLLEGE.

18 (B) PROVIDES INTENSIVE COACHING AT ALL LEVELS OF K-12
19 EDUCATION TO FOSTER AN ENVIRONMENT THAT EDUCATES PUPILS ON THE
20 AVAILABILITY AND POSITIVE OUTCOMES FROM POSTSECONDARY EDUCATION.

21 (C) INTRODUCES CAREER CLUSTERS TO ELEMENTARY SCHOOL PUPILS,
22 INTRODUCES CAREER PATHWAYS TO MIDDLE SCHOOL PUPILS, AND DEVELOPS
23 STUDENT SUCCESS PLANS FOR HIGH SCHOOL PUPILS.

24 (D) PROVIDES FAMILY LITERACY SESSIONS.

25 (E) PROVIDES A SUMMER BRIDGE PROGRAM TO ENSURE SEAMLESS
26 TRANSITION FROM HIGH SCHOOL TO POSTSECONDARY EDUCATIONAL
27 OPPORTUNITIES.

1 (F) INTRODUCES K-12 PUPILS TO COLLEGE AND CAREER OPPORTUNITIES
2 AT POSTSECONDARY CAMPUSES AND BRIDGES THOSE PUPILS INTO THE
3 RESPECTIVE POSTSECONDARY INSTITUTIONS FOR COURSEWORK.

4 (G) CREATES A PARTNERSHIP BETWEEN AREA DISTRICTS, A COMMUNITY
5 COLLEGE, AND A PUBLIC UNIVERSITY TO SERVE PUPILS IN THE PROGRAM.

6 (H) SYNCHRONIZES FAMILIES AND PUPILS TO ASSESS AND UNDERSTAND
7 THEIR KNOWLEDGE OF HOW TO BE SUCCESSFUL IN SCHOOL AND WORK.

8 (2) FUNDS TO AN ELIGIBLE INNOVATIVE RETENTION AND COMPLETION
9 PROGRAM UNDER SUBSECTION (1) SHALL BE DISTRIBUTED BY THE DEPARTMENT
10 BASED ON A COMPETITIVE GRANT APPLICATION. AN INNOVATIVE RETENTION
11 AND COMPLETION PROGRAM SEEKING FUNDING UNDER THIS SUBSECTION SHALL
12 SUBMIT AN APPLICATION TO THE DEPARTMENT NOT LATER THAN JANUARY 1,
13 2017 IDENTIFYING PROGRAM PLANS, GOALS, AND A PROJECTED BUDGET, AND
14 THE DEPARTMENT SHALL AWARD THE GRANT FUNDING NOT LATER THAN
15 FEBRUARY 15, 2017. FUNDS ALLOCATED UNDER THIS SUBSECTION MAY BE
16 USED FOR SALARIES AND BENEFITS, SUPPLY AND PROGRAMMING COSTS, AND
17 GAP SCHOLARSHIPS. A PROGRAM RECEIVING FUNDING UNDER THIS SECTION
18 SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
19 SUBCOMMITTEES FOR SCHOOL AID, THE HOUSE AND SENATE FISCAL AGENCIES,
20 AND THE STATE BUDGET DIRECTOR NOT LATER THAN DECEMBER 1, 2017
21 INDICATING STUDENTS SERVED, GOALS ACCOMPLISHED, BARRIERS TO
22 SUCCESS, AND POTENTIAL NEXT STEPS AND OTHER ITEMS DETERMINED BY THE
23 GRANT RECIPIENT. A GRANT APPLICATION FROM A COMMUNITY DESIGNATED
24 WITH A WATER EMERGENCY SHALL BE GRANTED ADDITIONAL CONSIDERATION
25 UNDER THIS SECTION.

26 SEC. 61E. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN
27 SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO

1 EXCEED \$100,000.00 TO AN ELIGIBLE MICHIGAN-APPROVED 501(C)(3)
2 ORGANIZATION FOR THE PURPOSES OF THIS SECTION. THE DEPARTMENT SHALL
3 OVERSEE FUNDS DISTRIBUTED TO AN ELIGIBLE GRANTEE UNDER THIS
4 SECTION.

5 (2) AS USED IN THIS SECTION, "ELIGIBLE MICHIGAN-APPROVED
6 501(C)(3) ORGANIZATION" MEANS AN ORGANIZATION THAT IS EXEMPT FROM
7 TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF
8 1986, 26 USC 501, THAT PROVIDES CURRICULUM AND TRAINING TO STATE-
9 APPROVED CAREER AND TECHNOLOGY EDUCATION PROGRAMS WITH
10 CLASSIFICATION OF INSTRUCTIONAL PROGRAMS (CIP) CODES IN THE 12.05XX
11 CATEGORY, AND THAT ADMINISTERS NATIONAL CERTIFICATION FOR THE
12 PURPOSE OF RESTAURANT MANAGEMENT AND CULINARY ARTS FOR CAREER AND
13 PROFESSIONAL DEVELOPMENT.

14 Sec. 62. (1) For the purposes of this section:

15 (a) "Membership" means for a particular fiscal year the total
16 membership for the immediately preceding fiscal year of the
17 intermediate district and the districts constituent to the
18 intermediate district or the total membership for the immediately
19 preceding fiscal year of the area vocational-technical program.

20 (b) "Millage levied" means the millage levied for area
21 vocational-technical education pursuant to sections 681 to 690 of
22 the revised school code, MCL 380.681 to 380.690, including a levy
23 for debt service obligations incurred as the result of borrowing
24 for capital outlay projects and in meeting capital projects fund
25 requirements of area vocational-technical education.

26 (c) "Taxable value" means the total taxable value of the
27 districts constituent to an intermediate district or area

1 vocational-technical education program, except that if a district
2 has elected not to come under sections 681 to 690 of the revised
3 school code, MCL 380.681 to 380.690, the membership and taxable
4 value of that district shall not be included in the membership and
5 taxable value of the intermediate district. However, the membership
6 and taxable value of a district that has elected not to come under
7 sections 681 to 690 of the revised school code, MCL 380.681 to
8 380.690, shall be included in the membership and taxable value of
9 the intermediate district if the district meets both of the
10 following:

11 (i) The district operates the area vocational-technical
12 education program pursuant to a contract with the intermediate
13 district.

14 (ii) The district contributes an annual amount to the
15 operation of the program that is commensurate with the revenue that
16 would have been raised for operation of the program if millage were
17 levied in the district for the program under sections 681 to 690 of
18 the revised school code, MCL 380.681 to 380.690.

19 (2) From the appropriation in section 11, there is allocated
20 an amount not to exceed \$9,190,000.00 for ~~2015-2016~~ **2016-2017** to
21 reimburse intermediate districts and area vocational-technical
22 education programs established under section 690(3) of the revised
23 school code, MCL 380.690, levying millages for area vocational-
24 technical education pursuant to sections 681 to 690 of the revised
25 school code, MCL 380.681 to 380.690. The purpose, use, and
26 expenditure of the reimbursement shall be limited as if the funds
27 were generated by those millages.

1 (3) Reimbursement for the millages levied in ~~2014-2015-2015-~~
2 ~~2016~~ shall be made in ~~2015-2016-2016-2017~~ at an amount per ~~2014-~~
3 ~~2015-2015-2016~~ membership pupil computed by subtracting from
4 ~~\$189,400.00~~ **\$196,100.00** the ~~2014-2015-2015-2016~~ taxable value
5 behind each membership pupil and multiplying the resulting
6 difference by the ~~2014-2015-2015-2016~~ millage levied.

7 (4) The amount paid to a single intermediate district under
8 this section shall not exceed 38.4% of the total amount allocated
9 under subsection (2).

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

14 **SEC. 63. FROM THE APPROPRIATION UNDER SECTION 11, THERE IS**
15 **ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$500,000.00 FOR A**
16 **PAYMENT TO AN INTERMEDIATE DISTRICT THAT IS PARTICIPATING IN A**
17 **JOINT CAPITAL PROJECT WITH A LOCAL HEALTH DEPARTMENT IN WHICH THE**
18 **HEALTH DEPARTMENT IS CONSTRUCTING A NEW BUILDING ON THE**
19 **INTERMEDIATE DISTRICT'S PROPERTY THAT WILL HAVE AN ENCLOSED HALLWAY**
20 **TO CONNECT WITH A CAREER AND TECHNICAL EDUCATION CENTER. THIS**
21 **ALLOCATION IS TO SUPPORT THE COSTS INCURRED BY THE INTERMEDIATE**
22 **DISTRICT DUE TO THIS PROJECT.**

23 Sec. 64b. (1) From the appropriation in section 11, there is
24 allocated an amount not to exceed \$1,750,000.00 for ~~2015-2016-2016-~~
25 **2017** for supplemental payments to districts that support the
26 attendance of district pupils in grades 9 to 12 under the
27 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to

1 388.524, or under the career and technical preparation act, 2000 PA
2 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that
3 support the attendance of district pupils in a concurrent
4 enrollment program if the district meets the requirements under
5 subsection (3). Programs funded under this section are intended to
6 increase the number of pupils who are college- and career-ready
7 upon high school graduation.

8 (2) To be eligible for payments under this section for
9 supporting the attendance of district pupils under the
10 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
11 388.524, or under the career and technical preparation act, 2000 PA
12 258, MCL 388.1901 to 388.1913, a district shall do all of the
13 following:

14 (a) Provide information to all high school pupils on
15 postsecondary enrollment options, including enrollment eligibility,
16 the institutions and types of courses that are eligible for
17 participation, the decision-making process for granting academic
18 credit, and an explanation of eligible charges that will be paid by
19 the district.

20 (b) Enter into a written agreement with a postsecondary
21 institution before the enrollment of district pupils.

22 (c) Agree to pay all eligible charges pursuant to section 21b.

23 (d) Award high school credit for the postsecondary course if
24 the pupil successfully completes the course.

25 (3) To be eligible for payments under this section for pupils
26 enrolled in a concurrent enrollment program, a district shall do
27 all of the following:

1 (a) Provide information to all high school pupils on
2 postsecondary enrollment options, including enrollment eligibility,
3 the institutions and types of courses that are eligible for
4 participation, the decision-making process for granting academic
5 credit, and an explanation of eligible charges that will be paid by
6 the district.

7 (b) Enter into a written agreement with a postsecondary
8 institution establishing the concurrent enrollment program before
9 the enrollment of district pupils in a postsecondary course through
10 the postsecondary institution.

11 (c) Ensure that the course is taught by either a high school
12 teacher or postsecondary faculty pursuant to standards established
13 by the postsecondary institution with which the district has
14 entered into a written agreement to operate the concurrent
15 enrollment program.

16 (d) Ensure that the written agreement provides that the
17 postsecondary institution agrees not to charge the pupil for any
18 cost of the program.

19 (e) Ensure that the course is taught in the local district or
20 intermediate district.

21 (f) Ensure that the pupil is awarded both high school and
22 college credit at ~~any~~**A** community college or state public
23 university in this state upon successful completion of the course
24 as outlined in the agreement with the postsecondary institution.

25 (4) Funds shall be awarded to eligible districts under this
26 section in the following manner:

27 (a) A payment of \$10.00 per credit, for up to 3 credits, for a

1 credit-bearing course in which a pupil enrolls during the ~~2015-2016~~
2 ~~2016-2017~~ school year as described under either subsection (2) or
3 (3).

4 (b) An additional payment of \$30.00 per-pupil per course
5 identified in subdivision (a), if the pupil successfully completes,
6 and is awarded both high school and postsecondary credit for, the
7 course during the ~~2015-2016-2016-2017~~ school year.

8 (5) A district requesting payment under this section shall
9 submit an application to the department in the form and manner
10 prescribed by the department. Notwithstanding section 17b, payments
11 under this section shall be made on a schedule determined by the
12 department.

13 Sec. 65. (1) From the general fund money appropriated under
14 section 11, there is allocated an amount not to exceed \$340,000.00
15 for ~~2015-2016-2016-2017~~ for a pre-college engineering K-12
16 educational program that is focused on the development of a diverse
17 future Michigan workforce, that serves multiple communities within
18 southeast Michigan, that enrolls pupils from multiple districts,
19 and that received funds appropriated for this purpose in the
20 appropriations act that provided the Michigan strategic fund budget
21 for 2014-2015.

22 (2) To be eligible for funding under this section, a program
23 must have the ability to expose pupils to, and motivate and prepare
24 pupils for, science, technology, engineering, and mathematics
25 careers and postsecondary education with special attention given to
26 groups of pupils who are at-risk and underrepresented in technical
27 professions and careers.

1 Sec. 67. (1) From the general fund amount appropriated in
2 section 11, there is allocated an amount not to exceed
3 ~~\$3,600,000.00 for 2015-2016~~ **\$3,050,000.00 FOR 2016-2017** for college
4 and career preparation activities. The programs funded under this
5 section are intended to inform students of college and career
6 options and to provide a wide array of tools and resources intended
7 to increase the number of pupils who are adequately prepared with
8 the information needed to make informed decisions on college and
9 career. The funds appropriated under this section are intended to
10 be used to increase the number of Michigan residents with high-
11 quality degrees or credentials. Funds appropriated under this
12 section shall not be used to supplant funding for counselors
13 already funded by districts.

14 (2) From the amount allocated in subsection (1), an amount not
15 to exceed \$3,000,000.00 shall be used for the college access
16 program. The talent investment agency of the department of talent
17 and economic development shall administer these funds in
18 collaboration with the Michigan college access network. These funds
19 may be used for any of the following purposes:

20 (a) Michigan college access network operations, programming,
21 and services to local college access networks.

22 (b) Local college access networks, which are community-based
23 college access/success partnerships committed to increasing the
24 college participation and completion rates within geographically
25 defined communities through a coordinated strategy.

26 (c) The Michigan college advising program, a program intended
27 to place trained, recently graduated college advisors in high

1 schools that serve significant numbers of low-income and first-
2 generation college-going pupils. State funds used for this purpose
3 may not exceed 33% of the total funds available under this
4 subsection.

5 (d) Subgrants of up to \$5,000.00 to districts with
6 comprehensive high schools that establish a college access team and
7 implement specific strategies to create a college-going culture in
8 a high school in a form and manner approved by the Michigan college
9 access network and the Michigan talent investment agency.

10 (e) The Michigan college access portal, an online one-stop
11 portal to help pupils and families plan and apply for college.

12 (f) Public awareness and outreach campaigns to encourage low-
13 income and first-generation college-going pupils to take necessary
14 steps toward college and to assist pupils and families in
15 completing a timely and accurate free application for federal
16 student aid.

17 (g) Subgrants to postsecondary institutions to recruit, hire,
18 and train college student mentors and college advisors to assist
19 high school pupils in navigating the postsecondary planning and
20 enrollment process.

21 (3) From the amount allocated in subsection (1), an amount not
22 to exceed ~~\$600,000.00~~ **\$50,000.00** shall be used for ~~the purposes of~~
23 ~~this subsection. The talent investment agency of the department of~~
24 ~~talent and economic development shall administer these funds in~~
25 ~~collaboration with the Michigan college access network and the~~
26 ~~Michigan Virtual University to provide all of the following:~~

27 ~~— (a) A pilot **AN** outreach program to provide information to~~

1 pupils, parents, and educators on dual enrollment and other
2 opportunities available to high school pupils to earn postsecondary
3 credits, industry-recognized technical certifications, and
4 participation in registered apprenticeships at no cost.

5 ~~—— (b) An online career planning tool that meets all of the~~
6 ~~following:~~

7 ~~—— (i) Helps pupils create educational development plans before~~
8 ~~starting high school.~~

9 ~~—— (ii) Provides information to pupils allowing them to make more~~
10 ~~informed choices about career and education options.~~

11 ~~—— (iii) Is available to pupils at no cost.~~

12 (4) For the purposes of this section, "college" means any
13 postsecondary educational opportunity that leads to a career,
14 including, but not limited to, a postsecondary degree, industry-
15 recognized technical certification, or registered apprenticeship.

16 Sec. 74. (1) From the amount appropriated in section 11, there
17 is allocated an amount not to exceed ~~\$3,315,700.00 for 2015-2016~~
18 **\$3,320,600.00 FOR 2016-2017** for the purposes of this section.

19 (2) From the allocation in subsection (1), there is allocated
20 for each fiscal year the amount necessary for payments to state
21 supported colleges or universities and intermediate districts
22 providing school bus driver safety instruction pursuant to section
23 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
24 payments shall be in an amount determined by the department not to
25 exceed the actual cost of instruction and driver compensation for
26 each public or nonpublic school bus driver attending a course of
27 instruction. For the purpose of computing compensation, the hourly

1 rate allowed each school bus driver shall not exceed the hourly
2 rate received for driving a school bus. Reimbursement compensating
3 the driver during the course of instruction shall be made by the
4 department to the college or university or intermediate district
5 providing the course of instruction.

6 (3) From the allocation in subsection (1), there is allocated
7 for ~~2015-2016-2016-2017~~ the amount necessary to pay the reasonable
8 costs of nonspecial education auxiliary services transportation
9 provided pursuant to section 1323 of the revised school code, MCL
10 380.1323. Districts funded under this subsection shall not receive
11 funding under any other section of this article for nonspecial
12 education auxiliary services transportation.

13 (4) From the funds allocated in subsection (1), there is
14 allocated an amount not to exceed ~~\$1,690,700.00 for 2015-2016~~
15 **\$1,695,600.00 FOR 2016-2017** for reimbursement to districts and
16 intermediate districts for costs associated with the inspection of
17 school buses and pupil transportation vehicles by the department of
18 state police as required under section 715a of the Michigan vehicle
19 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
20 transportation act, 1990 PA 187, MCL 257.1839. The department of
21 state police shall prepare a statement of costs attributable to
22 each district for which bus inspections are provided and submit it
23 to the department and to an intermediate district serving as
24 fiduciary in a time and manner determined jointly by the department
25 and the department of state police. Upon review and approval of the
26 statement of cost, the department shall forward to the designated
27 intermediate district serving as fiduciary the amount of the

1 reimbursement on behalf of each district and intermediate district
2 for costs detailed on the statement within 45 days after receipt of
3 the statement. The designated intermediate district shall make
4 payment in the amount specified on the statement to the department
5 of state police within 45 days after receipt of the statement. The
6 total reimbursement of costs under this subsection shall not exceed
7 the amount allocated under this subsection. Notwithstanding section
8 17b, payments to eligible entities under this subsection shall be
9 paid on a schedule prescribed by the department.

10 Sec. 81. (1) From the appropriation in section 11, there is
11 allocated for ~~2015-2016-2016-2017~~ to the intermediate districts the
12 sum necessary, but not to exceed ~~\$67,108,000.00~~ **\$68,182,000.00** to
13 provide state aid to intermediate districts under this section.

14 (2) From the allocation in subsection (1), there is allocated
15 for ~~2015-2016-2016-2017~~ an amount not to exceed ~~\$67,108,000.00~~
16 **\$68,182,000.00** for allocations to each intermediate district in an
17 amount equal to ~~103.1%~~ **101.6%** of the amount allocated to the
18 intermediate district under this subsection for ~~2014-2015.~~ **2015-**
19 **2016**. Funding provided under this section shall be used to comply
20 with requirements of this article and the revised school code that
21 are applicable to intermediate districts, and for which funding is
22 not provided elsewhere in this article, and to provide technical
23 assistance to districts as authorized by the intermediate school
24 board.

25 (3) Intermediate districts receiving funds under subsection
26 (2) shall collaborate with the department to develop expanded
27 professional development opportunities for teachers to update and

1 expand their knowledge and skills needed to support the Michigan
2 merit curriculum.

3 (4) From the allocation in subsection (1), there is allocated
4 to an intermediate district, formed by the consolidation or
5 annexation of 2 or more intermediate districts or the attachment of
6 a total intermediate district to another intermediate school
7 district or the annexation of all of the constituent K-12 districts
8 of a previously existing intermediate school district which has
9 disorganized, an additional allotment of \$3,500.00 each fiscal year
10 for each intermediate district included in the new intermediate
11 district for 3 years following consolidation, annexation, or
12 attachment.

13 (5) In order to receive funding under subsection (2), an
14 intermediate district shall do all of the following:

15 (a) Demonstrate to the satisfaction of the department that the
16 intermediate district employs at least 1 person who is trained in
17 pupil accounting and auditing procedures, rules, and regulations.

18 (b) Demonstrate to the satisfaction of the department that the
19 intermediate district employs at least 1 person who is trained in
20 rules, regulations, and district reporting procedures for the
21 individual-level student data that serves as the basis for the
22 calculation of the district and high school graduation and dropout
23 rates.

24 (c) Comply with sections 1278a and 1278b of the revised school
25 code, MCL 380.1278a and 380.1278b.

26 (d) Furnish data and other information required by state and
27 federal law to the center and the department in the form and manner

1 specified by the center or the department, as applicable.

2 (e) Comply with section 1230g of the revised school code, MCL
3 380.1230g.

4 (f) Comply with section 761 of the revised school code, MCL
5 380.761.

6 Sec. 94. (1) From the general fund appropriation in section
7 11, there is allocated to the department for ~~2015-2016~~**2016-2017** an
8 amount not to exceed \$250,000.00 for efforts to increase the number
9 of pupils who participate and succeed in advanced placement and
10 international baccalaureate programs.

11 (2) From the funds allocated under this section, the
12 department shall award funds to cover all or part of the costs of
13 advanced placement test fees or international baccalaureate test
14 fees **AND INTERNATIONAL BACCALAUREATE REGISTRATION FEES** for low-
15 income pupils who take an advanced placement or an international
16 baccalaureate test. Payments shall not exceed \$20.00 per test
17 completed **OR \$150.00 PER INTERNATIONAL BACCALAUREATE REGISTRATION**
18 **FEES PER PUPIL REGISTERED.**

19 (3) The department shall only award funds under this section
20 if the department determines that all of the following criteria are
21 met:

22 (a) Each pupil for whom payment is made meets eligibility
23 requirements of the federal advanced placement test fee program
24 under section 1701 of the no child left behind act of 2001, Public
25 Law 107-110, **OR UNDER A CORRESPONDING PROVISION OF THE EVERY**
26 **STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95.**

27 (b) The tests are administered by the college board, the

1 international baccalaureate organization, or another test provider
2 approved by the department.

3 (c) The pupil for whom payment is made pays at least \$5.00
4 toward the cost of each test for which payment is made.

5 (4) The department shall establish procedures for awarding
6 funds under this section.

7 (5) Notwithstanding section 17b, payments under this section
8 shall be made on a schedule determined by the department.

9 Sec. 94a. (1) There is created within the state budget office
10 in the department of technology, management, and budget the center
11 for educational performance and information. The center shall do
12 all of the following:

13 (a) Coordinate the collection of all data required by state
14 and federal law from districts, intermediate districts, and
15 postsecondary institutions.

16 (b) Create, maintain, and enhance this state's P-20
17 longitudinal data system and ensure that it meets the requirements
18 of subsection (4).

19 (c) Collect data in the most efficient manner possible in
20 order to reduce the administrative burden on reporting entities,
21 including, but not limited to, electronic transcript services.

22 (d) Create, maintain, and enhance this state's web-based
23 educational portal to provide information to school leaders,
24 teachers, researchers, and the public in compliance with all
25 federal and state privacy laws. Data shall include, but are not
26 limited to, all of the following:

27 (i) Data sets that link teachers to student information,

1 allowing districts to assess individual teacher impact on student
2 performance and consider student growth factors in teacher and
3 principal evaluation systems.

4 (ii) Data access or, if practical, data sets, provided for
5 regional data warehouses that, in combination with local data, can
6 improve teaching and learning in the classroom.

7 (iii) Research-ready data sets for researchers to perform
8 research that advances this state's educational performance.

9 (e) Provide data in a useful manner to allow state and local
10 policymakers to make informed policy decisions.

11 (f) Provide public reports to the citizens of this state to
12 allow them to assess allocation of resources and the return on
13 their investment in the education system of this state.

14 (g) Other functions as assigned by the state budget director.

15 (2) Each state department, officer, or agency that collects
16 information from districts, intermediate districts, or
17 postsecondary institutions as required under state or federal law
18 shall make arrangements with the center to ensure that the state
19 department, officer, or agency is in compliance with subsection
20 (1). This subsection does not apply to information collected by the
21 department of treasury under the uniform budgeting and accounting
22 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
23 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
24 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
25 388.1939; or section 1351a of the revised school code, MCL
26 380.1351a.

27 (3) The center may enter into any interlocal agreements

1 necessary to fulfill its functions.

2 (4) The center shall ensure that the P-20 longitudinal data
3 system required under subsection (1)(b) meets all of the following:

4 (a) Includes data at the individual student level from
5 preschool through postsecondary education and into the workforce.

6 (b) Supports interoperability by using standard data
7 structures, data formats, and data definitions to ensure linkage
8 and connectivity in a manner that facilitates the exchange of data
9 among agencies and institutions within the state and between
10 states.

11 (c) Enables the matching of individual teacher and student
12 records so that an individual student may be matched with those
13 teachers providing instruction to that student.

14 (d) Enables the matching of individual teachers with
15 information about their certification and the institutions that
16 prepared and recommended those teachers for state certification.

17 (e) Enables data to be easily generated for continuous
18 improvement and decision-making, including timely reporting to
19 parents, teachers, and school leaders on student achievement.

20 (f) Ensures the reasonable quality, validity, and reliability
21 of data contained in the system.

22 (g) Provides this state with the ability to meet federal and
23 state reporting requirements.

24 (h) For data elements related to preschool through grade 12
25 and postsecondary, meets all of the following:

26 (i) Contains a unique statewide student identifier that does
27 not permit a student to be individually identified by users of the

1 system, except as allowed by federal and state law.

2 (ii) Contains student-level enrollment, demographic, and
3 program participation information.

4 (iii) Contains student-level information about the points at
5 which students exit, transfer in, transfer out, drop out, or
6 complete education programs.

7 (iv) Has the capacity to communicate with higher education
8 data systems.

9 (i) For data elements related to preschool through grade 12
10 only, meets all of the following:

11 (i) Contains yearly test records of individual students for
12 assessments approved by DED-OESE for accountability purposes under
13 section 1111(b) of the elementary and secondary education act of
14 1965, 20 USC 6311, including information on individual students not
15 tested, by grade and subject.

16 (ii) Contains student-level transcript information, including
17 information on courses completed and grades earned.

18 (iii) Contains student-level college readiness test scores.

19 (j) For data elements related to postsecondary education only:

20 (i) Contains data that provide information regarding the
21 extent to which individual students transition successfully from
22 secondary school to postsecondary education, including, but not
23 limited to, all of the following:

24 (A) Enrollment in remedial coursework.

25 (B) Completion of 1 year's worth of college credit applicable
26 to a degree within 2 years of enrollment.

27 (ii) Contains data that provide other information determined

1 necessary to address alignment and adequate preparation for success
2 in postsecondary education.

3 (5) From the general fund appropriation in section 11, there
4 is allocated an amount not to exceed ~~\$11,967,000.00 for 2015-2016~~
5 **\$12,173,200.00 FOR 2016-2017** to the department of technology,
6 management, and budget to support the operations of the center. In
7 addition, from the federal funds appropriated in section 11 there
8 is allocated for ~~2015-2016-2016-2017~~ the amount necessary,
9 estimated at \$193,500.00, to support the operations of the center
10 and to establish a P-20 longitudinal data system necessary for
11 state and federal reporting purposes. The center shall cooperate
12 with the department to ensure that this state is in compliance with
13 federal law and is maximizing opportunities for increased federal
14 funding to improve education in this state.

15 (6) From the funds allocated in subsection (5), the center may
16 use an amount determined by the center for competitive grants for
17 ~~2015-2016-2016-2017~~ to support collaborative efforts on the P-20
18 longitudinal data system. All of the following apply to grants
19 awarded under this subsection:

20 (a) The center shall award competitive grants to eligible
21 intermediate districts or a consortium of intermediate districts
22 based on criteria established by the center.

23 (b) Activities funded under the grant shall support the P-20
24 longitudinal data system portal and may include portal hosting,
25 hardware and software acquisition, maintenance, enhancements, user
26 support and related materials, and professional learning tools and
27 activities aimed at improving the utility of the P-20 longitudinal

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1 data system.

2 (c) An applicant that received a grant under this subsection
3 for the immediately preceding fiscal year shall receive priority
4 for funding under this section. However, after 3 fiscal years of
5 continuous funding, an applicant is required to compete openly with
6 new applicants.

7 (7) Funds allocated under this section that are not expended
8 in the fiscal year in which they were allocated may be carried
9 forward to a subsequent fiscal year and are appropriated for the
10 purposes for which the funds were originally allocated.

11 (8) The center may bill departments as necessary in order to
12 fulfill reporting requirements of state and federal law. The center
13 may also enter into agreements to supply custom data, analysis, and
14 reporting to other principal executive departments, state agencies,
15 local units of government, and other individuals and organizations.
16 The center may receive and expend funds in addition to those
17 authorized in subsection (5) to cover the costs associated with
18 salaries, benefits, supplies, materials, and equipment necessary to
19 provide such data, analysis, and reporting services.

20 (9) As used in this section:

21 (a) "DED-OESE" means the United States Department of Education
22 Office of Elementary and Secondary Education.

23 (b) "State education agency" means the department.

~~<<Sec. 95a. (1) The educator evaluation reserve fund is
created as a separate account within the state school aid fund.~~

~~————(2) The state treasurer may receive money or other assets from
any source for deposit into the educator evaluation reserve fund.
The state treasurer shall direct the investment of the educator
evaluation reserve fund. The state treasurer shall credit to the
educator evaluation reserve fund interest and earnings from the
educator evaluation reserve fund.~~

~~(2) (3) Money in the educator evaluation reserve fund at the
close of the fiscal year shall remain in the educator evaluation
reserve fund and shall not lapse to the state school aid fund. or
to the general fund. The department of treasury shall be the
administrator of the educator evaluation reserve fund for auditing
purposes.~~

~~(3) (4) From the appropriations in section 11, there is
allocated to the educator evaluation reserve fund for 2014-2015
2016-2017 an amount not to exceed \$12,100,000.00 from the state
school aid fund and an amount not to exceed \$2,700,000.00 from the
general fund. Subject to subsections (5) and (6), the \$100.00. THE
department shall expend the money in the educator evaluation
reserve fund for implementing evaluation systems for public school
teachers and school administrators. PROGRAMS FUNDED UNDER THIS
SECTION ARE INTENDED TO IMPROVE TEACHER QUALITY, RESULTING IN AN
INCREASE IN THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY
UPON HIGH SCHOOL GRADUATION.~~

~~————(5) Funds in the educator evaluation reserve fund shall not be
expended unless the state budget office has approved the
department's spending plan.>>~~

24 Sec. 98. (1) From the general fund money appropriated in

25 section 11, there is allocated an amount not to exceed

26 ~~\$7,387,500.00 for 2015-2016~~ \$7,000,000.00 FOR 2016-2017 for the

27 purposes described in this section. **THE MICHIGAN VIRTUAL UNIVERSITY**

1 SHALL PROVIDE A REPORT TO THE LEGISLATURE NOT LATER THAN NOVEMBER
2 1, 2016 THAT INCLUDES ITS MISSION, ITS PLANS, AND PROPOSED
3 BENCHMARKS IT MUST MEET, WHICH SHALL INCLUDE A PLAN TO ACHIEVE A
4 50% INCREASE IN DOCUMENTED IMPROVEMENT IN EACH REQUIREMENT OF THE
5 MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE AND MICHIGAN VIRTUAL
6 SCHOOL, AND ALL OTHER ORGANIZATIONAL PRIORITIES IDENTIFIED IN THIS
7 SECTION, IN ORDER TO RECEIVE FULL FUNDING FOR 2017-2018. NOT LATER
8 THAN MARCH 1, 2017, THE MICHIGAN VIRTUAL UNIVERSITY SHALL PROVIDE
9 AN UPDATE TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON
10 SCHOOL AID TO SHOW THE PROGRESS BEING MADE TO MEET THE BENCHMARKS
11 IDENTIFIED.

12 (2) The Michigan Virtual University shall operate the Michigan
13 Virtual Learning Research Institute. The Michigan Virtual Learning
14 Research Institute shall do all of the following:

15 (a) Support and accelerate innovation in education through the
16 following activities:

17 (i) Test, evaluate, and recommend as appropriate new
18 technology-based instructional tools and resources.

19 (ii) Research, design, and recommend ~~digital~~-**VIRTUAL** education
20 delivery models for use by pupils and teachers that include age-
21 appropriate multimedia instructional content.

22 (iii) Research, develop, and recommend annually to the
23 department criteria by which cyber schools and ~~online~~-**VIRTUAL**
24 course providers should be monitored and evaluated to ensure a
25 quality education for their pupils.

26 (iv) Based on pupil completion and performance data reported
27 to the department or the center for educational performance and

1 information from cyber schools and other ~~online~~-**VIRTUAL** course
2 providers operating in this state, analyze the effectiveness of
3 ~~online~~-**VIRTUAL** learning delivery models in preparing pupils to be
4 college- and career-ready and publish a report that highlights
5 enrollment totals, completion rates, and the overall impact on
6 pupils. The report shall be submitted to the house and senate
7 appropriations subcommittees on state school aid, the state budget
8 director, the house and senate fiscal agencies, and the department
9 not later than March 31, ~~2016~~-**2017**.

10 (v) Before August 31, ~~2016~~-**2017**, provide an extensive
11 professional development program to at least ~~500~~-**30,000** educational
12 personnel, including teachers, school administrators, and school
13 board members, that focuses on the effective integration of ~~digital~~
14 **VIRTUAL** learning into curricula and instruction. **THE MICHIGAN**
15 **VIRTUAL LEARNING INSTITUTE SHALL WORK WITH THE NETWORK OF EXISTING**
16 **MATHEMATICS AND SCIENCE CENTERS TO COORDINATE PROFESSIONAL**
17 **DEVELOPMENT OF TEACHERS IN APPLICABLE FIELDS**. Not later than
18 December 1, ~~2016~~-**2017**, the Michigan Virtual Learning Research
19 Institute shall submit a report to the house and senate
20 appropriations subcommittees on state school aid, the state budget
21 director, the house and senate fiscal agencies, and the department
22 on the number and percentage of teachers, school administrators,
23 and school board members who have received professional development
24 services from the Michigan Virtual University. The report shall
25 also identify barriers and other opportunities to encourage the
26 adoption of ~~digital~~-**VIRTUAL** learning in the public education
27 system.

1 (vi) Identify and share best practices for planning,
2 implementing, and evaluating ~~online-VIRTUAL~~ and blended education
3 delivery models with intermediate districts, districts, and public
4 school academies to accelerate the adoption of innovative education
5 delivery models statewide.

6 (b) Provide leadership for this state's system of ~~digital~~
7 **VIRTUAL** learning education by doing the following activities:

8 (i) Develop and report policy recommendations to the governor
9 and the legislature that accelerate the expansion of effective
10 ~~online-VIRTUAL~~ learning in this state's schools.

11 (ii) Provide a clearinghouse for research reports, academic
12 studies, evaluations, and other information related to ~~online~~
13 **VIRTUAL** learning.

14 (iii) Promote and distribute the most current instructional
15 design standards and guidelines for ~~online-VIRTUAL~~ teaching.

16 (iv) In collaboration with the department and interested
17 colleges and universities in this state, support implementation and
18 improvements related to effective ~~digital-VIRTUAL~~ learning
19 instruction.

20 (v) Pursue public/private partnerships that include districts
21 to study and implement competency-based technology-rich ~~online~~
22 **VIRTUAL** learning models.

23 (vi) Create a statewide network of school-based mentors
24 serving as liaisons between pupils, ~~online-VIRTUAL~~ instructors,
25 parents, and school staff and provide mentors with research-based
26 training and technical assistance designed to help more pupils be
27 successful ~~online-VIRTUAL~~ learners.

1 (vii) Convene focus groups and conduct annual surveys of
2 teachers, administrators, pupils, parents, and others to identify
3 barriers and opportunities related to ~~online~~-**VIRTUAL** learning.

4 (viii) Produce an annual consumer awareness report for schools
5 and parents about effective ~~online~~-**VIRTUAL** education providers and
6 education delivery models, performance data, cost structures, and
7 research trends.

8 (ix) Research and establish an Internet-based platform that
9 educators can use to create student-centric learning tools and
10 resources and facilitate a user network that assists educators in
11 using the platform. As part of this initiative, the Michigan
12 Virtual University shall work collaboratively with districts and
13 intermediate districts to establish a plan to make available ~~online~~
14 **VIRTUAL** resources that align to Michigan's K-12 curriculum
15 standards for use by students, educators, and parents.

16 (x) Create and maintain a public statewide catalog of ~~online~~
17 **VIRTUAL** learning courses being offered by all public schools and
18 community colleges in this state. The Michigan Virtual Learning
19 Research Institute shall identify and develop a list of nationally
20 recognized best practices for ~~online~~-**VIRTUAL** learning and use this
21 list to support reviews of ~~online~~-**VIRTUAL** course vendors, courses,
22 and instructional practices. The Michigan Virtual Learning Research
23 Institute shall also provide a mechanism for intermediate districts
24 to use the identified best practices to review content offered by
25 constituent districts. The Michigan Virtual Learning Research
26 Institute shall review the ~~online~~-**VIRTUAL** course offerings of the
27 Michigan Virtual University, and make the results from these

1 reviews available to the public as part of the statewide catalog.
2 The Michigan Virtual Learning Research Institute shall ensure that
3 the statewide catalog is made available to the public on the
4 Michigan Virtual University website and shall allow the ability to
5 link it to each district's website as provided for in section 21f.
6 The statewide catalog shall also contain all of the following:

7 (A) The number of enrollments in each ~~online-VIRTUAL~~ course in
8 the immediately preceding school year.

9 (B) The number of enrollments that earned 60% or more of the
10 total course points for each ~~online-VIRTUAL~~ course in the
11 immediately preceding school year.

12 (C) The completion rate for each ~~online-VIRTUAL~~ course.

13 (xi) Develop prototype and pilot registration, payment
14 services, and transcript functionality to the statewide catalog and
15 train key stakeholders on how to use new features.

16 (xii) Collaborate with key stakeholders to examine district
17 level accountability and teacher effectiveness issues related to
18 ~~online-VIRTUAL~~ learning under section 21f and make findings and
19 recommendations publicly available.

20 (3) To further enhance its expertise and leadership in ~~digital~~
21 **VIRTUAL** learning, the Michigan Virtual University shall continue to
22 operate the Michigan Virtual School as a statewide laboratory and
23 quality model of instruction by implementing ~~online-VIRTUAL~~ and
24 blended learning solutions for Michigan schools in accordance with
25 the following parameters:

26 (a) The Michigan Virtual School must maintain its
27 accreditation status from recognized national and international

1 accrediting entities.

2 (b) The Michigan Virtual University shall use no more than
3 \$1,000,000.00 of the amount allocated under this section to
4 subsidize the cost paid by districts for ~~online~~-**VIRTUAL** courses.

5 (c) In providing educators responsible for the teaching of
6 ~~online~~-**VIRTUAL** courses as provided for in this section, the
7 Michigan Virtual School shall follow the requirements to request
8 and assess, and the department of state police shall provide, a
9 criminal history check and criminal records check under sections
10 1230 and 1230a of the revised school code, MCL 380.1230 and
11 380.1230a, in the same manner as if the Michigan Virtual School
12 were a school district under those sections.

13 (4) If the course offerings are included in the statewide
14 catalog of ~~online~~-**VIRTUAL** courses under subsection (2)(b)(ix), the
15 Michigan Virtual School operated by the Michigan Virtual University
16 may offer ~~online~~-**VIRTUAL** course offerings, including, but not
17 limited to, all of the following:

18 (a) Information technology courses.

19 (b) College level equivalent courses, as defined in section
20 1471 of the revised school code, MCL 380.1471.

21 (c) Courses and dual enrollment opportunities.

22 (d) Programs and services for at-risk pupils.

23 (e) High school equivalency test preparation courses for
24 adjudicated youth.

25 (f) Special interest courses.

26 (g) Professional development programs for teachers, school
27 administrators, other school employees, and school board members.

1 (5) If a home-schooled or nonpublic school student is a
2 resident of a district that subscribes to services provided by the
3 Michigan Virtual School, the student may use the services provided
4 by the Michigan Virtual School to the district without charge to
5 the student beyond what is charged to a district pupil using the
6 same services.

7 (6) Not later than December 1 of each fiscal year, the
8 Michigan Virtual University shall provide a report to the house and
9 senate appropriations subcommittees on state school aid, the state
10 budget director, the house and senate fiscal agencies, and the
11 department that includes at least all of the following information
12 related to the Michigan Virtual School for the preceding state
13 fiscal year:

14 (a) A list of the districts served by the Michigan Virtual
15 School.

16 (b) A list of ~~online~~**VIRTUAL** course titles available to
17 districts.

18 (c) The total number of ~~online~~**VIRTUAL** course enrollments and
19 information on registrations and completions by course.

20 (d) The overall course completion rate percentage.

21 (7) The governor may appoint an advisory group for the
22 Michigan Virtual Learning Research Institute established under
23 subsection (2). The members of the advisory group shall serve at
24 the pleasure of the governor and shall serve without compensation.
25 The purpose of the advisory group is to make recommendations to the
26 governor, the legislature, and the president and board of the
27 Michigan Virtual University that will accelerate innovation in this

1 state's education system in a manner that will prepare elementary
2 and secondary students to be career and college ready and that will
3 promote the goal of increasing the percentage of citizens of this
4 state with high-quality degrees and credentials to at least 60% by
5 2025.

6 (8) Not later than November 1, ~~2015,~~**2016**, the Michigan
7 Virtual University shall submit to the house and senate
8 appropriations subcommittees on state school aid, the state budget
9 director, and the house and senate fiscal agencies a detailed
10 budget for the ~~2015-2016~~**2016-2017** fiscal year that includes a
11 breakdown on its projected costs to deliver ~~online~~**VIRTUAL**
12 educational services to districts and a summary of the anticipated
13 fees to be paid by districts for those services. Not later than
14 March 1 each year, the Michigan Virtual University shall submit to
15 the house and senate appropriations subcommittees on state school
16 aid, the state budget director, and the house and senate fiscal
17 agencies a breakdown on its actual costs to deliver ~~online~~**VIRTUAL**
18 educational services to districts and a summary of the actual fees
19 paid by districts for those services based on audited financial
20 statements for the immediately preceding fiscal year.

21 (9) As used in this section:

22 (a) "Blended learning" means a hybrid instructional delivery
23 model where pupils are provided content, instruction, and
24 assessment, in part at a supervised educational facility away from
25 home where the pupil and a teacher with a valid Michigan teaching
26 certificate are in the same physical location and in part through
27 Internet-connected learning environments with some degree of pupil

1 control over time, location, and pace of instruction.

2 (b) "Cyber school" means a full-time instructional program of
3 ~~online~~-**VIRTUAL** courses for pupils that may or may not require
4 attendance at a physical school location.

5 ~~—— (c) "Digital learning" means instruction delivered via a web-~~
6 ~~based educational delivery system that uses various information~~
7 ~~technologies to provide a structured learning environment,~~
8 ~~including online and blended learning instructional methods.~~

9 (C) ~~(d)~~-"**VIRTUAL** course" means a course of study that
10 is capable of generating a credit or a grade, ~~AND~~ that is provided
11 in an interactive ~~Internet-connected~~ learning environment, ~~IN~~
12 **WHICH THE MAJORITY OF THE CURRICULUM IS DELIVERED USING THE**
13 **INTERNET AND** in which pupils are separated from their ~~teachers~~
14 **INSTRUCTOR OR TEACHER OF RECORD** by time or location, or both, ~~and~~
15 ~~in which a teacher who holds a valid Michigan teaching certificate~~
16 ~~is responsible for providing instruction, determining appropriate~~
17 ~~instructional methods for each pupil, diagnosing learning needs,~~
18 ~~assessing pupil learning, prescribing intervention strategies,~~
19 ~~reporting outcomes, and evaluating the effects of instruction and~~
20 ~~support strategies.~~

21 Sec. 99c. (1) From the appropriation in section 11, there is
22 allocated from the general fund an amount not to exceed \$60,000.00
23 for ~~2015-2016~~-**2016-2017** for the purpose of civic education as
24 described in this section.

25 (2) The department shall establish a competitive grant process
26 that awards funding to not more than 1 provider for the delivery of
27 programs that exemplify best practices in civic education. The

1 programs shall teach upper elementary, middle, and high school
2 pupils how to participate responsibly in local and state
3 government, and shall provide upper elementary, middle, and high
4 school pupils with an innovative course of instruction on the
5 history and principles of United States constitutional democracy.
6 The grantee also shall provide support to all schools in this state
7 beyond those targeted for intensive programming funded under this
8 section through its website, conduct presentations at statewide
9 conferences, and conduct presentations at districts and
10 intermediate districts.

11 **(3) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL AWARD**
12 **THE GRANTS UNDER THIS SECTION NOT LATER THAN DECEMBER 1, 2016.**

13 Sec. 99h. (1) From the appropriation in section 11, there is
14 allocated an amount not to exceed ~~\$2,000,000.00 for 2015-2016~~
15 **\$2,500,000.00 FOR 2016-2017** for competitive grants to districts
16 that provide pupils in grades 7 to 12 with expanded opportunities
17 to improve mathematics, science, and technology skills by
18 participating in events hosted by a science and technology
19 development program known as FIRST (for inspiration and recognition
20 of science and technology) robotics. **PROGRAMS FUNDED UNDER THIS**
21 **SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING**
22 **PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND**
23 **TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY**
24 **UPON HIGH SCHOOL GRADUATION.**

25 (2) A district applying for a FIRST tech challenge or FIRST
26 robotics competition program grant shall submit an application in a
27 form and manner determined by the department. To be eligible for a

1 grant, a district shall demonstrate in its application that the
2 district has established a partnership for the purposes of the
3 FIRST program with at least 1 sponsor, business entity, higher
4 education institution, or technical school, shall submit a spending
5 plan, and shall pay at least 25% of the cost of the FIRST robotics
6 program.

7 (3) The department shall distribute the grant funding under
8 this section for the following purposes:

9 (a) Grants to districts to pay for stipends of \$1,500.00 for 1
10 coach per team, distributed as follows:

11 (i) Not more than 500 stipends for coaches of high school
12 teams, including existing teams.

13 (ii) Not more than 100 stipends for coaches of middle school
14 or junior high teams, including existing teams.

15 (iii) If the requests for stipends exceed the numbers of
16 stipends allowed under subparagraphs (i) and (ii), and if there is
17 funding remaining unspent under subdivisions (b) and (c), the
18 department shall use that remaining unspent funding for grants to
19 districts to pay for additional stipends in a manner that expands
20 the geographical distribution of teams.

21 (b) Grants to districts for event registrations, materials,
22 travel costs, and other expenses associated with the preparation
23 for and attendance at FIRST tech challenge and FIRST robotics
24 competitions. Each grant recipient shall provide a local match from
25 other private or local funds for the funds received under this
26 subdivision equal to at least 50% of the costs of participating in
27 an event. The department shall set maximum grant amounts under this

1 subdivision in a manner that maximizes the number of teams that
2 will be able to receive funding.

3 (c) Grants to districts for awards to teams that advance to
4 the state and world championship competitions. The department shall
5 determine an equal amount per team for those teams that advance to
6 the state championship and a second equal award amount to those
7 teams that advance to the world championship.

8 (4) The funds allocated under this section are a work project
9 appropriation, and any unexpended funds for ~~2015-2016-2016-2017~~ are
10 carried forward into ~~2016-2017-~~2017-2018. The purpose of the work
11 project is to continue to implement the projects described under
12 subsection (1). The estimated completion date of the work project
13 is September 30, ~~2018-~~2019.

14 Sec. 99s. (1) From the funds appropriated under section 11,
15 there is allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
16 ~~\$3,250,000.00-~~\$4,250,000.00 from the state school aid fund
17 appropriation and an amount not to exceed ~~\$775,000.00-~~\$2,025,000.00
18 from the general fund appropriation for Michigan science,
19 technology, engineering, and mathematics (MiSTEM) programs. In
20 addition, from the federal funds appropriated in section 11, there
21 is allocated for ~~2015-2016-2016-2017~~ an amount estimated at
22 \$5,249,300.00 from DED-OESE, title II, mathematics and science
23 partnership grants. **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED**
24 **TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN**
25 **SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE**
26 **THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH**
27 **SCHOOL GRADUATION.**

1 (2) From the general fund allocation in subsection (1), there
2 is allocated an amount not to exceed \$50,000.00 to the department
3 for administrative and travel costs related to the MiSTEM advisory
4 council. All of the following apply to the MiSTEM advisory council
5 funded under this subsection:

6 (a) The MiSTEM advisory council is created. The MiSTEM
7 advisory council shall provide to the governor, legislature,
8 department of talent and economic development, and department
9 recommendations designed to improve and promote innovation in STEM
10 education and **TO** prepare students for careers in science,
11 technology, engineering, and mathematics.

12 (b) The MiSTEM advisory council created under subdivision (a)
13 shall consist of the following members:

14 (i) The governor shall appoint 11 voting members who are
15 representative of business sectors that are important to Michigan's
16 economy and rely on a STEM-educated workforce, nonprofit
17 organizations and associations that promote STEM education, K-12
18 and postsecondary education entities involved in STEM-related
19 career education, or other sectors as considered appropriate by the
20 governor. Each of these members shall serve at the pleasure of the
21 governor and for a term determined by the governor.

22 (ii) The senate majority leader shall appoint 2 members of the
23 senate to serve as nonvoting, ex-officio members of the MiSTEM
24 advisory council, including 1 majority party member and 1 minority
25 party member.

26 (iii) The speaker of the house of representatives shall
27 appoint 2 members of the house of representatives to serve as

1 nonvoting, ex-officio members of the MiSTEM advisory council,
2 including 1 majority party member and 1 minority party member.

3 (c) Each member of the MiSTEM advisory council shall serve
4 without compensation.

5 (d) The MiSTEM advisory council shall recommend **TO THE**
6 **GOVERNOR, THE LEGISLATURE, AND THE DEPARTMENT** a statewide strategy
7 for delivering STEM education-related opportunities to pupils and
8 objective criteria for determining preferred STEM programs. ~~The~~
9 ~~MiSTEM advisory council also shall make funding recommendations to~~
10 ~~the governor, legislature, and department for funding programs~~
11 ~~under this section for 2016-2017 not later than March 1, 2016,~~
12 ~~including, but not limited to, recommendations concerning funding~~
13 ~~for the STEM programs funded under this section for 2015-2016, and~~
14 ~~shall continue to make funding recommendations annually thereafter.~~

15 (E) **BEGINNING IN 2017-2018, THE MISTEM ADVISORY COUNCIL SHALL**
16 **SUBMIT ITS FUNDING RECOMMENDATIONS NOT LATER THAN DECEMBER 15 OF**
17 **EACH FISCAL YEAR.**

18 (F) **IF THE MISTEM ADVISORY COUNCIL IS UNABLE TO MAKE SPECIFIC**
19 **FUNDING RECOMMENDATIONS BY JUNE 1, 2016 FOR 2016-2017, THE**
20 **DEPARTMENT SHALL DISTRIBUTE THE FUNDS ALLOCATED UNDER SUBSECTION**
21 **(3) ON A COMPETITIVE GRANT BASIS THAT AT LEAST FOLLOWS THE QUALITY**
22 **GUIDELINES AND PRIORITY AREAS RECOMMENDED BY THE MISTEM ADVISORY**
23 **COUNCIL. EACH GRANT SHALL NOT EXCEED \$250,000.00 AND MUST PROVIDE**
24 **STEM EDUCATION-RELATED OPPORTUNITIES FOR PUPILS.**

25 (G) ~~(e)~~The MiSTEM advisory council shall work with directors
26 of mathematics and science centers funded under subsection ~~(3)~~**(4)**
27 to connect educators with businesses, workforce developers,

1 economic developers, community colleges, and universities.

2 (3) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION
3 (1), THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED
4 \$1,475,000.00 FOR THE PURPOSE OF FUNDING PROGRAMS UNDER THIS
5 SECTION FOR 2016-2017, AS RECOMMENDED BY THE MISTEM ADVISORY
6 COUNCIL.

7 (4) ~~(3)~~ From the state school aid fund allocation under
8 subsection (1), there is allocated for ~~2015-2016~~ 2016-2017 an
9 amount not to exceed ~~\$2,750,000.00~~ \$3,750,000.00 to support the
10 activities and programs of mathematics and science centers. In
11 addition, from the federal funds allocated under subsection (1),
12 there is allocated for ~~2015-2016~~ 2016-2017 an amount estimated at
13 \$5,249,300.00 from DED-OESE, title II, mathematics and science
14 partnership grants, for the purposes of this subsection. All of the
15 following apply to the programs and funding under this subsection:

16 (a) Within a service area designated locally, approved by the
17 department, and consistent with the comprehensive master plan for
18 mathematics and science centers developed by the department and
19 approved by the state board, an established mathematics and science
20 center shall provide 2 or more of the following 6 basic services,
21 as described in the master plan, to constituent districts and
22 communities: leadership, pupil services, curriculum support,
23 community involvement, professional development, and resource
24 clearinghouse services.

25 (b) The department shall not award a state grant under this
26 subsection to more than 1 mathematics and science center located in
27 a designated region as prescribed in the 2007 master plan unless

1 each of the grants serves a distinct target population or provides
2 a service that does not duplicate another program in the designated
3 region.

4 (c) As part of the technical assistance process, the
5 department shall provide minimum standard guidelines that may be
6 used by the mathematics and science center for providing fair
7 access for qualified pupils and professional staff as prescribed in
8 this subsection.

9 (d) Allocations under this subsection to support the
10 activities and programs of mathematics and science centers shall be
11 continuing support grants to all 33 established mathematics and
12 science centers. For ~~2015-2016,~~ **2016-2017**, each established
13 mathematics and science center ~~that was funded for 2014-2015 under~~
14 ~~former section 99~~ shall receive state funding in an amount equal to
15 100% of the amount it was allocated under former section 99 for
16 ~~2014-2015.~~ **2015-2016**. If a center declines state funding or a
17 center closes, the remaining money available under this subsection
18 shall be distributed to the remaining centers, as determined by the
19 department.

20 (e) From the funds allocated under this subsection, the
21 department shall distribute for ~~2015-2016-~~ **2016-2017** an amount not
22 to exceed \$750,000.00 in a form and manner determined by the
23 department to those centers able to provide curriculum and
24 professional development support to assist districts in
25 implementing the Michigan merit curriculum components for
26 mathematics and science. Funding under this subdivision is in
27 addition to funding allocated under subdivision (d).

1 (F) FROM THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THE
2 NETWORK OF 33 MATHEMATICS AND SCIENCE CENTERS SHALL USE UP TO
3 \$1,000,000.00 TO DO 1 OR MORE OF THE FOLLOWING:

4 (i) EXPAND IMPLEMENTATION OF STEM PROFESSIONAL LEARNING WITH
5 EMPHASIS ON MICHIGAN'S MATHEMATICS AND SCIENCE STANDARDS.

6 (ii) EXPAND IMPLEMENTATION OF STUDENT PROGRAMMING IN STEM
7 EXPERIENCES SUCH AS ROBOTICS AND CODING, AND INCREASE CAREER
8 AWARENESS IN STEM PATHWAYS WITH IMMEDIATE EMPHASIS ON COMPUTER
9 SCIENCES.

10 (iii) EXPAND SUPPORT OF EXISTING MATHEMATICS AND SCIENCE
11 CENTER NETWORK INFRASTRUCTURE BY DOING THE FOLLOWING:

12 (A) INCREASING THE SUPPORTED TIME OF MATHEMATICS AND SCIENCE
13 CENTER NETWORK STEM PROFESSIONALS TO PROVIDE NECESSARY PROFESSIONAL
14 LEARNING FOR TEACHERS, AND COORDINATE STEM INITIATIVES INCLUDING
15 STUDENT PROGRAMMING.

16 (B) INTERACTING WITH MISTEM ADVISORY COUNCIL TO INFORM STEM
17 PROGRAM DECISIONS.

18 (C) EXPANDING NETWORK PARTNERSHIPS AND COLLABORATIONS AMONG
19 STEM-RELATED STAKEHOLDERS SUCH AS BUSINESS AND INDUSTRY, WORKFORCE
20 DEVELOPERS, ECONOMIC DEVELOPERS, COMMUNITY COLLEGES, AND
21 UNIVERSITIES.

22 (D) IMPROVING THE ABILITY OF THE EXECUTIVE DIRECTOR TO SUPPORT
23 NETWORK OPERATIONS BY INCREASING EFFICIENCIES ACROSS CENTERS.

24 (G) ~~(f)~~—In order to receive state or federal funds under this
25 subsection, a grant recipient shall allow access for the department
26 or the department's designee to audit all records related to the
27 program for which it receives those funds. The grant recipient

1 shall reimburse the state for all disallowances found in the audit.

2 (H) ~~(g)~~ Not later than September 30, ~~2018,~~ 2017, the
 3 department shall ~~reevaluate and update~~ **WORK WITH THE MISTEM**
 4 **ADVISORY COUNCIL TO REVISE** the comprehensive master plan described
 5 in subdivision (a) **TO ENSURE THAT THE COMPREHENSIVE MASTER PLAN IS**
 6 **IN COMPLIANCE WITH THE STATEWIDE STRATEGY DEVELOPED BY THE COUNCIL**
 7 **UNDER SUBSECTION (2) (D) .**

8 (I) ~~(h)~~ The department shall give preference in awarding the
 9 federal grants allocated under this subsection to eligible existing
 10 mathematics and science centers.

11 (J) ~~(i)~~ In order to receive state funds under this subsection,
 12 a grant recipient shall provide at least a 10% local match from
 13 local public or private resources for the funds received under this
 14 subsection.

15 (K) ~~(j)~~ Not later than July 1 of each year, a mathematics and
 16 science center that receives funds under this subsection shall
 17 report to the department in a form and manner prescribed by the
 18 department on the following performance measures:

19 (i) Statistical change in pre- and post-assessment scores for
 20 students who enrolled in mathematics and science activities
 21 provided to districts by the mathematics and science center.

22 (ii) Statistical change in pre- and post-assessment scores for
 23 teachers who enrolled in professional development activities
 24 provided by the mathematics and science center.

25 (L) ~~(k)~~ As used in this subsection:

26 (i) "DED" means the United States Department of Education.

27 (ii) "DED-OESE" means the DED Office of Elementary and

1 Secondary Education.

2 ~~—— (4) From the general fund money allocated under subsection~~
3 ~~(1), there is allocated for 2015-2016 an amount not to exceed~~
4 ~~\$100,000.00 to the Michigan STEM partnership, to be used to~~
5 ~~administer the grant process under this subsection. From the~~
6 ~~general fund money allocated in subsection (1), there is allocated~~
7 ~~for 2015-2016 an amount not to exceed \$375,000.00 to the Michigan~~
8 ~~STEM partnership to be used for a competitive grant process to~~
9 ~~award competitive grants to organizations conducting student-~~
10 ~~focused, project based programs and competitions, either in the~~
11 ~~classroom or extracurricular, in science, technology, engineering,~~
12 ~~and mathematics subjects such as, but not limited to, robotics,~~
13 ~~coding, and design build test projects, from pre kindergarten~~
14 ~~through college level. All of the following apply to the grant~~
15 ~~funding under this subsection:~~

16 ~~—— (a) Funding under this subsection is in addition to funding~~
17 ~~allocated under subsection (3) and shall be used for connecting~~
18 ~~mathematics and science centers for science, technology,~~
19 ~~engineering, and mathematics purposes and to support the goals of~~
20 ~~the Michigan STEM partnership.~~

21 ~~—— (b) A program receiving funds under section 99h may not~~
22 ~~receive funds under this subsection.~~

23 ~~—— (c) In order to receive state funds under this subsection, a~~
24 ~~grant recipient shall provide at least a 10% local match from local~~
25 ~~public or private resources for the funds received under this~~
26 ~~subsection.~~

27 ~~—— (5) From the funds allocated under subsection (1), there is~~

1 ~~allocated an amount not to exceed \$250,000.00 for 2015-2016 only~~
2 ~~for grants to districts to support professional development for~~
3 ~~teachers in a department approved training program for science,~~
4 ~~technology, engineering, and mathematics (STEM) instruction. All of~~
5 ~~the following apply to the grant funding under this subsection:~~

6 ~~—— (a) Any district may apply for funding under this subsection~~
7 ~~for 2015-2016 by a date determined by the department. In awarding~~
8 ~~grants, the department shall give priority, in a form and manner~~
9 ~~determined by the department, to applicant districts with teachers~~
10 ~~who have not previously received training in programs funded under~~
11 ~~this subsection or former section 99b.~~

12 ~~—— (b) For a training program to be approved by the department~~
13 ~~for the purposes of this subsection, the program shall meet all of~~
14 ~~the following criteria:~~

15 ~~—— (i) Utilize an integrative STEM approach to content~~
16 ~~organization and delivery. The integrative STEM approach shall~~
17 ~~include content derived from science, technology, engineering, and~~
18 ~~mathematics.~~

19 ~~—— (ii) Offer evidence that the program outcomes address~~
20 ~~mathematics, science, and technological literacy standards in an~~
21 ~~exploratory middle school or high school offering.~~

22 ~~—— (iii) Offer evidence that the program positively influences~~
23 ~~student career choices along STEM career paths and increases~~
24 ~~student engagement through peer reviewed research.~~

25 ~~—— (iv) Present evidence of the periodic updating of the~~
26 ~~curriculum.~~

27 ~~—— (v) Utilize outcome measures for teacher professional~~

1 development.

2 ~~—— (vi) Provide peer reviewed evidence that the program is~~
3 ~~effective with disadvantaged students and those with language~~
4 ~~barriers.~~

5 ~~—— (c) The department shall award grants to districts in an~~
6 ~~amount determined by the department, but not to exceed \$3,200.00~~
7 ~~per participant.~~

8 ~~—— (d) A district receiving funds under this subsection shall use~~
9 ~~the funds only for department approved training programs under this~~
10 ~~subsection.~~

11 (5) ~~(6)~~ From the allocations under subsection (1), there is
12 allocated an amount not to exceed ~~\$250,000.00 for 2015-2016 only~~
13 **\$500,000.00 FOR 2016-2017** for competitive grants to districts that
14 provide pupils in grades K to 12 with expanded opportunities in
15 science education and skills by participating in events and
16 competitions hosted by Science Olympiad. All of the following apply
17 to the grant funding under this subsection:

18 (a) A district applying for a grant under this subsection
19 shall submit an application in the form and manner determined by
20 the department not later than November 15, ~~2015.~~**2016.** The
21 department shall select districts for grants and make notification
22 not later than December 15, ~~2015.~~**2016.** To be eligible for a grant,
23 a district shall pay at least 25% of the cost of participating in
24 the Science Olympiad program.

25 (b) The department shall distribute the grant funding
26 allocated under this subsection for the following purposes:

27 (i) Grants to districts of up to \$800.00 for new elementary

1 teams.

2 (ii) Grants to districts of up to \$400.00 for established
3 elementary teams.

4 (iii) Grants to districts of up to \$1,600.00 for new secondary
5 teams.

6 (iv) Grants to districts of up to \$800.00 for established
7 secondary teams.

8 (6) ~~(7)~~—From the general fund allocation under subsection (1),
9 there is allocated an amount not to exceed ~~\$250,000.00 for 2015-~~
10 ~~2016 only~~ **\$500,000.00 FOR 2016-2017** for a grant to the Van Andel
11 Education Institute for the purposes of advancing and promoting
12 science education and increasing the number of students who choose
13 to pursue careers in science or science-related fields. Funds
14 allocated under this subsection shall be used to provide
15 professional development for science teachers in using student-
16 driven, inquiry-based instruction.

17 **SEC. 99T. (1) FROM THE GENERAL FUND APPROPRIATION UNDER**
18 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR**
19 **2016-2017 TO PURCHASE STATEWIDE ACCESS TO AN ONLINE ALGEBRA TOOL**
20 **THAT MEETS ALL OF THE FOLLOWING:**

21 (A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO VIDEOS
22 ALIGNED WITH STATE STANDARDS INCLUDING STUDY GUIDES AND WORKBOOKS
23 THAT ARE ALIGNED WITH THE VIDEOS.

24 (B) PROVIDES STUDENTS STATEWIDE WITH ACCESS TO A PERSONALIZED
25 ONLINE ALGEBRA LEARNING TOOL INCLUDING ADAPTIVE DIAGNOSTICS.

26 (C) PROVIDES STUDENTS STATEWIDE WITH DYNAMIC ALGEBRA PRACTICE
27 ASSESSMENTS THAT EMULATE THE STATE ASSESSMENT WITH IMMEDIATE

1 FEEDBACK AND HELP SOLVING PROBLEMS.

2 (D) PROVIDES STUDENTS STATEWIDE WITH ONLINE ACCESS TO ALGEBRA
3 HELP 24 HOURS A DAY AND 7 DAYS A WEEK FROM STUDY EXPERTS, TEACHERS,
4 AND PEERS ON A MODERATED SOCIAL NETWORKING PLATFORM.

5 (E) PROVIDES AN ONLINE ALGEBRA PROFESSIONAL DEVELOPMENT
6 NETWORK FOR TEACHERS.

7 (F) IS ALREADY PROVIDED UNDER A STATEWIDE CONTRACT IN AT LEAST
8 1 OTHER STATE.

9 (2) THE DEPARTMENT SHALL CHOOSE THE ONLINE ALGEBRA TOOL BY
10 OCTOBER 1, 2016.

11 Sec. 101. (1) To be eligible to receive state aid under this
12 article, not later than the fifth Wednesday after the pupil
13 membership count day and not later than the fifth Wednesday after
14 the supplemental count day, each district superintendent shall
15 submit to the center and the intermediate superintendent, in the
16 form and manner prescribed by the center, the number of pupils
17 enrolled and in regular daily attendance in the district as of the
18 pupil membership count day and as of the supplemental count day, as
19 applicable, for the current school year. In addition, a district
20 maintaining school during the entire year, as provided under
21 section 1561 of the revised school code, MCL 380.1561, shall submit
22 to the center and the intermediate superintendent, in the form and
23 manner prescribed by the center, the number of pupils enrolled and
24 in regular daily attendance in the district for the current school
25 year pursuant to rules promulgated by the superintendent. Not later
26 than the sixth Wednesday after the pupil membership count day and
27 not later than the sixth Wednesday after the supplemental count

1 day, the district shall certify the data in a form and manner
2 prescribed by the center and file the certified data with the
3 intermediate superintendent. If a district fails to submit and
4 certify the attendance data, as required under this subsection, the
5 center shall notify the department and state aid due to be
6 distributed under this article shall be withheld from the
7 defaulting district immediately, beginning with the next payment
8 after the failure and continuing with each payment until the
9 district complies with this subsection. If a district does not
10 comply with this subsection by the end of the fiscal year, the
11 district forfeits the amount withheld. A person who willfully
12 falsifies a figure or statement in the certified and sworn copy of
13 enrollment shall be punished in the manner prescribed by section
14 161.

15 (2) To be eligible to receive state aid under this article,
16 not later than the twenty-fourth Wednesday after the pupil
17 membership count day and not later than the twenty-fourth Wednesday
18 after the supplemental count day, an intermediate district shall
19 submit to the center, in a form and manner prescribed by the
20 center, the audited enrollment and attendance data for the pupils
21 of its constituent districts and of the intermediate district. If
22 an intermediate district fails to submit the audited data as
23 required under this subsection, state aid due to be distributed
24 under this article shall be withheld from the defaulting
25 intermediate district immediately, beginning with the next payment
26 after the failure and continuing with each payment until the
27 intermediate district complies with this subsection. If an

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

4 (3) Except as otherwise provided in subsections (11) and (12),
5 all of the following apply to the provision of pupil instruction:

6 (a) Except as otherwise provided in this section, each
7 district shall provide at least 1,098 hours and, beginning in 2010-
8 2011, the required minimum number of days of pupil instruction.
9 Beginning in 2014-2015, the required minimum number of days of
10 pupil instruction is 175. However, all of the following apply to
11 these requirements:

12 (i) If a collective bargaining agreement that provides a
13 complete school calendar was in effect for employees of a district
14 as of July 1, 2013, and if that school calendar is not in
15 compliance with this subsection, then this subsection does not
16 apply to that district until after the expiration of that
17 collective bargaining agreement. If a district entered into a
18 collective bargaining agreement on or after July 1, 2013 and if
19 that collective bargaining agreement did not provide for at least
20 175 days of pupil instruction beginning in 2014-2015, then the
21 department shall withhold from the district's total state school
22 aid an amount equal to 5% of the funding the district receives in
23 2014-2015 under sections 22a and 22b.

24 (ii) A district may apply for a waiver under subsection (9)
25 from the requirements of this subdivision.

26 (b) Beginning in 2016-2017, the required minimum number of
27 days of pupil instruction is 180. If a collective bargaining

1 agreement that provides a complete school calendar was in effect
2 for employees of a district as of the effective date of the
3 amendatory act that added this subdivision, and if that school
4 calendar is not in compliance with this subdivision, then this
5 subdivision does not apply to that district until after the
6 expiration of that collective bargaining agreement. A district may
7 apply for a waiver under subsection (9) from the requirements of
8 this subdivision.

9 (c) Except as otherwise provided in this article, a district
10 failing to comply with the required minimum hours and days of pupil
11 instruction under this subsection shall forfeit from its total
12 state aid allocation an amount determined by applying a ratio of
13 the number of hours or days the district was in noncompliance in
14 relation to the required minimum number of hours and days under
15 this subsection. Not later than August 1, the board of each
16 district shall **EITHER** certify to the department **THAT THE DISTRICT**
17 **WAS IN FULL COMPLIANCE WITH THIS SECTION REGARDING** the number of
18 hours and days of pupil instruction in the previous school year, **OR**
19 **REPORT TO THE DEPARTMENT, IN A FORM AND MANNER PRESCRIBED BY THE**
20 **CENTER, EACH INSTANCE OF NONCOMPLIANCE.** If the district did not
21 provide at least the required minimum number of hours and days of
22 pupil instruction under this subsection, the deduction of state aid
23 shall be made in the following fiscal year from the first payment
24 of state school aid. A district is not subject to forfeiture of
25 funds under this subsection for a fiscal year in which a forfeiture
26 was already imposed under subsection (6).

27 (d) Hours or days lost because of strikes or teachers'

1 conferences shall not be counted as hours or days of pupil
2 instruction.

3 (e) If a collective bargaining agreement that provides a
4 complete school calendar is in effect for employees of a district
5 as of October 19, 2009, and if that school calendar is not in
6 compliance with this subsection, then this subsection does not
7 apply to that district until after the expiration of that
8 collective bargaining agreement.

9 (f) Except as otherwise provided in subdivisions (g) and (h),
10 a district not having at least 75% of the district's membership in
11 attendance on any day of pupil instruction shall receive state aid
12 in that proportion of 1/180 that the actual percent of attendance
13 bears to the specified percentage.

14 (g) If a district adds 1 or more days of pupil instruction to
15 the end of its instructional calendar for a school year to comply
16 with subdivision (a) because the district otherwise would fail to
17 provide the required minimum number of days of pupil instruction
18 even after the operation of subsection (4) due to conditions not
19 within the control of school authorities, then subdivision (f) does
20 not apply for any day of pupil instruction that is added to the end
21 of the instructional calendar. Instead, for any of those days, if
22 the district does not have at least 60% of the district's
23 membership in attendance on that day, the district shall receive
24 state aid in that proportion of 1/180 that the actual percentage of
25 attendance bears to the specified percentage. For any day of pupil
26 instruction added to the instructional calendar as described in
27 this subdivision, the district shall report to the department the

1 percentage of the district's membership that is in attendance, in
2 the form and manner prescribed by the department.

3 (h) At the request of a district that operates a department-
4 approved alternative education program and that does not provide
5 instruction for pupils in all of grades K to 12, the superintendent
6 shall grant a waiver from the requirements of subdivision (f). The
7 waiver shall indicate that an eligible district is subject to the
8 proration provisions of subdivision (f) only if the district does
9 not have at least 50% of the district's membership in attendance on
10 any day of pupil instruction. In order to be eligible for this
11 waiver, a district must maintain records to substantiate its
12 compliance with the following requirements:

13 (i) The district offers the minimum hours of pupil instruction
14 as required under this section.

15 (ii) For each enrolled pupil, the district uses appropriate
16 academic assessments to develop an individual education plan that
17 leads to a high school diploma.

18 (iii) The district tests each pupil to determine academic
19 progress at regular intervals and records the results of those
20 tests in that pupil's individual education plan.

21 (i) All of the following apply to a waiver granted under
22 subdivision (h):

23 (i) If the waiver is for a blended model of delivery, a waiver
24 that is granted for the 2011-2012 fiscal year or a subsequent
25 fiscal year remains in effect unless it is revoked by the
26 superintendent.

27 (ii) If the waiver is for a 100% online model of delivery and

1 the educational program for which the waiver is granted makes
2 educational services available to pupils for a minimum of at least
3 1,098 hours during a school year and ensures that each pupil
4 participates in the educational program for at least 1,098 hours
5 during a school year, a waiver that is granted for the 2011-2012
6 fiscal year or a subsequent fiscal year remains in effect unless it
7 is revoked by the superintendent.

8 (iii) A waiver that is not a waiver described in subparagraph
9 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
10 to remain in effect.

11 (j) The superintendent shall promulgate rules for the
12 implementation of this subsection.

13 (4) Except as otherwise provided in this subsection, the first
14 6 days or the equivalent number of hours for which pupil
15 instruction is not provided because of conditions not within the
16 control of school authorities, such as severe storms, fires,
17 epidemics, utility power unavailability, water or sewer failure, or
18 health conditions as defined by the city, county, or state health
19 authorities, shall be counted as hours and days of pupil
20 instruction. With the approval of the superintendent of public
21 instruction, the department shall count as hours and days of pupil
22 instruction for a fiscal year not more than 3 additional days or
23 the equivalent number of additional hours for which pupil
24 instruction is not provided in a district due to unusual and
25 extenuating occurrences resulting from conditions not within the
26 control of school authorities such as those conditions described in
27 this subsection. Subsequent such hours or days shall not be counted

1 as hours or days of pupil instruction.

2 (5) A district shall not forfeit part of its state aid
3 appropriation because it adopts or has in existence an alternative
4 scheduling program for pupils in kindergarten if the program
5 provides at least the number of hours required under subsection (3)
6 for a full-time equated membership for a pupil in kindergarten as
7 provided under section 6(4).

8 (6) In addition to any other penalty or forfeiture under this
9 section, if at any time the department determines that 1 or more of
10 the following have occurred in a district, the district shall
11 forfeit in the current fiscal year beginning in the next payment to
12 be calculated by the department a proportion of the funds due to
13 the district under this article that is equal to the proportion
14 below the required minimum number of hours and days of pupil
15 instruction under subsection (3), as specified in the following:

16 (a) The district fails to operate its schools for at least the
17 required minimum number of hours and days of pupil instruction
18 under subsection (3) in a school year, including hours and days
19 counted under subsection (4).

20 (b) The board of the district takes formal action not to
21 operate its schools for at least the required minimum number of
22 hours and days of pupil instruction under subsection (3) in a
23 school year, including hours and days counted under subsection (4).

24 (7) In providing the minimum number of hours and days of pupil
25 instruction required under subsection (3), a district shall use the
26 following guidelines, and a district shall maintain records to
27 substantiate its compliance with the following guidelines:

1 (a) Except as otherwise provided in this subsection, a pupil
2 must be scheduled for at least the required minimum number of hours
3 of instruction, excluding study halls, or at least the sum of 90
4 hours plus the required minimum number of hours of instruction,
5 including up to 2 study halls.

6 (b) The time a pupil is assigned to any tutorial activity in a
7 block schedule may be considered instructional time, unless that
8 time is determined in an audit to be a study hall period.

9 (c) Except as otherwise provided in this subdivision, a pupil
10 in grades 9 to 12 for whom a reduced schedule is determined to be
11 in the individual pupil's best educational interest must be
12 scheduled for a number of hours equal to at least 80% of the
13 required minimum number of hours of pupil instruction to be
14 considered a full-time equivalent pupil. A pupil in grades 9 to 12
15 who is scheduled in a 4-block schedule may receive a reduced
16 schedule under this subsection if the pupil is scheduled for a
17 number of hours equal to at least 75% of the required minimum
18 number of hours of pupil instruction to be considered a full-time
19 equivalent pupil.

20 (d) If a pupil in grades 9 to 12 who is enrolled in a
21 cooperative education program or a special education pupil cannot
22 receive the required minimum number of hours of pupil instruction
23 solely because of travel time between instructional sites during
24 the school day, that travel time, up to a maximum of 3 hours per
25 school week, shall be considered to be pupil instruction time for
26 the purpose of determining whether the pupil is receiving the
27 required minimum number of hours of pupil instruction. However, if

1 a district demonstrates to the satisfaction of the department that
2 the travel time limitation under this subdivision would create
3 undue costs or hardship to the district, the department may
4 consider more travel time to be pupil instruction time for this
5 purpose.

6 (e) In grades 7 through 12, instructional time that is part of
7 a junior reserve officer training corps (JROTC) program shall be
8 considered to be pupil instruction time regardless of whether the
9 instructor is a certificated teacher if all of the following are
10 met:

11 (i) The instructor has met all of the requirements established
12 by the United States Department of Defense and the applicable
13 branch of the armed services for serving as an instructor in the
14 junior reserve officer training corps program.

15 (ii) The board of the district or intermediate district
16 employing or assigning the instructor complies with the
17 requirements of sections 1230 and 1230a of the revised school code,
18 MCL 380.1230 and 380.1230a, with respect to the instructor to the
19 same extent as if employing the instructor as a regular classroom
20 teacher.

21 (8) Except as otherwise provided in subsections (11) and (12),
22 the department shall apply the guidelines under subsection (7) in
23 calculating the full-time equivalency of pupils.

24 (9) Upon application by the district for a particular fiscal
25 year, the superintendent shall waive for a district the minimum
26 number of hours and days of pupil instruction requirement of
27 subsection (3) for a department-approved alternative education

1 program or another innovative program approved by the department,
2 including a 4-day school week. If a district applies for and
3 receives a waiver under this subsection and complies with the terms
4 of the waiver, the district is not subject to forfeiture under this
5 section for the specific program covered by the waiver. If the
6 district does not comply with the terms of the waiver, the amount
7 of the forfeiture shall be calculated based upon a comparison of
8 the number of hours and days of pupil instruction actually provided
9 to the minimum number of hours and days of pupil instruction
10 required under subsection (3). Pupils enrolled in a department-
11 approved alternative education program under this subsection shall
12 be reported to the center in a form and manner determined by the
13 center. All of the following apply to a waiver granted under this
14 subsection:

15 (a) If the waiver is for a blended model of delivery, a waiver
16 that is granted for the 2011-2012 fiscal year or a subsequent
17 fiscal year remains in effect unless it is revoked by the
18 superintendent.

19 (b) If the waiver is for a 100% online model of delivery and
20 the educational program for which the waiver is granted makes
21 educational services available to pupils for a minimum of at least
22 1,098 hours during a school year and ensures that each pupil is on
23 track for course completion at proficiency level, a waiver that is
24 granted for the 2011-2012 fiscal year or a subsequent fiscal year
25 remains in effect unless it is revoked by the superintendent.

26 (c) A waiver that is not a waiver described in subdivision (a)
27 or (b) is valid for 1 fiscal year and must be renewed annually to

1 remain in effect.

2 (10) Until 2014-2015, a district may count up to 38 hours of
3 qualifying professional development for teachers as hours of pupil
4 instruction. However, if a collective bargaining agreement that
5 provides for the counting of up to 38 hours of qualifying
6 professional development for teachers as pupil instruction is in
7 effect for employees of a district as of July 1, 2013, then until
8 the school year that begins after the expiration of that collective
9 bargaining agreement a district may count up to the contractually
10 specified number of hours of qualifying professional development
11 for teachers as hours of pupil instruction. Professional
12 development provided online is allowable and encouraged, as long as
13 the instruction has been approved by the district. The department
14 shall issue a list of approved online professional development
15 providers, which shall include the Michigan Virtual School. As used
16 in this subsection, "qualifying professional development" means
17 professional development that is focused on 1 or more of the
18 following:

19 (a) Achieving or improving adequate yearly progress as defined
20 under the no child left behind act of 2001, Public Law 107-110.

21 (b) Achieving accreditation or improving a school's
22 accreditation status under section 1280 of the revised school code,
23 MCL 380.1280.

24 (c) Achieving highly qualified teacher status as defined under
25 the no child left behind act of 2001, Public Law 107-110.

26 (d) Integrating technology into classroom instruction.

27 (e) Maintaining teacher certification.

1 (11) Subsections (3) and (8) do not apply to a school of
2 excellence that is a cyber school, as defined in section 551 of the
3 revised school code, MCL 380.551, and is in compliance with section
4 553a of the revised school code, MCL 380.553a.

5 (12) Subsections (3) and (8) do not apply to eligible pupils
6 enrolled in a dropout recovery program that meets the requirements
7 of section 23a. As used in this subsection, "eligible pupil" means
8 that term as defined in section 23a.

9 (13) Beginning in 2013, at least every 2 years the
10 superintendent shall review the waiver standards set forth in the
11 pupil accounting and auditing manuals to ensure that the waiver
12 standards and waiver process continue to be appropriate and
13 responsive to changing trends in online learning. The
14 superintendent shall solicit and consider input from stakeholders
15 as part of this review.

16 Sec. 102d. (1) From the funds appropriated in section 11,
17 there is allocated an amount not to exceed \$1,500,000.00 for ~~2015-~~
18 ~~2016-2016-2017~~ for reimbursements to districts **AND INTERMEDIATE**
19 **DISTRICTS** for the licensing of school data analytical tools as
20 described under this section. The reimbursement is for districts
21 **AND INTERMEDIATE DISTRICTS** that choose to use a school data
22 analytical tool to assist the district **OR INTERMEDIATE DISTRICT** and
23 that enter into a licensing agreement for a school data analytical
24 tool with 1 of the vendors approved by the department of
25 technology, management, and budget under subsection (2). **FUNDS**
26 **ALLOCATED UNDER THIS SECTION ARE INTENDED TO PROVIDE DISTRICTS AND**
27 **INTERMEDIATE DISTRICTS WITH FINANCIAL FORECASTING AND TRANSPARENCY**

1 REPORTING TOOLS TO HELP IMPROVE THE FINANCIAL HEALTH OF DISTRICTS
2 AND TO IMPROVE COMMUNICATION WITH THE PUBLIC, RESULTING IN
3 INCREASED FUND BALANCES FOR DISTRICTS AND INTERMEDIATE DISTRICTS.

4 (2) Not later than October 15, 2015, the department of
5 technology, management, and budget shall review vendors for school
6 data analytical tools and provide districts **AND INTERMEDIATE**
7 **DISTRICTS** with a list of at least 2 and up to 4 approved vendors
8 that districts **AND INTERMEDIATE DISTRICTS** may use to be eligible
9 for a reimbursement paid under this section. For a vendor to be
10 approved under this section ~~, the department of technology,~~
11 ~~management, and budget must determine that~~ **FOR 2016-2017, IT MUST**
12 **HAVE BEEN APPROVED UNDER THIS SECTION FOR 2015-2016 AND** the school
13 data analytical tool supplied by the vendor ~~meets~~ **MUST MEET** at
14 least all of the following:

15 (a) Analyzes financial data.

16 (b) Analyzes academic data.

17 (c) Provides early warning indicators of financial stress.

18 (d) Has the capability to provide peer district comparisons of
19 both financial and academic data.

20 (e) Has the capability to provide financial projections for at
21 least 3 subsequent fiscal years.

22 (3) Funds allocated under this section shall be paid to
23 districts **AND INTERMEDIATE DISTRICTS** as a reimbursement for already
24 having a licensing agreement or for entering into a licensing
25 agreement not later than December 1, ~~2015-2016~~ with a vendor
26 approved under subsection (2) to implement a school data analytical
27 tool. **REIMBURSEMENT WILL BE PRORATED FOR THE PORTION OF THE STATE**

Senate Bill No. 801 as amended May 4, 2016

1 FISCAL YEAR NOT COVERED BY THE LICENSING AGREEMENT. HOWEVER, A
 2 LICENSING AGREEMENT THAT TAKES EFFECT AFTER OCTOBER 1, 2016 AND
 3 BEFORE DECEMBER 1, 2016 WILL NOT BE PRORATED IF THE TERM OF THE
 4 AGREEMENT IS AT LEAST 1 YEAR. Reimbursement under this section
 5 shall be made ~~on an equal per pupil basis.~~ AS FOLLOWS:

6 (A) ALL DISTRICTS AND INTERMEDIATE DISTRICTS SEEKING
 7 REIMBURSEMENT SHALL SUBMIT REQUESTS NOT LATER THAN DECEMBER 1, 2016
 8 INDICATING THE COST PAID FOR THE FINANCIAL DATA ANALYTICAL TOOL.

9 (B) THE DEPARTMENT SHALL DETERMINE THE SUM OF THE FUNDING
 10 REQUESTS UNDER SUBDIVISION (A) AND, IF THERE ARE SUFFICIENT FUNDS,
 11 SHALL PAY 1/2 OF THE COSTS SUBMITTED UNDER SUBDIVISION (A). IF
 12 THERE ARE INSUFFICIENT FUNDS TO PAY 1/2 OF THE COSTS SUBMITTED
 13 UNDER (A), THEN REIMBURSEMENT SHALL BE MADE ON AN EQUAL PERCENTAGE
 14 BASIS.

15 (C) FUNDS REMAINING AFTER THE CALCULATION AND PAYMENT UNDER
 16 SUBDIVISION (B) SHALL BE DISTRIBUTED ON AN EQUAL PER-PUPIL BASIS,
 17 WITH AN INTERMEDIATE DISTRICT'S PUPILS CONSIDERED TO BE THE SUM OF
 18 THE PUPIL MEMBERSHIPS OF THE CONSTITUENT DISTRICTS FOR WHICH THE
 19 INTERMEDIATE DISTRICT IS PURCHASING THE FINANCIAL DATA ANALYTICAL
 20 TOOL.

<<(D) THE REIMBURSEMENT TO A DISTRICT OR INTERMEDIATE
 DISTRICT SHALL NOT BE GREATER THAN THE AMOUNT PAID FOR A DATA
 ANALYTICS APPLICATION.

(E) A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT BE
 REIMBURSED FOR THE PURCHASE OF MORE THAN 1 SOFTWARE APPLICATION.>>

21 (4) Notwithstanding section 17b, payments under this section
 22 shall be made on a schedule determined by the department.

23 Sec. 104. (1) In order to receive state aid under this
 24 article, a district shall comply with sections 1249, 1278a, 1278b,
 25 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
 26 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
 27 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from

1 the state school aid fund money appropriated in section 11, there
2 is allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
3 ~~\$43,994,400.00~~ **\$35,236,800.00** for payments on behalf of districts
4 for costs associated with complying with those provisions of law.
5 In addition, from the federal funds appropriated in section 11,
6 there is allocated for ~~2015-2016-2016-2017~~ an amount estimated at
7 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
8 funds, and from DED-OSERS, section 504 of part B of the individuals
9 with disabilities education act, Public Law 94-142, plus any
10 carryover federal funds from previous year appropriations, for the
11 purposes of complying with the federal no child left behind act of
12 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC**
13 **LAW 114-95.**

14 (2) The results of each test administered as part of the
15 Michigan student test of educational progress (M-STEP), including
16 tests administered to high school students, shall include an item
17 analysis that lists all items that are counted for individual pupil
18 scores and the percentage of pupils choosing each possible
19 response. **THE DEPARTMENT SHALL WORK WITH THE CENTER TO IDENTIFY THE**
20 **NUMBER OF STUDENTS ENROLLED AT THE TIME ASSESSMENTS ARE GIVEN BY**
21 **EACH DISTRICT. IN CALCULATING THE PERCENTAGE OF PUPILS ASSESSED FOR**
22 **A DISTRICT'S SCORECARD, THE DEPARTMENT SHALL USE ONLY THE NUMBER OF**
23 **PUPILS ENROLLED IN THE DISTRICT AT THE TIME THE DISTRICT**
24 **ADMINISTERS THE ASSESSMENTS AND SHALL EXCLUDE PUPILS WHO ENROLL IN**
25 **THE DISTRICT AFTER THE DISTRICT ADMINISTERS THE ASSESSMENTS.**

26 (3) All federal funds allocated under this section shall be
27 distributed in accordance with federal law and with flexibility

1 provisions outlined in Public Law 107-116, and in the education
2 flexibility partnership act of 1999, Public Law 106-25.

3 (4) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1),
4 \$1,100,000.00 SHALL BE FOR THE SUPPORT OF DISTRICTS UNDER A DIGITAL
5 LITERACY PREPARATION INITIATIVE FOCUSED ON PUPILS ENROLLED IN
6 DISTRICTS IN GRADES K TO 8. THE INITIATIVE SHALL DO ALL OF THE
7 FOLLOWING:

8 (A) ASSESS THE DIGITAL LITERACY SKILL LEVELS OF EACH PUPIL AND
9 PRESCRIBE DIGITAL CURRICULUM TARGETED AT AREAS OF DETERMINED
10 WEAKNESS BASED ON RESULTS.

11 (B) PROVIDE PUPILS WITH THE ABILITY TO ENGAGE WITH THE DIGITAL
12 CURRICULUM IN AN INDEPENDENT OR TEACHER-FACILITATED MODALITY.

13 (C) PROVIDE TRAINING AND PROFESSIONAL DEVELOPMENT FOR
14 TEACHERS.

15 (5) THE DIGITAL LITERACY PREPARATION INITIATIVE IDENTIFIED
16 UNDER SUBSECTION (4) SHALL BE A PILOT PROJECT IMPLEMENTED THROUGH A
17 PARTNERSHIP WITH A VENDOR THAT IS SPECIFICALLY EXPERIENCED IN THE
18 EDUCATIONAL DISCIPLINES DESCRIBED AND HAS DEMONSTRABLE EXPERIENCE
19 SERVING DISTRICTS IN THIS STATE AND AT A NATIONAL LEVEL. THE VENDOR
20 SHALL MEET AT LEAST BOTH OF THE FOLLOWING QUALIFICATIONS:

21 (A) EXPERIENCE SPECIFIC TO THE DEVELOPMENT AND SUPPORT OF
22 DIGITAL CURRICULUM AND CONTENT SPECIFIC FOR PREPARING PUPILS FOR
23 ONLINE NEXT GENERATION ASSESSMENTS.

24 (B) PROVIDE DIGITAL CURRICULUM AND CONTENT THAT MEETS THE
25 FOLLOWING:

26 (i) ALIGNS TO MICHIGAN AND INTERNATIONAL SOCIETY FOR
27 TECHNOLOGY IN EDUCATION (ISTE) STANDARDS.

1 (ii) IS PROVIDED ENTIRELY ONLINE, IS HIGHLY ENGAGING, AND IS
2 GRADE-APPROPRIATE.

3 (iii) INCLUDES SCOPE AND SEQUENCE DESIGNED SPECIFICALLY FOR
4 NEXT GENERATION ASSESSMENT.

5 (iv) AUTOMATICALLY PRESCRIBES CONTENT TO PUPILS BASED ON THE
6 RESULTS OF A PRETEST.

7 (v) ALLOWS TEACHER INTERVENTION AND FACILITATION.

8 (6) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
9 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR THE SUPPORT OF DISTRICTS
10 THAT USE THE KINDERGARTEN ENTRY ASSESSMENT (KEA) DEVELOPED BY THE
11 DEPARTMENT AND FIELD TESTED IN 2015-2016.

12 (7) THE DEPARTMENT MAY RECOMMEND, BUT MAY NOT REQUIRE,
13 DISTRICTS TO ALLOW PUPILS TO USE AN EXTERNAL KEYBOARD WITH TABLET
14 DEVICES FOR ONLINE M-STEP TESTING, INCLUDING, BUT NOT LIMITED TO,
15 OPEN-ENDED TEST ITEMS SUCH AS CONSTRUCTED RESPONSE OR EQUATION
16 BUILDER ITEMS.

17 (8) ~~(4)~~ Notwithstanding section 17b, payments on behalf of
18 districts, intermediate districts, and other eligible entities
19 under this section shall be paid on a schedule determined by the
20 department.

21 ~~—— (5) From the allocation in subsection (1), there is allocated~~
22 ~~an amount not to exceed \$8,500,000.00 for the following purposes:~~

23 ~~—— (a) Converting existing student assessments to online~~
24 ~~assessments.~~

25 ~~—— (b) Providing paper and pencil test versions to districts not~~
26 ~~prepared to implement online assessments.~~

27 ~~—— (c) Expanding writing assessments to additional grade levels.~~

1 ~~—— (d) Providing an increased number of constructed response test~~
2 ~~questions so that pupils can demonstrate higher order skills such~~
3 ~~as problem solving and communicating reasoning.~~

4 ~~—— (6) From the allocation in subsection (1), there is allocated~~
5 ~~an amount not to exceed \$3,200,000.00 for the development or~~
6 ~~selection of an online reporting tool to provide student level~~
7 ~~assessment data in a secure environment to educators, parents, and~~
8 ~~pupils immediately after assessments are scored. The department and~~
9 ~~the center shall ensure that any data collected by the online~~
10 ~~reporting tool do not provide individually identifiable student~~
11 ~~data to the federal government.~~

12 ~~—— (7) From the allocation in subsection (1), there is allocated~~
13 ~~an amount not to exceed \$5,600,000.00 for the purpose of~~
14 ~~implementing a summative assessment system pursuant to section~~
15 ~~104e.~~

16 (9) ~~(8)~~ As used in this section:

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

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

20 (c) "DED-OSERS" means the DED Office of Special Education and
21 Rehabilitative Services.

22 Sec. 104b. (1) In order to receive state aid under this
23 article, a district shall comply with this section and shall
24 administer the Michigan merit examination to pupils in grade 11,
25 and to pupils in grade 12 who did not take the complete Michigan
26 merit examination in grade 11, as provided in this section. The
27 Michigan merit examination consists of a college entrance test,

1 work skills test, and the summative assessment known as the
2 Michigan student test of educational progress (M-STEP).

3 (2) For the purposes of this section, the department of
4 technology, management, and budget shall contract with 1 or more
5 providers to develop, supply, and score the Michigan merit
6 examination. The Michigan merit examination shall consist of all of
7 the following:

8 (a) Assessment instruments that measure English language arts,
9 mathematics, reading, and science, and are used by the majority of
10 colleges and universities in this state for entrance purposes. This
11 may include 1 or more writing components. In selecting assessment
12 instruments to fulfill the requirements of this subdivision, the
13 department may consider the degree to which those assessment
14 instruments are aligned to this state's content standards.

15 (b) One or more tests from 1 or more test developers that
16 assess a pupil's ability to apply at least reading and mathematics
17 skills in a manner that is intended to allow employers to use the
18 results in making employment decisions. The department of
19 technology, management, and budget and the superintendent shall
20 ensure that any test or tests selected under this subdivision have
21 all the components necessary to allow a pupil to be eligible to
22 receive the results of a nationally recognized evaluation of
23 workforce readiness if the pupil's test performance is adequate.

24 (c) A social studies component.

25 (d) Any other component that is necessary to obtain the
26 approval of the United States Department of Education to use the
27 Michigan merit examination for the purposes of the no child left

1 behind act of 2001, Public Law 107-110, **OR THE EVERY STUDENT**
2 **SUCCEEDS ACT, PUBLIC LAW 114-95.**

3 (3) In addition to all other requirements of this section, all
4 of the following apply to the Michigan merit examination:

5 (a) The department of technology, management, and budget and
6 the superintendent shall ensure that any contractor used for
7 scoring the Michigan merit examination supplies an individual
8 report for each pupil that will identify for the pupil's parents
9 and teachers whether the pupil met expectations or failed to meet
10 expectations for each standard, to allow the pupil's parents and
11 teachers to assess and remedy problems before the pupil moves to
12 the next grade.

13 (b) The department of technology, management, and budget and
14 the superintendent shall ensure that any contractor used for
15 scoring, developing, or processing the Michigan merit examination
16 meets quality management standards commonly used in the assessment
17 industry, including at least meeting level 2 of the capability
18 maturity model developed by the Software Engineering Institute of
19 Carnegie Mellon University for the first year the Michigan merit
20 examination is offered to all grade 11 pupils and at least meeting
21 level 3 of the capability maturity model for subsequent years.

22 (c) The department of technology, management, and budget and
23 the superintendent shall ensure that any contract for scoring,
24 administering, or developing the Michigan merit examination
25 includes specific deadlines for all steps of the assessment
26 process, including, but not limited to, deadlines for the correct
27 testing materials to be supplied to schools and for the correct

1 results to be returned to schools, and includes penalties for
2 noncompliance with these deadlines.

3 (d) The superintendent shall ensure that the Michigan merit
4 examination meets all of the following:

5 (i) Is designed to test pupils on this state's content
6 standards in all subjects tested.

7 (ii) Complies with requirements of the no child left behind
8 act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT,**
9 **PUBLIC LAW 114-95.**

10 (iii) Is consistent with the code of fair testing practices in
11 education prepared by the Joint Committee on Testing Practices of
12 the American Psychological Association.

13 (iv) Is factually accurate. If the superintendent determines
14 that a question is not factually accurate and should be excluded
15 from scoring, the state board and the superintendent shall ensure
16 that the question is excluded from scoring.

17 (4) A district shall include on each pupil's high school
18 transcript all of the following:

19 (a) For each high school graduate who has completed the
20 Michigan merit examination under this section, the pupil's scaled
21 score on each subject area component of the Michigan merit
22 examination.

23 (b) The number of school days the pupil was in attendance at
24 school each school year during high school and the total number of
25 school days in session for each of those school years.

26 (5) The superintendent shall work with the provider or
27 providers of the Michigan merit examination to produce Michigan

1 merit examination subject area scores for each pupil participating
2 in the Michigan merit examination. To the extent that the
3 department determines that additional test items beyond those
4 included in the college entrance component of the Michigan merit
5 examination are required in a particular subject area, the
6 department shall ensure that all test items in that subject area
7 are scaled and merged for the purposes of producing a Michigan
8 merit examination subject area score. The superintendent shall
9 design and distribute to districts, intermediate districts, and
10 nonpublic schools a simple and concise document that describes the
11 scoring for each subject area and indicates the scaled score ranges
12 for each subject area.

13 (6) The Michigan merit examination shall be administered in
14 each district during the last 12 weeks of the district's school
15 year. The superintendent shall ensure that the Michigan merit
16 examination is scored and the scores are returned to pupils, their
17 parents or legal guardians, and districts not later than the
18 beginning of the pupil's first semester of grade 12. The returned
19 scores shall indicate at least the pupil's scaled score for each
20 subject area component and the range of scaled scores for each
21 subject area. In reporting the scores to pupils, parents, and
22 schools, the superintendent shall provide standards-specific,
23 meaningful, and timely feedback on the pupil's performance on the
24 Michigan merit examination.

25 (7) A district shall administer the complete Michigan merit
26 examination to a pupil only once and shall not administer the
27 complete Michigan merit examination to the same pupil more than

1 once. If a pupil does not take the complete Michigan merit
2 examination in grade 11, the district shall administer the complete
3 Michigan merit examination to the pupil in grade 12. If a pupil
4 chooses to retake the college entrance examination component of the
5 Michigan merit examination, as described in subsection (2)(a), the
6 pupil may do so through the provider of the college entrance
7 examination component and the cost of the retake is the
8 responsibility of the pupil unless all of the following are met:

9 (a) The pupil has taken the complete Michigan merit
10 examination.

11 (b) The pupil meets the income eligibility criteria for free
12 breakfast, lunch, or milk, as determined under the Richard B.
13 Russell national school lunch act, 42 USC 1751 to 1769i.

14 (c) The pupil has applied to the provider of the college
15 entrance examination component for a scholarship or fee waiver to
16 cover the cost of the retake and that application has been denied.

17 (d) After taking the complete Michigan merit examination, the
18 pupil has not already received a free retake of the college
19 entrance examination component paid for either by this state or
20 through a scholarship or fee waiver by the provider.

21 (8) The superintendent shall ensure that the length of the
22 Michigan merit examination and the combined total time necessary to
23 administer all of the components of the Michigan merit examination
24 are the shortest possible that will still maintain the degree of
25 reliability and validity of the Michigan merit examination results
26 determined necessary by the superintendent. The superintendent
27 shall ensure that the maximum total combined length of time that

1 schools are required to set aside for pupils to answer all test
2 questions on the Michigan merit examination does not exceed 8 hours
3 if the superintendent determines that sufficient alignment to
4 applicable Michigan merit curriculum content standards can be
5 achieved within that time limit.

6 (9) A district shall provide accommodations to a pupil with
7 disabilities for the Michigan merit examination, as provided under
8 section 504 of title V of the rehabilitation act of 1973, 29 USC
9 794; subtitle A of title II of the Americans with disabilities act
10 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
11 education act amendments of 1997, Public Law 105-17; and the
12 implementing regulations for those statutes. The provider or
13 providers of the Michigan merit examination and the superintendent
14 shall mutually agree upon the accommodations to be provided under
15 this subsection.

16 (10) To the greatest extent possible, the Michigan merit
17 examination shall be based on this state's content standards, as
18 appropriate. Annually, after each administration of the Michigan
19 merit examination, the department shall provide a report of the
20 points per standard so that teachers will know what content will be
21 covered within the Michigan merit examination. The department may
22 augment the college entrance and work skills components of the
23 Michigan merit examination to develop the assessment, depending on
24 the alignment of those components to this state's content
25 standards. If these components do not align to these standards, the
26 department shall produce additional components as required by law,
27 while minimizing the amount of time needed for assessments.

1 (11) A child who is a student in a nonpublic school or home
2 school may take the Michigan merit examination under this section.
3 To take the Michigan merit examination, a child who is a student in
4 a home school shall contact the district in which the child
5 resides, and that district shall administer the Michigan merit
6 examination, or the child may take the Michigan merit examination
7 at a nonpublic school if allowed by the nonpublic school. Upon
8 request from a nonpublic school, the superintendent shall direct
9 the provider or providers to supply the Michigan merit examination
10 to the nonpublic school and the nonpublic school may administer the
11 Michigan merit examination. If a district administers the Michigan
12 merit examination under this subsection to a child who is not
13 enrolled in the district, the scores for that child are not
14 considered for any purpose to be scores of a pupil of the district.

15 (12) In contracting under subsection (2), the department of
16 technology, management, and budget shall consider a contractor that
17 provides electronically-scored essays with the ability to score
18 constructed response feedback in multiple languages and provide
19 ongoing instruction and feedback.

20 (13) The purpose of the Michigan merit examination is to
21 assess pupil performance in mathematics, science, social studies,
22 and English language arts for the purpose of improving academic
23 achievement and establishing a statewide standard of competency.
24 The assessment under this section provides a common measure of data
25 that will contribute to the improvement of Michigan schools'
26 curriculum and instruction by encouraging alignment with Michigan's
27 curriculum framework standards and promotes pupil participation in

1 higher level mathematics, science, social studies, and English
2 language arts courses. These standards are based upon the
3 expectations of what pupils should learn through high school and
4 are aligned with national standards.

5 (14) For a pupil enrolled in a middle college program, other
6 than a middle college operated as a shared educational entity or a
7 specialized shared educational entity, if the pupil receives at
8 least 50% of his or her instruction at the high school while in
9 grade 11, the Michigan merit examination shall be administered to
10 the pupil at the high school at which the pupil receives high
11 school instruction, and the department shall include the pupil's
12 scores on the Michigan merit examination in the scores for that
13 high school for all purposes for which a school's or district's
14 results are reported. The department shall allow the middle college
15 program to use a 5-year graduation rate for determining adequate
16 yearly progress. As used in this subsection, "middle college" means
17 a program consisting of a series of courses and other requirements
18 and conditions, including an early college or other program created
19 under a memorandum of understanding, that allows a pupil to
20 graduate from high school with both a high school diploma and a
21 certificate or degree from a community college or state public
22 university.

23 (15) As used in this section:

24 (a) "English language arts" means reading and writing.

25 (b) "Social studies" means United States history, world
26 history, world geography, economics, and American government.

27 Sec. 104c. (1) In order to receive state aid under this

1 article, a district shall administer the state assessments
2 described in this section.

3 (2) For the purposes of this section, the department shall
4 develop for use in the spring of 2015-2016 the Michigan student
5 test of educational progress (M-STEP) assessments in English
6 language arts and mathematics. These assessments shall be aligned
7 to state standards.

8 (3) For the purposes of this section, the department shall
9 implement a summative assessment system that is proven to be valid
10 and reliable for administration to pupils as provided under this
11 subsection. The summative assessment system shall meet all of the
12 following requirements:

13 (a) The summative assessment system shall measure student
14 proficiency on the current state standards, shall measure student
15 growth for consecutive grade levels in which students are assessed
16 in the same subject area in both grade levels, and shall be capable
17 of measuring individual student performance.

18 (b) The summative assessments for English language arts and
19 mathematics shall be administered to all public school pupils in
20 grades 3 to 11, including those pupils as required by the federal
21 individuals with disabilities education act, Public Law 108-446,
22 and by title I of the federal elementary and secondary education
23 act.

24 (c) The summative assessments for science shall be
25 administered to all public school pupils in at least grades 4 and
26 7, including those pupils as required by the federal individuals
27 with disabilities education act, Public Law 108-446, and by title I

1 of the federal elementary and secondary education act.

2 (d) The summative assessments for social studies shall be
3 administered to all public school pupils in at least grades 5 and
4 8, including those pupils as required by the federal individuals
5 with disabilities education act, Public Law 108-446, and by title I
6 of the federal elementary and secondary education act.

7 (e) The content of the summative assessments shall be aligned
8 to state standards.

9 (f) The pool of questions for the summative assessments shall
10 be subject to a transparent review process for quality, bias, and
11 sensitive issues involving educator review and comment. The
12 department shall post samples from tests or retired tests featuring
13 questions from this pool for review by the public.

14 (g) The summative assessment system shall ensure that
15 students, parents, and teachers are provided with reports that
16 convey individual student proficiency and growth on the assessment
17 and that convey individual student domain-level performance in each
18 subject area, including representative questions, and individual
19 student performance in meeting state standards.

20 (h) The summative assessment system shall be capable of
21 providing, and the department shall ensure that students, parents,
22 teachers, administrators, and community members are provided with,
23 reports that convey aggregate student proficiency and growth data
24 by teacher, grade, school, and district.

25 (i) The summative assessment system shall ensure the
26 capability of reporting the available data to support educator
27 evaluations.

1 (j) The summative assessment system shall ensure that the
2 reports provided to districts containing individual student data
3 are available within 60 days after completion of the assessments.

4 (k) The summative assessment system shall ensure that access
5 to individually identifiable student data meets all of the
6 following:

7 (i) Is in compliance with 20 USC 1232g, commonly referred to
8 as the family educational rights and privacy act of 1974.

9 (ii) Except as may be provided for in an agreement with a
10 vendor to provide assessment services, as necessary to support
11 educator evaluations pursuant to subdivision (i), or for research
12 or program evaluation purposes, is available only to the student;
13 to the student's parent or legal guardian; and to a school
14 administrator or teacher, to the extent that he or she has a
15 legitimate educational interest.

16 (l) The summative assessment system shall ensure that the
17 assessments are pilot tested before statewide implementation.

18 (m) The summative assessment system shall ensure that
19 assessments are designed so that the maximum total combined length
20 of time that schools are required to set aside for a pupil to
21 answer all test questions on all assessments that are part of the
22 system for the pupil's grade level does not exceed that maximum
23 total combined length of time for the previous statewide assessment
24 system or 9 hours, whichever is less. This subdivision does not
25 limit the amount of time a district may allow a pupil to complete a
26 test.

27 (n) The total cost of executing the summative assessment

1 system statewide each year, including, but not limited to, the cost
2 of contracts for administration, scoring, and reporting, shall not
3 exceed an amount equal to 2 times the cost of executing the
4 previous statewide assessment after adjustment for inflation.

5 (4) Beginning in the 2015-2016 school year, the department
6 shall field test additional components in the assessment system
7 under this subsection for full implementation in ~~the 2016-2017~~
8 **SUBSEQUENT** school ~~year.~~ **YEARS**. The additional components are
9 necessary to determine a pupil's proficiency level before grade 3.
10 The additional components are as follows:

11 (a) Assessments administered in the fall and spring of each
12 year to measure English language arts and mathematics in each of
13 grades 1 and 2.

14 (b) The kindergarten ~~entry~~ **READINESS** assessment ~~(KEA),~~ **(KRA)**,
15 to be administered in the fall of the kindergarten year. The ~~KEA~~
16 **KRA** shall include the same components as under subdivision (a) and
17 also may include observational components that measure cognitive,
18 social-emotional, and physical skills. **THE DEPARTMENT SHALL WORK**
19 **WITH AT LEAST 3 INTERMEDIATE DISTRICTS AND THEIR CONSTITUENT**
20 **DISTRICTS TO PARTICIPATE IN THE KRA.**

21 (5) This section does not prohibit districts from adopting
22 interim assessments.

23 (6) As used in this section, "English language arts" means
24 that term as defined in section 104b.

25 Sec. 104d. (1) From the state school aid fund money
26 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
27 **2017** an amount not to exceed ~~\$4,000,000.00~~ **\$9,500,000.00** for

1 providing reimbursement to districts that purchase a computer-
2 adaptive test, ~~for each pupil enrolled in the district~~ or that
3 purchase 1 or more diagnostic tools, screening tools, or benchmark
4 assessments for pupils in grades K to 3 that are intended to
5 increase reading proficiency by grade 4.

6 (2) In order to receive reimbursement under this section for
7 the purchase of a computer-adaptive test, the computer-adaptive
8 test must provide for at least all of the following:

9 (a) Internet-delivered, standards-based assessment using a
10 computer-adaptive model to target the instructional level of each
11 pupil.

12 (b) Unlimited testing opportunities throughout the ~~2015-2016~~
13 **2016-2017** school year.

14 (c) Valid and reliable diagnostic assessment data.

15 (d) Adjustment of testing difficulty based on previous answers
16 to test questions.

17 (e) Immediate feedback to pupils and teachers.

18 (3) In order to receive reimbursement under this section for
19 the purchase of 1 or more diagnostic tools or screening tools for
20 pupils in grades K to 3, each of the tools must meet all of the
21 following:

22 (a) Be reliable.

23 (b) Be valid.

24 (c) Be useful. As used in this subdivision, "useful" means
25 that a tool is easy to administer and requires a short time to
26 complete and that results are linked to intervention.

27 (4) In order to receive funding under this section for the

1 purchase of 1 or more benchmark assessments for pupils in grades K
2 to 3, each of the benchmark assessments must meet all of the
3 following:

4 (a) Be aligned to the state standards of this state.

5 (b) Complement this state's summative assessment system.

6 (c) Be administered at least once a year before the
7 administration of any summative assessment to monitor pupil
8 progress.

9 (d) Provide information on pupil achievement with regard to
10 learning the content required in a given year or grade span.

11 (5) Reimbursement under this section shall be made to eligible
12 districts that purchase a computer-adaptive test or 1 or more
13 diagnostic tools, screening tools, or benchmark assessments
14 described in this section by October 15, ~~2015-2016~~ and shall be
15 made on an equal per-pupil basis according to the available
16 funding, **BASED ON THE NUMBER OF PUPILS FOR WHOM ASSESSMENTS WERE**
17 **PURCHASED.**

18 (6) In order to receive reimbursement under this section, a
19 district shall demonstrate to the satisfaction of the department
20 that each qualifying computer-adaptive test, diagnostic tool,
21 screening tool, or benchmark assessment was purchased by the
22 district by December 1, ~~2015-2016~~.

23 Sec. 107. (1) From the appropriation in section 11, there is
24 allocated an amount not to exceed \$25,000,000.00 for ~~2015-2016~~
25 **2016-2017** for adult education programs authorized under this
26 section. Except as otherwise provided under subsections (16) and
27 (18), funds allocated under this section are restricted for adult

1 education programs as authorized under this section only. A
2 recipient of funds under this section shall not use those funds for
3 any other purpose.

4 (2) To be eligible for funding under this section, an eligible
5 adult education provider shall employ certificated teachers and
6 qualified administrative staff and shall offer continuing education
7 opportunities for teachers to allow them to maintain certification.

8 (3) To be eligible to be a participant funded under this
9 section, an individual shall be enrolled in an adult basic
10 education program, an adult English as a second language program, a
11 high school equivalency test preparation program, a job- or
12 employment-related program, or a high school completion program,
13 that meets the requirements of this section, and for which
14 instruction is provided, and shall meet either of the following, as
15 applicable:

16 (a) If the individual has achieved a high school equivalency
17 certificate, the individual meets 1 of the following:

18 (i) Is less than 20 years of age on September 1 of the school
19 year, is not attending an institution of higher education, and is
20 enrolled in a job- or employment-related program through a referral
21 by an employer or by a Michigan workforce agency.

22 (ii) Is enrolled in an English as a second language program.

23 (iii) Is enrolled in a high school completion program.

24 (iv) Is at least 20 years of age on September 1 of the school
25 year, is enrolled in an adult basic education program, and is
26 determined by a department-approved assessment, in a form and
27 manner prescribed by the department, to be below grade 9 level in

1 reading or mathematics, or both.

2 (b) If the individual has not ~~obtained~~**ACHIEVED** a high school
3 diploma or high school equivalency certificate, the individual
4 meets 1 of the following:

5 (i) Is at least 20 years of age on September 1 of the school
6 year.

7 (ii) Is at least 16 years of age on September 1 of the school
8 year, has been permanently expelled from school under section
9 1311(2) or 1311a of the revised school code, MCL 380.1311 and
10 380.1311a, and has no appropriate alternative education program
11 available through his or her district of residence.

12 (4) By April 1 of each fiscal year, the intermediate districts
13 within a prosperity region or subregion shall determine which
14 intermediate district will serve as the prosperity region's or
15 subregion's fiscal agent for the next fiscal year and shall notify
16 the department in a form and manner determined by the department.
17 The department shall approve or disapprove of the prosperity
18 region's or subregion's selected fiscal agent. From the funds
19 allocated under subsection (1), an amount as determined under this
20 subsection shall be allocated to each intermediate district serving
21 as a fiscal agent for adult education programs in each of the
22 prosperity regions or subregions identified by the department. An
23 intermediate district shall not use more than 5% of the funds
24 allocated under this subsection for administration costs for
25 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
26 allocation provided to each intermediate district serving as a
27 fiscal agent shall be based on the proportion of total funding

1 formerly received by the adult education providers in that
2 prosperity region or subregion in 2013-2014, and 33% shall be
3 allocated based on the factors in subdivisions (a), (b), and (c).
4 ~~For 2016-2017, 33% of the allocation provided to each intermediate~~
5 ~~district serving as a fiscal agent shall be based upon the~~
6 ~~proportion of total funding formerly received by the adult~~
7 ~~education providers in that prosperity region in 2013-2014 and 67%~~
8 ~~of the allocation shall be based upon the factors in subdivisions~~
9 ~~(a), (b), and (c). Beginning in 2017-2018, 100% of the allocation~~
10 ~~provided to each intermediate district serving as a fiscal agent~~
11 ~~shall be based on the factors in subdivisions (a), (b), and (c).~~
12 The funding factors for this section are as follows:

13 (a) Sixty percent of this portion of the funding shall be
14 distributed based upon the proportion of the state population of
15 individuals between the ages of 18 and 24 that are not high school
16 graduates that resides in each of the prosperity regions or
17 subregions, as reported by the most recent 5-year estimates from
18 the American community survey (ACS) from the United States Census
19 Bureau.

20 (b) Thirty-five percent of this portion of the funding shall
21 be distributed based upon the proportion of the state population of
22 individuals age 25 or older who are not high school graduates that
23 resides in each of the prosperity regions or subregions, as
24 reported by the most recent 5-year estimates from the American
25 community survey (ACS) from the United States Census Bureau.

26 (c) Five percent of this portion of the funding shall be
27 distributed based upon the proportion of the state population of

1 individuals age 18 or older who lack basic English language
2 proficiency that resides in each of the prosperity regions or
3 subregions, as reported by the most recent 5-year estimates from
4 the American community survey (ACS) from the United States Census
5 Bureau.

6 (5) To be an eligible fiscal agent, an intermediate district
7 must agree to do the following in a form and manner determined by
8 the department:

9 (a) Distribute funds to adult education programs in a
10 prosperity region or subregion as described in this section.

11 (b) Collaborate with the talent district career council, which
12 is an advisory council of the workforce development boards located
13 in the prosperity region or subregion, or its successor, to develop
14 a regional strategy that aligns adult education programs and
15 services into an efficient and effective delivery system for adult
16 education learners, with special consideration for providing
17 contextualized learning and career pathways.

18 (c) Collaborate with the talent district career council, which
19 is an advisory council of the workforce development boards located
20 in the prosperity region or subregion, or its successor, to create
21 a local process and criteria that will identify eligible adult
22 education providers to receive funds allocated under this section
23 based on location, demand for services, past performance, quality
24 indicators as identified by the department, and cost to provide
25 instructional services. The fiscal agent shall determine all local
26 processes, criteria, and provider determinations. However, the
27 local processes, criteria, and provider services must be approved

1 by the department before funds may be distributed to the fiscal
2 agent.

3 (d) Provide oversight to its adult education providers
4 throughout the program year to ensure compliance with the
5 requirements of this section.

6 (e) Report adult education program and participant data and
7 information as prescribed by the department.

8 (6) The amount allocated under this section per full-time
9 equated participant shall not exceed \$2,850.00 for a 450-hour
10 program. The amount shall be proportionately reduced for a program
11 offering less than 450 hours of instruction.

12 (7) An adult basic education program or an adult English as a
13 second language program operated on a year-round or school year
14 basis may be funded under this section, subject to all of the
15 following:

16 (a) The program enrolls adults who are determined by a
17 department-approved assessment, in a form and manner prescribed by
18 the department, to be below ninth grade level in reading or
19 mathematics, or both, or to lack basic English proficiency.

20 (b) The program tests individuals for eligibility under
21 subdivision (a) before enrollment and upon completion of the
22 program in compliance with the state-approved assessment policy.

23 (c) A participant in an adult basic education program is
24 eligible for reimbursement until 1 of the following occurs:

25 (i) The participant's reading and mathematics proficiency are
26 assessed at or above the ninth grade level.

27 (ii) The participant fails to show progress on 2 successive

1 assessments after having completed at least 450 hours of
2 instruction.

3 (d) A funding recipient enrolling a participant in an English
4 as a second language program is eligible for funding according to
5 subsection (11) until the participant meets 1 of the following:

6 (i) The participant is assessed as having attained basic
7 English proficiency as determined by a department-approved
8 assessment.

9 (ii) The participant fails to show progress on 2 successive
10 department-approved assessments after having completed at least 450
11 hours of instruction. The department shall provide information to a
12 funding recipient regarding appropriate assessment instruments for
13 this program.

14 (8) A high school equivalency test preparation program
15 operated on a year-round or school year basis may be funded under
16 this section, subject to all of the following:

17 (a) The program enrolls adults who do not have a high school
18 diploma.

19 (b) The program shall administer a pre-test approved by the
20 department before enrolling an individual to determine the
21 individual's literacy levels, shall administer a high school
22 equivalency practice test to determine the individual's potential
23 for success on the high school equivalency test, and shall
24 administer a post-test upon completion of the program in compliance
25 with the state-approved assessment policy.

26 (c) A funding recipient shall receive funding according to
27 subsection (11) for a participant, and a participant may be

1 enrolled in the program until 1 of the following occurs:

2 (i) The participant achieves a high school equivalency
3 certificate.

4 (ii) The participant fails to show progress on 2 successive
5 department-approved assessments used to determine readiness to take
6 a high school equivalency test after having completed at least 450
7 hours of instruction.

8 (9) A high school completion program operated on a year-round
9 or school year basis may be funded under this section, subject to
10 all of the following:

11 (a) The program enrolls adults who do not have a high school
12 diploma.

13 (b) The program tests participants described in subdivision
14 (a) before enrollment and upon completion of the program in
15 compliance with the state-approved assessment policy.

16 (c) A funding recipient shall receive funding according to
17 subsection (11) for a participant in a course offered under this
18 subsection until 1 of the following occurs:

19 (i) The participant passes the course and earns a high school
20 diploma.

21 (ii) The participant fails to earn credit in 2 successive
22 semesters or terms in which the participant is enrolled after
23 having completed at least 900 hours of instruction.

24 (10) A job- or employment-related adult education program
25 operated on a year-round or school year basis may be funded under
26 this section, subject to all of the following:

27 (a) The program enrolls adults referred by their employer who

1 are less than 20 years of age, have a high school diploma, are
2 determined to be in need of remedial mathematics or communication
3 arts skills, and are not attending an institution of higher
4 education.

5 (b) The program tests participants described in subdivision
6 (a) before enrollment and upon completion of the program in
7 compliance with the department-approved assessment policy.

8 (c) An individual may be enrolled in this program and the
9 grant recipient shall receive funding according to subsection (11)
10 until 1 of the following occurs:

11 (i) The individual achieves the requisite skills as determined
12 by department-approved assessment instruments.

13 (ii) The individual fails to show progress on 2 successive
14 assessments after having completed at least 450 hours of
15 instruction.

16 (11) A funding recipient shall receive payments under this
17 section in accordance with the following:

18 (a) Eighty percent for enrollment of eligible participants.

19 (b) Twenty percent for participant completion of the adult
20 basic education objectives by achieving an educational gain as
21 determined by the national reporting system levels; for achieving
22 basic English proficiency, as determined by the department; for
23 achieving a high school equivalency certificate or passage of 1 or
24 more individual high school equivalency tests; for attainment of a
25 high school diploma or passage of a course required for a
26 participant to attain a high school diploma; for enrollment in a
27 postsecondary institution, or for entry into or retention of

1 employment, as applicable.

2 (12) A person who is not eligible to be a participant funded
3 under this section may receive adult education services upon the
4 payment of tuition. In addition, a person who is not eligible to be
5 served in a program under this section due to the program
6 limitations specified in subsection (7), (8), (9), or (10) may
7 continue to receive adult education services in that program upon
8 the payment of tuition. The tuition level shall be determined by
9 the local or intermediate district conducting the program.

10 (13) An individual who is an inmate in a state correctional
11 facility shall not be counted as a participant under this section.

12 (14) A funding recipient shall not commingle money received
13 under this section or from another source for adult education
14 purposes with any other funds and shall establish a separate ledger
15 account for funds received under this section. This subsection does
16 not prohibit a district from using general funds of the district to
17 support an adult education or community education program.

18 (15) A funding recipient receiving funds under this section
19 may establish a sliding scale of tuition rates based upon a
20 participant's family income. A funding recipient may charge a
21 participant tuition to receive adult education services under this
22 section from that sliding scale of tuition rates on a uniform
23 basis. The amount of tuition charged per participant shall not
24 exceed the actual operating cost per participant minus any funds
25 received under this section per participant. A funding recipient
26 may not charge a participant tuition under this section if the
27 participant's income is at or below 200% of the federal poverty

1 guidelines published by the United States Department of Health and
2 Human Services.

3 (16) In order to receive funds under this section, a funding
4 recipient shall furnish to the department, in a form and manner
5 determined by the department, all information needed to administer
6 this program and meet federal reporting requirements; shall allow
7 the department or the department's designee to review all records
8 related to the program for which it receives funds; and shall
9 reimburse the state for all disallowances found in the review, as
10 determined by the department. In addition, a funding recipient
11 shall agree to pay to a career and technical education program
12 under section 61a the amount of funding received under this section
13 in the proportion of career and technical education coursework used
14 to satisfy adult basic education programming, as billed to the
15 funding recipient by programs operating under section 61a.

16 (17) All intermediate district participant audits of adult
17 education programs shall be performed pursuant to the adult
18 education participant auditing and accounting manuals published by
19 the department.

20 (18) From the amount appropriated in subsection (1), an amount
21 not to exceed \$500,000.00 shall be allocated for ~~2015-2016-2016-~~
22 **2017** to not more than 1 pilot program that is located in a
23 prosperity region with 2 or more subregions and that connects adult
24 education participants directly with employers by linking adult
25 education, career and technical skills, and workforce development.
26 To be eligible for funding under this subsection, a pilot program
27 shall provide a collaboration linking adult education programs

1 within the county, the area career/technical center, and local
2 employers, and shall meet the additional criteria in subsections
3 (19) and (20). Funding under this subsection for ~~2015-2016-2016-~~
4 **2017** is for the ~~first~~-**SECOND** of 3 years of funding.

5 (19) A pilot program funded under subsection (18) shall
6 require adult education staff to work with Michigan works agency to
7 identify a cohort of participants who are most prepared to
8 successfully enter the workforce. Participants identified under
9 this subsection shall be dually enrolled in adult education
10 programming and at least 1 technical course at the area
11 career/technical center.

12 (20) A pilot program funded under subsection (18) shall have
13 on staff an adult education navigator who will serve as a
14 caseworker for each participant identified under subsection (19).
15 The navigator shall work with adult education staff and potential
16 employers to design an educational program best suited to the
17 personal and employment needs of the participant, and shall work
18 with human service agencies or other entities to address any
19 barrier in the way of participant access.

20 (21) Not later than December 1, ~~2016,~~**2017**, the pilot program
21 funded under subsection (18) shall provide to the senate and house
22 appropriations subcommittees on school aid and to the senate and
23 house fiscal agencies a report detailing number of participants,
24 graduation rates, and a measure of transitioning to employment.

25 (22) The department shall develop an application process for a
26 pilot program to be funded under subsection (18) and shall award
27 funding not later than ~~November 1, 2015.~~**OCTOBER 1, 2016**. Funding

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1 allocated under subsection (18) may be paid on a schedule other
2 than that specified under section 17b.

3 ~~<<(23) The department shall approve at least 1 high school~~
4 ~~equivalency test and determine whether a high school equivalency~~
5 ~~certificate meets the requisite standards for high school~~
6 ~~equivalency in this state.~~

7 (23) (24)>> As used in this section:

8 (a) "Career pathway" means a combination of rigorous and high-
9 quality education, training, and other services that comply with
10 all of the following:

11 (i) Aligns with the skill needs of industries in the economy
12 of this state or in the regional economy involved.

13 (ii) Prepares an individual to be successful in any of a full
14 range of secondary or postsecondary education options, including
15 apprenticeships registered under the act of August 16, 1937
16 (commonly known as the "national apprenticeship act"), 29 USC 50 et
17 seq.

18 (iii) Includes counseling to support an individual in
19 achieving the individual's education and career goals.

20 (iv) Includes, as appropriate, education offered concurrently
21 with and in the same context as workforce preparation activities
22 and training for a specific occupation or occupational cluster.

23 (v) Organizes education, training, and other services to meet
24 the particular needs of an individual in a manner that accelerates
25 the educational and career advancement of the individual to the
26 extent practicable.

27 (vi) Enables an individual to attain a secondary school

1 diploma or its recognized equivalent, and at least 1 recognized
2 postsecondary credential.

3 (vii) Helps an individual enter or advance within a specific
4 occupation or occupational cluster.

5 (b) "Department" means the department of talent and economic
6 development.

7 (c) "Eligible adult education provider" means a district,
8 intermediate district, a consortium of districts, a consortium of
9 intermediate districts, or a consortium of districts and
10 intermediate districts that is identified as part of the local
11 process described in subsection (5)(c) and approved by the
12 department.

13 (d) "Participant" means the sum of the number of full-time
14 equated individuals enrolled in and attending a department-approved
15 adult education program under this section, using quarterly
16 participant count days on the schedule described in section
17 6(7)(b).

18 Sec. 147. (1) The allocation for ~~2015-2016~~**2016-2017** for the
19 public school employees' retirement system pursuant to the public
20 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
21 to 38.1408, shall be made using the individual projected benefit
22 entry age normal cost method of valuation and risk assumptions
23 adopted by the public school employees retirement board and the
24 department of technology, management, and budget.

25 (2) The annual level percentage of payroll contribution rates
26 for the ~~2015-2016~~**2016-2017** fiscal year, as determined by the
27 retirement system, are estimated as follows:

1 (a) For public school employees who first worked for a public
2 school reporting unit before July 1, 2010 and who are enrolled in
3 the health premium subsidy, the annual level percentage of payroll
4 contribution rate is estimated at ~~36.31%~~, **36.64%**, with ~~25.78%~~
5 **24.94%** paid directly by the employer.

6 (b) For public school employees who first worked for a public
7 school reporting unit on or after July 1, 2010 and who are enrolled
8 in the health premium subsidy, the annual level percentage of
9 payroll contribution rate is estimated at ~~35.09%~~, **36.01%**, with
10 ~~24.56%~~ **24.31%** paid directly by the employer.

11 (c) For public school employees who first worked for a public
12 school reporting unit on or after July 1, 2010 and who participate
13 in the personal healthcare fund, the annual level percentage of
14 payroll contribution rate is estimated at ~~34.66%~~, **35.79%**, with
15 ~~24.13%~~ **24.09%** paid directly by the employer.

16 (d) For public school employees who first worked for a public
17 school reporting unit on or after September 4, 2012, who elect
18 defined contribution, and who participate in the personal
19 healthcare fund, the annual level percentage of payroll
20 contribution rate is estimated at ~~31.49%~~, **32.66%**, with 20.96% paid
21 directly by the employer.

22 (e) For public school employees who first worked for a public
23 school reporting unit before July 1, 2010, who elect defined
24 contribution, and who are enrolled in the health premium subsidy,
25 the annual level percentage of payroll contribution rate is
26 estimated at ~~31.92%~~, **32.88%**, with ~~21.39%~~ **21.18%** paid directly by
27 the employer.

1 (f) For public school employees who first worked for a public
2 school reporting unit before July 1, 2010, who elect defined
3 contribution, and who participate in the personal healthcare fund,
4 the annual level percentage of payroll contribution rate is
5 estimated at ~~31.49%~~, **32.66%**, with 20.96% paid directly by the
6 employer.

7 (g) For public school employees who first worked for a public
8 school reporting unit before July 1, 2010 and who participate in
9 the personal healthcare fund, the annual level percentage of
10 payroll contribution rate is estimated at ~~35.88%~~, **36.42%**, with
11 ~~25.35%~~ **24.72%** paid directly by the employer.

12 (3) In addition to the employer payments described in
13 subsection (2), the employer shall pay the applicable contributions
14 to the Tier 2 plan, as determined by the public school employees
15 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

16 (4) The contribution rates in subsection (2) reflect an
17 amortization period of ~~23~~ **22** years for ~~2015-2016~~. **2016-2017**. The
18 public school employees' retirement system board shall notify each
19 district and intermediate district by February 28 of each fiscal
20 year of the estimated contribution rate for the next fiscal year.

21 Sec. 147a. From the appropriation in section 11, there is
22 allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed
23 \$100,000,000.00 for payments to participating districts. A district
24 that receives money under this section shall use that money solely
25 for the purpose of offsetting a portion of the retirement
26 contributions owed by the district for the fiscal year in which it
27 is received. The amount allocated to each participating district

1 under this section shall be based on each participating district's
2 percentage of the total statewide payroll for all participating
3 districts for the immediately preceding fiscal year. As used in
4 this section, "participating district" means a district that is a
5 reporting unit of the Michigan public school employees' retirement
6 system under the public school employees retirement act of 1979,
7 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to
8 the Michigan public school employees' retirement system for the
9 applicable fiscal year.

10 Sec. 147c. (1) From the appropriation in section 11, there is
11 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
12 ~~\$892,900,000.00~~ **\$982,200,000.00** from the state school aid fund for
13 payments to districts and intermediate districts that are
14 participating entities of the Michigan public school employees'
15 retirement system. In addition, from the general fund money
16 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
17 **2017** an amount not to exceed \$600,000.00 for payments to district
18 libraries that are participating entities of the Michigan public
19 school employees' retirement system.

20 (2) For ~~2015-2016,~~ **2016-2017**, the amounts allocated under
21 subsection (1) are estimated to provide an average MPSERS rate cap
22 per pupil amount of ~~\$601.00~~ **\$660.00** and are estimated to provide a
23 rate cap per pupil for districts ranging between ~~\$4.00~~ **\$5.00** and
24 ~~\$2,300.00.~~ **\$3,100.00.**

25 (3) Payments made under this section ~~for 2015-2016~~ shall be
26 equal to the difference between the unfunded actuarial accrued
27 liability contribution rate as calculated pursuant to section 41 of

1 the public school employees retirement act of 1979, 1980 PA 300,
2 MCL 38.1341, as calculated without taking into account the maximum
3 employer rate of 20.96% included in section 41 of the public school
4 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
5 maximum employer rate of 20.96% included in section 41 of the
6 public school employees retirement act of 1979, 1980 PA 300, MCL
7 38.1341.

8 (4) The amount allocated to each participating entity under
9 this section shall be based on each participating entity's
10 proportion of the total covered payroll for the immediately
11 preceding fiscal year for the same type of participating entities.
12 A participating entity that receives funds under this section shall
13 use the funds solely for the purpose of retirement contributions as
14 specified in subsection (5).

15 (5) Each participating entity receiving funds under this
16 section shall forward an amount equal to the amount allocated under
17 subsection (4) to the retirement system in a form, manner, and time
18 frame determined by the retirement system.

19 (6) Funds allocated under this section should be considered
20 when comparing a district's growth in total state aid funding from
21 1 fiscal year to the next.

22 (7) Not later than December 20, ~~2015~~, **2016**, the department
23 shall publish and post on its website an estimated MPERS rate cap
24 per pupil for each district.

25 (8) As used in this section:

26 (a) "MPERS rate cap per pupil" means an amount equal to the
27 quotient of the district's payment under this section divided by

1 the district's pupils in membership.

2 (b) "Participating entity" means a district, intermediate
3 district, or district library that is a reporting unit of the
4 Michigan public school employees' retirement system under the
5 public school employees retirement act of 1979, 1980 PA 300, MCL
6 38.1301 to 38.1437, and that reports employees to the Michigan
7 public school employees' retirement system for the applicable
8 fiscal year.

9 (c) "Retirement board" means the board that administers the
10 retirement system under the public school employees retirement act
11 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

12 (d) "Retirement system" means the Michigan public school
13 employees' retirement system under the public school employees
14 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

15 Sec. 152a. (1) As required by the court in the consolidated
16 cases known as Adair v State of Michigan, Michigan supreme court
17 docket nos. 137424 and 137453, from the state school aid fund money
18 appropriated in section 11 there is allocated for ~~2015-2016-2016-~~
19 **2017** an amount not to exceed \$38,000,500.00 to be used solely for
20 the purpose of paying necessary costs related to the state-mandated
21 collection, maintenance, and reporting of data to this state.

22 (2) From the allocation in subsection (1), the department
23 shall make payments to districts and intermediate districts in an
24 equal amount per-pupil based on the total number of pupils in
25 membership in each district and intermediate district. The
26 department shall not make any adjustment to these payments after
27 the final installment payment under section 17b is made.

1 SEC. 152B. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN
2 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
3 \$5,000,000.00 FOR 2016-2017 TO REIMBURSE NONPUBLIC SCHOOLS FOR THE
4 COSTS IDENTIFIED IN THE NONPUBLIC MANDATE REPORT PUBLISHED BY THE
5 DEPARTMENT ON NOVEMBER 25, 2014 TO ENSURE THE HEALTH AND SAFETY OF
6 ALL SCHOOLCHILDREN IN THE STATE.

7 (2) THE DEPARTMENT SHALL DISTRIBUTE FUNDS ALLOCATED UNDER
8 SUBSECTION (1) TO NONPUBLIC SCHOOL APPLICANTS IN AN AMOUNT EQUAL TO
9 \$50.00 PER ENROLLED STUDENT IN A FORM AND MANNER DETERMINED BY THE
10 DEPARTMENT.

11 (3) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
12 TO FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION,
13 THE DEPARTMENT SHALL PRORATE PAYMENTS ON AN EQUAL PER-STUDENT
14 BASIS.

15 Sec. 166b. (1) This act does not prohibit a parent or legal
16 guardian of a minor who is enrolled in any of grades kindergarten
17 to 12 in a nonpublic school or who is being home-schooled from also
18 enrolling the minor in a district, public school academy, or
19 intermediate district in any curricular offering that is provided
20 by the district, public school academy, or intermediate district at
21 a public school site and is available to pupils in the minor's
22 grade level or age group, subject to compliance with the same
23 requirements that apply to a full-time pupil's participation in the
24 offering. However, state school aid shall be provided under this
25 act for a minor enrolled as described in this subsection only for
26 curricular offerings that are offered to full-time pupils in the
27 minor's grade level or age group during regularly scheduled school

1 hours.

2 (2) This act does not prohibit a parent or legal guardian of a
3 minor who is enrolled in any of grades kindergarten to 12 in a
4 nonpublic school or who resides within the district and is being
5 home-schooled from also enrolling the minor in the district in a
6 curricular offering being provided by the district at the nonpublic
7 school site. However, state school aid shall be provided under this
8 act for a minor enrolled as described in this subsection only if
9 all of the following apply:

10 (a) Either of the following:

11 (i) The nonpublic school site is located, or the nonpublic
12 students are educated, within the geographic boundaries of the
13 district.

14 (ii) If the nonpublic school has submitted a written request
15 to the district in which the nonpublic school is located for the
16 district to provide certain instruction under this subsection for a
17 school year and the district does not agree to provide some or all
18 of that instruction by May 1 immediately preceding that school year
19 or, if the request is submitted after March 1 immediately preceding
20 that school year, within 60 days after the nonpublic school submits
21 the request, the instruction is instead provided by an eligible
22 other district. This subparagraph does not require a nonpublic
23 school to submit more than 1 request to the district in which the
24 nonpublic school is located for that district to provide
25 instruction under this subsection, and does not require a nonpublic
26 school to submit an additional request to the district in which the
27 nonpublic school is located for that district to provide additional

1 instruction under this subsection beyond the instruction requested
2 in the original request, before having the instruction provided by
3 an eligible other district. A public school academy that is located
4 in the district in which the nonpublic school is located or in an
5 eligible other district also may provide instruction under this
6 subparagraph under the same conditions as an eligible other
7 district. As used in this subparagraph, "eligible other district"
8 means a district that is located in the same intermediate district
9 as the district in which the nonpublic school is located or is
10 located in an intermediate district that is contiguous to that
11 intermediate district.

12 (b) The nonpublic school is registered with the department as
13 a nonpublic school and meets all state reporting requirements for
14 nonpublic schools.

15 (c) The instruction is scheduled to occur during the regular
16 school day.

17 (d) The instruction is provided directly by a certified
18 teacher at the district or public school academy or at an
19 intermediate district.

20 (e) The curricular offering is also available to full-time
21 pupils in the minor's grade level or age group in the district or
22 public school academy during the regular school day at a public
23 school site.

24 (f) The curricular offering is restricted to nonessential
25 elective courses for pupils in grades kindergarten to 12. **THE**
26 **DEPARTMENT SHALL PROVIDE A UNIFORM DEFINITION OF NONESSENTIAL**
27 **ELECTIVE COURSES.**

1 (3) ~~A-SUBJECT TO SECTION 6(4)(GG)~~, A minor enrolled as
2 described in this section is a part-time pupil for purposes of
3 state school aid under this act.

4 (4) A district that receives a written request to provide
5 instruction under subsection (2) shall reply to the request in
6 writing by May 1 immediately preceding the applicable school year
7 or, if the request is made after March 1 immediately preceding that
8 school year, within 60 days after the nonpublic school submits the
9 request. The written reply shall specify whether the district
10 agrees to provide or does not agree to provide the instruction for
11 each portion of instruction included in the request.

12 Sec. 201. (1) Subject to the conditions set forth in this
13 article, the amounts listed in this section are appropriated for
14 community colleges for the fiscal year ending September 30, ~~2016,~~
15 **2017**, from the funds indicated in this section. The following is a
16 summary of the appropriations in this section:

17 (a) The gross appropriation is ~~\$387,825,600.00.~~
18 **\$399,025,600.00**. After deducting total interdepartmental grants and
19 intradepartmental transfers in the amount of \$0.00, the adjusted
20 gross appropriation is ~~\$387,825,600.00.~~**\$399,025,600.00**.

21 (b) The sources of the adjusted gross appropriation described
22 in subdivision (a) are as follows:

23 (i) Total federal revenues, \$0.00.

24 (ii) Total local revenues, \$0.00.

25 (iii) Total private revenues, \$0.00.

26 (iv) Total other state restricted revenues,

27 ~~\$256,714,800.00.~~**\$260,414,800.00**.

1 (v) State general fund/general purpose money,
2 ~~\$131,110,800.00.~~ **\$138,610,800.00.**

3 (2) Subject to subsection (3), the amount appropriated for
4 community college operations is ~~\$311,492,000.00,~~ **\$318,992,000.00,**
5 allocated as follows:

6 (a) The appropriation for Alpena Community College is
7 ~~\$5,464,400.00, \$5,390,700.00 for operations and \$73,700.00 for~~
8 ~~performance funding.~~ **\$5,601,200.00, \$5,464,400.00 FOR OPERATIONS AND**
9 **\$136,800.00 FOR PERFORMANCE FUNDING.**

10 (b) The appropriation for Bay de Noc Community College is
11 ~~\$5,490,200.00, \$5,419,500.00 for operations and \$70,700.00 for~~
12 ~~performance funding.~~ **\$5,610,700.00, \$5,490,200.00 FOR OPERATIONS AND**
13 **\$120,500.00 FOR PERFORMANCE FUNDING.**

14 (c) The appropriation for Delta College is ~~\$14,704,000.00,~~
15 ~~\$14,498,900.00 for operations and \$205,100.00 for performance~~
16 ~~funding.~~ **\$15,051,200.00, \$14,704,000.00 FOR OPERATIONS AND**
17 **\$347,200.00 FOR PERFORMANCE FUNDING.**

18 (d) The appropriation for Glen Oaks Community College is
19 ~~\$2,551,100.00, \$2,516,100.00 for operations and \$35,000.00 for~~
20 ~~performance funding.~~ **\$2,612,200.00, \$2,551,100.00 FOR OPERATIONS AND**
21 **\$61,100.00 FOR PERFORMANCE FUNDING.**

22 (e) The appropriation for Gogebic Community College is
23 ~~\$4,509,900.00, \$4,451,400.00 for operations and \$58,500.00 for~~
24 ~~performance funding.~~ **\$4,625,600.00, \$4,509,900.00 FOR OPERATIONS AND**
25 **\$115,700.00 FOR PERFORMANCE FUNDING.**

26 (f) The appropriation for Grand Rapids Community College is
27 ~~\$18,187,300.00, \$17,947,500.00 for operations and \$239,800.00 for~~

1 ~~performance funding.~~\$18,636,000.00, \$18,187,300.00 FOR OPERATIONS
2 AND \$448,700.00 FOR PERFORMANCE FUNDING.

3 (g) The appropriation for Henry Ford College is
4 ~~\$21,893,300.00, \$21,623,800.00 for operations and \$269,500.00 for~~
5 ~~performance funding.~~\$22,375,200.00, \$21,893,300.00 FOR OPERATIONS
6 AND \$481,900.00 FOR PERFORMANCE FUNDING.

7 (h) The appropriation for Jackson College is ~~\$12,245,300.00,~~
8 ~~\$12,087,300.00 for operations and \$158,000.00 for performance~~
9 ~~funding.~~\$12,504,900.00, \$12,245,300.00 FOR OPERATIONS AND
10 \$259,600.00 FOR PERFORMANCE FUNDING.

11 (i) The appropriation for Kalamazoo Valley Community College
12 is ~~\$12,689,400.00, \$12,503,100.00 for operations and \$186,300.00~~
13 ~~for performance funding.~~\$13,003,900.00, \$12,689,400.00 FOR
14 OPERATIONS AND \$314,500.00 FOR PERFORMANCE FUNDING.

15 (j) The appropriation for Kellogg Community College is
16 ~~\$9,950,100.00, \$9,813,500.00 for operations and \$136,600.00 for~~
17 ~~performance funding.~~\$10,184,300.00, \$9,950,100.00 FOR OPERATIONS
18 AND \$234,200.00 FOR PERFORMANCE FUNDING.

19 (k) The appropriation for Kirtland Community College is
20 ~~\$3,221,500.00, \$3,167,700.00 for operations and \$53,800.00 for~~
21 ~~performance funding.~~\$3,304,100.00, \$3,221,500.00 FOR OPERATIONS AND
22 \$82,600.00 FOR PERFORMANCE FUNDING.

23 (l) The appropriation for Lake Michigan College is
24 ~~\$5,417,700.00, \$5,342,900.00 for operations and \$74,800.00 for~~
25 ~~performance funding.~~\$5,545,600.00, \$5,417,700.00 FOR OPERATIONS AND
26 \$127,900.00 FOR PERFORMANCE FUNDING.

27 (m) The appropriation for Lansing Community College is

1 ~~\$31,288,200.00, \$30,877,600.00 for operations and \$410,600.00 for~~
2 ~~performance funding.~~ **\$31,951,600.00, \$31,288,200.00 FOR OPERATIONS**
3 **AND \$663,400.00 FOR PERFORMANCE FUNDING.**

4 (n) The appropriation for Macomb Community College is
5 ~~\$33,239,500.00, \$32,816,600.00 for operations and \$422,900.00 for~~
6 ~~performance funding.~~ **\$33,993,600.00, \$33,239,500.00 FOR OPERATIONS**
7 **AND \$754,100.00 FOR PERFORMANCE FUNDING.**

8 (o) The appropriation for Mid Michigan Community College is
9 ~~\$4,757,700.00, \$4,682,000.00 for operations and \$75,700.00 for~~
10 ~~performance funding.~~ **\$4,887,800.00, \$4,757,700.00 FOR OPERATIONS AND**
11 **\$130,100.00 FOR PERFORMANCE FUNDING.**

12 (p) The appropriation for Monroe County Community College is
13 ~~\$4,565,600.00, \$4,492,900.00 for operations and \$72,700.00 for~~
14 ~~performance funding.~~ **\$4,686,700.00, \$4,565,600.00 FOR OPERATIONS AND**
15 **\$121,100.00 FOR PERFORMANCE FUNDING.**

16 (q) The appropriation for Montcalm Community College is
17 ~~\$3,280,600.00, \$3,226,700.00 for operations and \$53,900.00 for~~
18 ~~performance funding.~~ **\$3,387,100.00, \$3,280,600.00 FOR OPERATIONS AND**
19 **\$106,500.00 FOR PERFORMANCE FUNDING.**

20 (r) The appropriation for C.S. Mott Community College is
21 ~~\$15,901,700.00, \$15,686,100.00 for operations and \$215,600.00 for~~
22 ~~performance funding.~~ **\$16,266,200.00, \$15,901,700.00 FOR OPERATIONS**
23 **AND \$364,500.00 FOR PERFORMANCE FUNDING.**

24 (s) The appropriation for Muskegon Community College is
25 ~~\$9,020,700.00, \$8,901,000.00 for operations and \$119,700.00 for~~
26 ~~performance funding.~~ **\$9,242,000.00, \$9,020,700.00 FOR OPERATIONS AND**
27 **\$221,300.00 FOR PERFORMANCE FUNDING.**

1 (t) The appropriation for North Central Michigan College is
2 ~~\$3,224,800.00, \$3,172,400.00 for operations and \$52,400.00 for~~
3 ~~performance funding.~~ **\$3,336,600.00, \$3,224,800.00 FOR OPERATIONS AND**
4 **\$111,800.00 FOR PERFORMANCE FUNDING.**

5 (u) The appropriation for Northwestern Michigan College is
6 ~~\$9,200,500.00, \$9,078,800.00 for operations and \$121,700.00 for~~
7 ~~performance funding.~~ **\$9,400,800.00, \$9,200,500.00 FOR OPERATIONS AND**
8 **\$200,300.00 FOR PERFORMANCE FUNDING.**

9 (v) The appropriation for Oakland Community College is
10 ~~\$21,429,400.00, \$21,123,300.00 for operations and \$306,100.00 for~~
11 ~~performance funding.~~ **\$22,011,600.00, \$21,429,400.00 FOR OPERATIONS**
12 **AND \$582,200.00 FOR PERFORMANCE FUNDING.**

13 ~~—— (w) The appropriation for St. Clair County Community College~~
14 ~~is \$7,158,000.00, \$7,061,600.00 for operations and \$96,400.00 for~~
15 ~~performance funding.~~

16 (W) ~~(x)~~ The appropriation for Schoolcraft College is
17 ~~\$12,706,400.00, \$12,513,700.00 for operations and \$192,700.00 for~~
18 ~~performance funding.~~ **\$13,052,300.00, \$12,706,400.00 FOR OPERATIONS**
19 **AND \$345,900.00 FOR PERFORMANCE FUNDING.**

20 (X) ~~(y)~~ The appropriation for Southwestern Michigan College is
21 ~~\$6,657,600.00, \$6,576,400.00 for operations and \$81,200.00 for~~
22 ~~performance funding.~~ **\$6,785,200.00, \$6,657,600.00 FOR OPERATIONS AND**
23 **\$127,600.00 FOR PERFORMANCE FUNDING.**

24 (Y) **THE APPROPRIATION FOR ST. CLAIR COUNTY COMMUNITY COLLEGE**
25 **IS \$7,330,600.00, \$7,158,000.00 FOR OPERATIONS AND \$172,600.00 FOR**
26 **PERFORMANCE FUNDING.**

27 (z) The appropriation for Washtenaw Community College is

1 ~~\$13,301,100.00, \$13,077,300.00 for operations and \$223,800.00 for~~
 2 ~~performance funding.~~ **\$13,698,100.00, \$13,301,100.00 FOR OPERATIONS**
 3 **AND \$397,000.00 FOR PERFORMANCE FUNDING.**

4 (aa) The appropriation for Wayne County Community College is
 5 ~~\$16,989,800.00, \$16,727,600.00 for operations and \$262,200.00 for~~
 6 ~~performance funding.~~ **\$17,406,400.00, \$16,989,800.00 FOR OPERATIONS**
 7 **AND \$416,600.00 FOR PERFORMANCE FUNDING.**

8 (bb) The appropriation for West Shore Community College is
 9 ~~\$2,446,200.00, \$2,414,900.00 for operations and \$31,300.00 for~~
 10 ~~performance funding.~~ **\$2,500,500.00, \$2,446,200.00 FOR OPERATIONS AND**
 11 **\$54,300.00 FOR PERFORMANCE FUNDING.**

12 (3) The amount appropriated in subsection (2) for community
 13 college operations is appropriated from the following:

14 (a) State school aid fund, ~~\$236,181,200.00.~~ **\$185,481,200.00.**

15 (b) State general fund/general purpose money,
 16 ~~\$75,310,800.00.~~ **\$133,510,800.00.**

17 (4) From the appropriations described in subsection (1),
 18 subject to section 207a, the amount appropriated for fiscal year
 19 ~~2015-2016-2016-2017~~ to offset certain fiscal year ~~2015-2016-2016-~~
 20 ~~2017~~ retirement contributions is \$1,733,600.00, appropriated from
 21 the state school aid fund.

22 (5) From the appropriations described in subsection (1),
 23 subject to section 207b, the amount appropriated for payments to
 24 community colleges that are participating entities of the
 25 retirement system is ~~\$69,500,000.00, \$17,200,000.00~~ **\$73,200,000.00,**
 26 ~~appropriated from the state school aid fund. , and \$52,300,000.00~~
 27 ~~appropriated from general fund/general purpose money.~~

1 (6) From the appropriations described in subsection (1),
2 subject to section 207c, the amount appropriated for renaissance
3 zone tax reimbursements is \$5,100,000.00, ~~\$1,600,000.00~~
4 ~~appropriated from the state school aid fund, and \$3,500,000.00~~
5 appropriated from general fund/general purpose money.

6 Sec. 201a. It is the intent of the legislature to provide
7 appropriations for the fiscal year ending on September 30, ~~2017~~
8 ~~2018~~ for the items listed in section 201. The fiscal year ~~2016-2017~~
9 ~~2017-2018~~ appropriations are anticipated to be the same as those
10 for fiscal year ~~2015-2016, 2016-2017~~, except that the amounts will
11 be adjusted for changes in retirement costs, caseload and related
12 costs, federal fund match rates, economic factors, and available
13 revenue. These adjustments will be determined after the January
14 ~~2016-2017~~ consensus revenue estimating conference.

15 Sec. 202a. As used in this article:

16 (A) "CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND
17 INFORMATION CREATED IN SECTION 94A.

18 (B) ~~(a)~~-"Michigan renaissance zone act" means the Michigan
19 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

20 (C) ~~(b)~~-"Participating college" means a community college that
21 is a reporting unit of the retirement system and that reports
22 employees to the retirement system for the state fiscal year.

23 (D) ~~(c)~~-"Retirement board" means the board that administers
24 the retirement system under the public school employees retirement
25 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

26 (E) ~~(d)~~-"Retirement system" means the Michigan public school
27 employees' retirement system under the public school employees

1 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

2 (F) ~~(e)~~ "Workforce development agency" means the workforce
3 development agency ~~of the Michigan strategic fund.~~ **WITHIN THE**
4 **DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT--TALENT INVESTMENT**
5 **AGENCY.**

6 Sec. 203. Unless otherwise specified, a community college that
7 receives appropriations in section 201, ~~and the workforce~~
8 development agency, **AND THE CENTER** shall use the ~~internet~~ **INTERNET**
9 to fulfill the reporting requirements of this article. This
10 requirement may include transmission of reports via electronic mail
11 to the recipients identified for each reporting requirement or it
12 may include placement of reports on an ~~internet~~ **INTERNET** or
13 intranet site.

14 Sec. 206. The funds appropriated in section 201 are
15 appropriated for community colleges with fiscal years ending June
16 30, ~~2016-2017~~ and shall be paid out of the state treasury and
17 distributed by the state treasurer to the respective community
18 colleges in 11 monthly installments on the sixteenth of each month,
19 or the next succeeding business day, beginning with October 16,
20 ~~2015-2016~~. Each community college shall accrue its July and August
21 ~~2016-2017~~ payments to its institutional fiscal year ending June 30,
22 ~~2016-2017~~. However, if the state budget director determines that a
23 community college failed to submit all verified Michigan community
24 colleges activities classification structure data for school year
25 ~~2014-2015-2015-2016~~ to the ~~workforce development agency~~ **CENTER** by
26 November 1, ~~2015,~~ **2016**, or failed to submit its longitudinal data
27 system data set for school year ~~2014-2015-2015-2016~~ to the center

1 ~~for educational performance and information~~ under section 219, the
2 state treasurer shall withhold the monthly installments from that
3 community college until those data are submitted. The state budget
4 director shall notify the chairs of the house and senate
5 appropriations subcommittees on community colleges at least 10 days
6 before withholding funds from any community college.

7 Sec. 207. (1) A community college shall pay the employer's
8 contributions to the Michigan public school employees' retirement
9 system created by the public school employees retirement act of
10 1979, 1980 PA 300, MCL 38.1301 to ~~38.1408~~ **38.1437**. This payment is
11 a condition of receiving funds appropriated under this article.

12 (2) A community college shall not pay an employer's
13 contribution to more than 1 retirement fund providing benefits for
14 an employee.

15 Sec. 207a. All of the following apply to the allocation of the
16 fiscal year ~~2015-2016~~ **2016-2017** appropriations described in section
17 201(4):

18 (a) A community college that receives money under section
19 201(4) shall use that money solely for the purpose of offsetting a
20 portion of the retirement contributions owed by the college for
21 that fiscal year.

22 (b) The amount allocated to each participating community
23 college under section 201(4) shall be based on each college's
24 percentage of the total covered payroll for all community colleges
25 that are participating colleges in the immediately preceding fiscal
26 year.

27 Sec. 207b. All of the following apply to the allocation of the

1 fiscal year ~~2015-2016~~**2016-2017** appropriations described in section
2 201(5) for payments to community colleges that are participating
3 entities of the retirement system:

4 (a) The amount of a payment under section 201(5) shall be the
5 difference between the unfunded actuarial accrued liability
6 contribution rate as calculated under section 41 of the public
7 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
8 and the maximum employer rate of 20.96% under section 41 of the
9 public school employees retirement act of 1979, 1980 PA 300, MCL
10 38.1341.

11 (b) The amount allocated to each community college under
12 section 201(5) shall be based on each community college's
13 percentage of the total covered payroll for all community colleges
14 that are participating colleges in the immediately preceding fiscal
15 year. A community college that receives funds under this
16 subdivision shall use the funds solely for the purpose of
17 retirement contributions under section 201(5).

18 (c) Each participating college that receives funds under
19 section 201(5) shall forward an amount equal to the amount
20 allocated under subdivision (b) to the retirement system in a form
21 and manner determined by the retirement system.

22 Sec. 207c. All of the following apply to the allocation of the
23 appropriations described in section 201(6) to community colleges
24 described in section 12(3) of the Michigan renaissance zone act,
25 1996 PA 376, MCL 125.2692:

26 (a) The amount allocated to each community college under
27 section 201(6) for fiscal year ~~2015-2016~~**2016-2017** shall be based

1 on that community college's proportion of total revenue lost by
2 community colleges as a result of the exemption of property taxes
3 levied in ~~2015-2016~~ under the Michigan renaissance zone act, 1996
4 PA 376, MCL 125.2681 to 125.2696.

5 (b) The appropriations described in section 201(6) shall be
6 made to each eligible community college within 60 days after the
7 department of treasury certifies to the state budget director that
8 it has received all necessary information to properly determine the
9 amounts payable to each eligible community college under section 12
10 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

11 Sec. 209. (1) Within 30 days after the board of a community
12 college adopts its annual operating budget for the following fiscal
13 year, or after the board adopts a subsequent revision to that
14 budget, the community college shall make all of the following
15 available through a link on its website homepage:

16 (a) The annual operating budget and subsequent budget
17 revisions.

18 (b) A link to the most recent "Activities Classification
19 Structure Data Book and Companion".

20 (c) General fund revenue and expenditure projections for
21 fiscal year ~~2015-2016-2016-2017~~ and fiscal year ~~2016-2017-2017-~~
22 **2018.**

23 (d) A listing of all debt service obligations, detailed by
24 project, anticipated fiscal year ~~2015-2016-2016-2017~~ payment of
25 each project, and total outstanding debt.

26 (e) The estimated cost to the community college resulting from
27 the patient protection and affordable care act, Public Law 111-148,

1 as amended by the health care and education reconciliation act of
2 2010, Public Law 111-152.

3 (f) Links to all of the following for the community college:

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

6 (ii) Each health care benefits plan, including, but not
7 limited to, medical, dental, vision, disability, long-term care, or
8 any other type of benefits that would constitute health care
9 services, offered to any bargaining unit or employee of the
10 community college.

11 (iii) Audits and financial reports for the most recent fiscal
12 year for which they are available.

13 (iv) A copy of the board of trustees resolution regarding
14 compliance with best practices for the local strategic value
15 component described in section 230(2).

16 (2) For statewide consistency and public visibility, community
17 colleges must use the icon badge provided by the department of
18 technology, management, and budget consistent with the icon badge
19 developed by the department of education for K-12 school districts.
20 It must appear on the front of each community college's homepage.
21 The size of the icon may be reduced to 150 x 150 pixels.

22 (3) The state budget director shall determine whether a
23 community college has complied with this section. The state budget
24 director may withhold a community college's monthly installments
25 described in section 206 until the community college complies with
26 this section. The state budget director shall notify the chairs of
27 the house and senate appropriations subcommittee on community

1 colleges at least 10 days before withholding funds from any
2 community college.

3 (4) Each community college shall report the following
4 information to the senate and house appropriations subcommittees on
5 community colleges, the senate and house fiscal agencies, and the
6 state budget office by November 15 of each fiscal year and post
7 that information on its website as required under subsection (1):

8 (a) Budgeted fiscal year ~~2015-2016~~-2016-2017 general fund
9 revenue from tuition and fees.

10 (b) Budgeted fiscal year ~~2015-2016~~-2016-2017 general fund
11 revenue from state appropriations.

12 (c) Budgeted fiscal year ~~2015-2016~~-2016-2017 general fund
13 revenue from property taxes.

14 (d) Budgeted fiscal year ~~2015-2016~~-2016-2017 total general
15 fund revenue.

16 (e) Budgeted fiscal year ~~2015-2016~~-2016-2017 total general
17 fund expenditures.

18 (5) By November 15 of each year, a community college shall
19 report the following information to the center ~~for educational~~
20 ~~performance and information~~ and post the information on its website
21 under the budget transparency icon badge:

22 (a) Opportunities for earning college credit through the
23 following programs:

24 (i) State approved career and technical education or a tech
25 prep articulated program of study.

26 (ii) Direct college credit or concurrent enrollment.

27 (iii) Dual enrollment.

1 (iv) An early college/middle college program.

2 (b) For each program described in subdivision (a) that the
3 community college offers, all of the following information:

4 (i) The number of high school students participating in the
5 program.

6 (ii) The number of school districts that participate in the
7 program with the community college.

8 (iii) Whether a college professor, qualified local school
9 district employee, or other individual teaches the course or
10 courses in the program.

11 (iv) The total cost to the community college to operate the
12 program.

13 (v) The cost per credit hour for the course or courses in the
14 program.

15 (vi) The location where the course or courses in the program
16 are held.

17 (vii) Instructional resources offered to the program
18 instructors.

19 (viii) Resources offered to the student in the program.

20 (ix) Transportation services provided to students in the
21 program.

22 ~~Sec. 210b. (1) It is the intent of the legislature that the~~
23 ~~Michigan Association of Collegiate Registrars and Admissions~~
24 ~~Officers implement any agreement or agreements among the community~~
25 ~~colleges and universities concerning the transferability of college~~
26 ~~courses resulting from the recommendations of the committee created~~
27 ~~under former section 210a.~~

1 ~~—— (2) It is the intent of the legislature that the Michigan~~
2 ~~Association of Collegiate Registrars and Admissions Officers, the~~
3 ~~Michigan Community College Association, and the Presidents Council,~~
4 ~~State Universities of Michigan shall together submit an~~
5 ~~implementation update report to the senate and house appropriations~~
6 ~~subcommittees on community colleges and higher education, the~~
7 ~~senate and house fiscal agencies, and the state budget director by~~
8 ~~March 1, 2016.~~ BY MARCH 1, 2017, THE MICHIGAN COMMUNITY COLLEGE
9 ASSOCIATION AND THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES
10 SHALL SUBMIT A REPORT TO THE SENATE AND HOUSE APPROPRIATIONS
11 SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL
12 AGENCIES, AND THE STATE BUDGET DIRECTOR THAT INCLUDES ALL OF THE
13 FOLLOWING:

14 (A) A PROGRESS REPORT ON THE IMPLEMENTATION OF THE MICHIGAN
15 TRANSFER AGREEMENT DEVELOPED BY THE STUDY COMMITTEE CREATED UNDER
16 FORMER SECTION 210A, INCLUDING AN UPDATE ON PROGRESS MADE ON
17 OUTSTANDING CONCERNS IDENTIFIED IN THE MARCH 1, 2016 IMPLEMENTATION
18 UPDATE.

19 (B) A REPORT ON IMPROVEMENTS TO ARTICULATION AND CREDIT
20 TRANSFER POLICIES AMONG AND BETWEEN ALL SECTORS OF POSTSECONDARY
21 EDUCATION IN THIS STATE. THE REPORT SHALL IDENTIFY AREAS OF
22 PROGRESS SINCE THE MARCH 1, 2016 REPORT REQUIRED BY FORMER SECTION
23 210C, INCLUDING ALL OF THE FOLLOWING:

24 (i) IDENTIFYING EFFECTIVE POLICIES AND PRACTICES DEVELOPED BY
25 OTHER STATES.

26 (ii) DEVELOPING SPECIFIC PATHWAYS, WHERE ADVISABLE, THAT MEET
27 PROGRAM REQUIREMENTS FOR BOTH ASSOCIATE'S AND BACHELOR'S DEGREE

1 PROGRAMS.

2 (iii) CREATING AN ENHANCED ONLINE COMMUNICATION TOOL TO SHARE
3 INFORMATION ABOUT POSTSECONDARY OPTIONS IN MICHIGAN, PARTICULARLY
4 CLEARLY ARTICULATING TRANSFER PATHWAYS.

5 (iv) ESTABLISHING CLEAR TIMELINES FOR FINALIZING TRANSFER
6 PATHWAYS.

7 SEC. 210E. BY FEBRUARY 1, 2017, THE MICHIGAN COMMUNITY COLLEGE
8 ASSOCIATION, THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND
9 THE MICHIGAN INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF
10 THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE
11 AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE
12 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY
13 COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE
14 BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF
15 ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES,
16 PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES,
17 INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION:

18 (A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY
19 OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE
20 CAMPUSES.

21 (B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE
22 DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC
23 UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.

24 (C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES
25 AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES
26 OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED
27 THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1,

1 2015 THROUGH JUNE 30, 2016.

2 Sec. 212. ~~It is the intent of the legislature to encourage~~
3 ~~community~~ **COMMUNITY** college districts **ARE ENCOURAGED** to evaluate
4 and pursue efficiency and cost-containment measures that maximize
5 state funding. Community colleges shall identify practices that
6 increase efficiencies, including, but not limited to, establishing
7 joint ventures, consolidating services, utilizing program
8 collaborations, maximizing educational benefits through optimal
9 class sizes and frequency of course offerings, increasing web-based
10 instruction, eliminating low-enrollment and high-cost instructional
11 programs, using self-insurance, practicing energy conservation, and
12 utilizing group purchasing. Community colleges shall also review
13 proposed capital outlay projects to increase coordination and
14 utilization of new facilities, renovation projects, and technology
15 improvements.

16 Sec. 217. (1) The ~~workforce development agency~~ **CENTER** shall do
17 all of the following:

18 (a) Establish, maintain, and coordinate the state community
19 college database commonly known as the "activities classification
20 structure" or "ACS" database.

21 (b) Collect data concerning community colleges and community
22 college programs in this state, including data required by law.

23 (c) Establish procedures to ensure the validity and
24 reliability of the data and the collection process.

25 (d) Develop model data collection policies, including, but not
26 limited to, policies that ensure the privacy of any individual
27 student data. Privacy policies shall ensure that student social

1 security numbers are not released to the public for any purpose.

2 (e) Provide data in a useful manner to allow state
3 policymakers and community college officials to make informed
4 policy decisions.

5 (f) Assist community colleges in complying with audits under
6 this section or federal law.

7 (2) There is created within the ~~workforce development agency~~
8 **CENTER** the activities classification structure advisory committee.
9 The committee shall provide advice to the director of the ~~workforce~~
10 ~~development agency~~ **CENTER** regarding the management of the state
11 community college database, including, but not limited to:

12 (a) Determining what data are necessary to collect and
13 maintain to enable state and community college officials to make
14 informed policy decisions.

15 (b) Defining the roles of all stakeholders in the data
16 collection system.

17 (c) Recommending timelines for the implementation and ongoing
18 collection of data.

19 (d) Establishing and maintaining data definitions, data
20 transmission protocols, and system specifications and procedures
21 for the efficient and accurate transmission and collection of data.

22 (e) Establishing and maintaining a process for ensuring the
23 accuracy of the data.

24 (f) Establishing and maintaining policies related to data
25 collection, including, but not limited to, privacy policies related
26 to individual student data.

27 (g) Ensuring that the data are made available to state

1 policymakers and citizens of this state in the most useful format
2 possible.

3 (h) Addressing other matters as determined by the director of
4 ~~the workforce development agency~~ **CENTER** or as required by law.

5 (3) The activities classification structure advisory committee
6 created in subsection (2) shall consist of the following members:

7 (a) One representative from the house fiscal agency, appointed
8 by the director of the house fiscal agency.

9 (b) One representative from the senate fiscal agency,
10 appointed by the director of the senate fiscal agency.

11 (c) One representative from the workforce development agency,
12 appointed by the director of the workforce development agency.

13 **(D) ONE REPRESENTATIVE FROM THE CENTER APPOINTED BY THE**
14 **DIRECTOR OF THE CENTER.**

15 **(E)** ~~(d)~~ One representative from the state budget office,
16 appointed by the state budget director.

17 **(F)** ~~(e)~~ One representative from the governor's policy office,
18 appointed by that office.

19 **(G)** ~~(f)~~ Four representatives of the Michigan Community College
20 Association, appointed by the president of the association. From
21 the groupings of community colleges given in table 17 of the
22 activities classification structure database described in
23 subsection (1), the association shall appoint 1 representative each
24 from group 1, group 2, and group 3, and 1 representative from
25 either group 3 or 4.

26 Sec. 219. By ~~June 30~~ **OCTOBER 15** of each year, each community
27 college shall provide its longitudinal data system data set for the

1 preceding academic year to the center ~~for educational performance~~
2 ~~and information~~ for inclusion in the statewide P-20 education
3 longitudinal data system described in section 94a.

4 Sec. 220. (1) The auditor general or a certified public
5 accountant appointed by the auditor general may conduct performance
6 audits of community colleges as the auditor general considers
7 necessary.

8 (2) Within 60 days after an audit report is released by the
9 office of the auditor general, the principal executive officer of
10 the community college that was audited shall submit to the house
11 and senate appropriations committees, the house and senate fiscal
12 agencies, ~~the workforce development agency,~~ the auditor general,
13 and the state budget director a plan to comply with audit
14 recommendations. The plan shall contain projected dates and
15 resources required, if any, to achieve compliance with the audit
16 recommendations, or a documented explanation of the college's
17 noncompliance with the audit recommendations concerning the matters
18 on which the audited community college and office of the auditor
19 general disagree.

20 Sec. 222. Each community college shall have an annual audit of
21 all income and expenditures performed by an independent auditor and
22 shall furnish the independent auditor's management letter and an
23 annual audited accounting of all general and current funds income
24 and expenditures including audits of college foundations to the
25 members of the senate and house appropriations subcommittees on
26 community colleges, the senate and house fiscal agencies, the
27 auditor general, the workforce development agency, **THE CENTER**, and

1 the state budget director before November 15 of each year. If a
2 community college fails to furnish the audit materials, the monthly
3 state aid installments shall be withheld from that college until
4 the information is submitted. All reporting shall conform to the
5 requirements set forth in the "2001 Manual for Uniform Financial
6 Reporting, Michigan Public Community Colleges". A community college
7 shall make the information the community college is required to
8 provide under this section available to the public on its website.

9 Sec. 224. A community college shall use the P-20 longitudinal
10 data system to inform interested Michigan high schools and the
11 public of the aggregate academic status of its students for the
12 previous academic year, in a manner prescribed by the Michigan
13 ~~community college association~~ **COMMUNITY COLLEGE ASSOCIATION** and in
14 cooperation with the Michigan ~~association of secondary school~~
15 ~~principals.~~ **ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS**. Community
16 colleges shall cooperate with the center ~~for educational~~
17 ~~performance and information~~ to maintain a systematic approach for
18 accomplishing this work.

19 Sec. 225. Each community college shall report to the house and
20 senate fiscal agencies, the state budget director, and the
21 ~~workforce development agency~~ **CENTER** by August 31, ~~2015,~~ **2016**, the
22 tuition and mandatory fees paid by a full-time in-district student
23 and a full-time out-of-district student as established by the
24 college governing board for the ~~2015-2016~~ **2016-2017** academic year.
25 This report should also include the annual cost of attendance based
26 on a full-time course load of 30 credits. Each community college
27 shall also report any revisions to the reported ~~2015-2016~~ **2016-2017**

1 academic year tuition and mandatory fees adopted by the college
 2 governing board to the house and senate fiscal agencies, the state
 3 budget director, and the ~~workforce development agency~~ **CENTER** within
 4 15 days of being adopted.

5 Sec. 226. Each community college shall report to the ~~workforce~~
 6 ~~development agency~~ **CENTER** the numbers and type of associate degrees
 7 and other certificates awarded during the previous fiscal year. The
 8 report shall be made not later than November 15 of each year.
 9 Community colleges shall work with the ~~workforce development agency~~
 10 ~~and the center for educational performance and information to~~
 11 develop a systematic approach for meeting this requirement.

12 Sec. 229a. Included in the fiscal year ~~2015-2016-2016-2017~~
 13 appropriations for the department of technology, management, and
 14 budget are appropriations totaling ~~\$29,479,600.00~~ **\$30,879,600.00** to
 15 provide funding for the state share of costs for previously
 16 constructed capital projects for community colleges. Those
 17 appropriations for state building authority rent represent
 18 additional state general fund support for community colleges, and
 19 the following is an estimate of the amount of that support to each
 20 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,
 27 ~~\$2,126,000.00~~ **\$2,083,500.00**.

- 1 (g) Henry Ford College, ~~\$1,028,500.00~~ **\$1,040,300.00.**
- 2 (h) Jackson College, ~~\$1,677,800.00~~ **\$2,273,800.00.**
- 3 (i) Kalamazoo Valley Community College,
- 4 ~~\$1,557,700.00~~ **\$2,030,900.00.**
- 5 (j) Kellogg Community College, ~~\$520,200.00~~ **\$526,200.00.**
- 6 (k) Kirtland Community College, ~~\$363,200.00~~ **\$367,300.00.**
- 7 (l) Lake Michigan College, ~~\$340,200.00~~ **\$344,100.00.**
- 8 (m) Lansing Community College, ~~\$1,282,200.00~~ **\$1,154,600.00.**
- 9 (n) Macomb Community College, ~~\$1,377,400.00~~ **\$1,715,700.00.**
- 10 (o) Mid Michigan Community College,
- 11 ~~\$1,712,600.00~~ **\$1,634,300.00.**
- 12 (p) Monroe County Community College,
- 13 ~~\$1,263,600.00~~ **\$1,278,100.00.**
- 14 (q) Montcalm Community College, ~~\$971,500.00~~ **\$982,600.00.**
- 15 (r) C.S. Mott Community College, ~~\$1,803,900.00~~ **\$1,497,600.00.**
- 16 (s) Muskegon Community College, ~~\$267,800.00~~ **\$623,500.00.**
- 17 (t) North Central Michigan College, ~~\$469,400.00~~ **\$417,900.00.**
- 18 (u) Northwestern Michigan College,
- 19 ~~\$1,305,600.00~~ **\$1,320,600.00.**
- 20 (v) Oakland Community College, ~~\$465,200.00~~ **\$470,500.00.**
- 21 ~~(w) St. Clair County Community College, \$356,200.00.~~
- 22 **(W) (x)** Schoolcraft College, ~~\$1,546,700.00~~ **\$1,564,400.00.**
- 23 **(X) (y)** Southwestern Michigan College,
- 24 ~~\$286,900.00~~ **\$574,800.00.**
- 25 **(Y) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$360,200.00.**
- 26 (z) Washtenaw Community College, ~~\$1,676,800.00~~ **\$1,696,000.00.**
- 27 (aa) Wayne County Community College,

1 ~~\$1,462,700.00~~-\$1,479,400.00.

2 (bb) West Shore Community College, ~~\$577,300.00~~-\$583,900.00.

3 Sec. 230. (1) Money included in the appropriations for
4 community college operations under section 201(2) in fiscal year
5 ~~2015-2016~~-2016-2017 for performance funding is distributed based on
6 the following formula:

7 (a) Allocated proportionate to fiscal year ~~2014-2015~~-2015-2016
8 base appropriations, ~~50%~~-30%.

9 (b) Based on ~~contact hour equated students~~, 10%-**A WEIGHTED**
10 **STUDENT CONTACT HOUR FORMULA AS PROVIDED FOR IN THE 2016**
11 **RECOMMENDATIONS OF THE PERFORMANCE INDICATORS REVIEW TASK FORCE,**
12 30%.

13 (c) Based on ~~administrative costs~~, 7.5%-**PERFORMANCE, AS**
14 **MEASURED BY COMPLETION IMPROVEMENT, NUMBER OF COMPLETIONS, AND**
15 **COMPLETION RATE AS PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE**
16 **PERFORMANCE INDICATORS REVIEW TASK FORCE, 30%.**

17 (d) Based on ~~a weighted degree formula as provided for in the~~
18 ~~2006 recommendations of the performance indicators task force,~~
19 ~~17.5%~~-**ADMINISTRATIVE COSTS, 5%.**

20 (e) Based on the local strategic value component, as developed
21 in cooperation with the Michigan Community College Association and
22 described in subsection (2), ~~15%~~-5%.

23 (2) Money included in the appropriations for community college
24 operations under section 201(2) for local strategic value shall be
25 allocated to each community college that certifies to the state
26 budget director, through a board of trustees resolution on or
27 before October 15, ~~2015,~~-2016, that the college has met 4 out of 5

1 best practices listed in each category described in subsection (3).
2 The resolution shall provide specifics as to how the community
3 college meets each best practice measure within each category. One-
4 third of funding available under the strategic value component
5 shall be allocated to each category described in subsection (3).
6 Amounts distributed under local strategic value shall be on a
7 proportionate basis to each college's fiscal year ~~2014-2015-2015-~~
8 **2016** operations funding. Payments to community colleges that
9 qualify for local strategic value funding shall be distributed with
10 the November installment payment described in section 206.

11 (3) For purposes of subsection (2), the following categories
12 of best practices reflect functional activities of community
13 colleges that have strategic value to the local communities and
14 regional economies:

15 (a) For Category A, economic development and business or
16 industry partnerships, the following:

17 (i) The community college has active partnerships with local
18 employers including hospitals and health care providers.

19 (ii) The community college provides customized on-site
20 training for area companies, employees, or both.

21 (iii) The community college supports entrepreneurship through
22 a small business assistance center or other training or consulting
23 activities targeted toward small businesses.

24 (iv) The community college supports technological advancement
25 through industry partnerships, incubation activities, or operation
26 of a Michigan technical education center or other advanced
27 technology center.

1 (v) The community college has active partnerships with local
2 or regional workforce and economic development agencies.

3 (b) For Category B, educational partnerships, the following:

4 (i) The community college has active partnerships with
5 regional high schools, intermediate school districts, and career-
6 tech centers to provide instruction through dual enrollment,
7 concurrent enrollment, direct credit, middle college, or academy
8 programs.

9 (ii) The community college hosts, sponsors, or participates in
10 enrichment programs for area K-12 students, such as college days,
11 summer or after-school programming, or science Olympiad.

12 (iii) The community college provides, supports, or
13 participates in programming to promote successful transitions to
14 college for traditional age students, including grant programs such
15 as talent search, upward bound, or other activities to promote
16 college readiness in area high schools and community centers.

17 (iv) The community college provides, supports, or participates
18 in programming to promote successful transitions to college for new
19 or reentering adult students, such as adult basic education, a high
20 school equivalency test preparation program and testing, or
21 recruiting, advising, or orientation activities specific to adults.

22 As used in this subparagraph, "high school equivalency test
23 preparation program" means that term as defined in section 4.

24 (v) The community college has active partnerships with
25 regional 4-year colleges and universities to promote successful
26 transfer, such as articulation, 2+2, or reverse transfer agreements
27 or operation of a university center.

1 (c) For Category C, community services, the following:

2 (i) The community college provides continuing education
3 programming for leisure, wellness, personal enrichment, or
4 professional development.

5 (ii) The community college operates or sponsors opportunities
6 for community members to engage in activities that promote leisure,
7 wellness, cultural or personal enrichment such as community sports
8 teams, theater or musical ensembles, or artist guilds.

9 (iii) The community college operates public facilities to
10 promote cultural, educational, or personal enrichment for community
11 members, such as libraries, computer labs, performing arts centers,
12 museums, art galleries, or television or radio stations.

13 (iv) The community college operates public facilities to
14 promote leisure or wellness activities for community members,
15 including gymnasiums, athletic fields, tennis courts, fitness
16 centers, hiking or biking trails, or natural areas.

17 (v) The community college promotes, sponsors, or hosts
18 community service activities for students, staff, or community
19 members.

20 (4) Payments for performance funding under section 201(2)
21 shall be made to a community college only if that community college
22 actively participates in the Michigan transfer network sponsored by
23 the Michigan Association of Collegiate Registrars and Admissions
24 Officers and submits timely updates, including updated course
25 equivalencies at least every 6 months, to the Michigan transfer
26 network. The state budget director shall determine if a community
27 college has not satisfied this requirement. The state budget

1 director may withhold payments for performance funding until a
2 community college is in compliance with this section.

3 Sec. 236. (1) Subject to the conditions set forth in this
4 article, the amounts listed in this section are appropriated for
5 higher education for the fiscal year ending September 30, ~~2016,~~
6 **2017**, from the funds indicated in this section. The following is a
7 summary of the appropriations in this section:

8 (a) The gross appropriation is ~~\$1,534,724,400.00.~~
9 **\$1,599,807,200.00**. After deducting total interdepartmental grants
10 and intradepartmental transfers in the amount of \$0.00, the
11 adjusted gross appropriation is
12 ~~\$1,534,724,400.00.~~ **\$1,599,807,200.00.**

13 (b) The sources of the adjusted gross appropriation described
14 in subdivision (a) are as follows:

15 (i) Total federal revenues, ~~\$97,026,400.00.~~ **\$100,179,200.00.**

16 (ii) Total local revenues, \$0.00.

17 (iii) Total private revenues, \$0.00.

18 (iv) Total other state restricted revenues,
19 ~~\$205,279,500.00.~~ **\$237,209,500.00.**

20 (v) State general fund/general purpose money,
21 ~~\$1,232,418,500.00.~~ **\$1,262,418,500.00.**

22 (2) Amounts appropriated for public universities are as
23 follows:

24 (a) The appropriation for Central Michigan University is
25 ~~\$80,904,400.00, \$79,164,800.00 for operations and \$1,739,600.00 for~~
26 ~~performance funding.~~ **\$85,332,200.00, \$81,127,100.00 FOR OPERATIONS**
27 **AND \$4,205,100.00 FOR PERFORMANCE FUNDING.**

1 (b) The appropriation for Eastern Michigan University is
2 ~~\$72,835,300.00, \$71,782,500.00 for operations and \$1,052,800.00 for~~
3 ~~performance funding.~~**\$73,505,300.00, \$71,782,500.00 FOR OPERATIONS**
4 **AND \$1,722,800.00 FOR PERFORMANCE FUNDING.**

5 (c) The appropriation for Ferris State University is
6 ~~\$50,227,800.00, \$49,119,100.00 for operations and \$1,108,700.00 for~~
7 ~~performance funding.~~**\$53,210,000.00, \$50,369,800.00 FOR OPERATIONS**
8 **AND \$2,840,200.00 FOR PERFORMANCE FUNDING.**

9 (d) The appropriation for Grand Valley State University is
10 ~~\$65,035,200.00, \$63,156,500.00 for operations and \$1,878,700.00 for~~
11 ~~performance funding.~~**\$69,712,000.00, \$65,275,700.00 FOR OPERATIONS**
12 **AND \$4,436,300.00 FOR PERFORMANCE FUNDING.**

13 (e) The appropriation for Lake Superior State University is
14 ~~\$13,183,600.00, \$12,997,500.00 for operations and \$186,100.00 for~~
15 ~~performance funding.~~**\$13,748,400.00, \$13,207,400.00 FOR OPERATIONS**
16 **AND \$541,000.00 FOR PERFORMANCE FUNDING.**

17 (f) The appropriation for Michigan State University is
18 ~~\$328,782,000.00, \$264,437,900.00 for operations, \$3,841,000.00 for~~
19 ~~performance funding, \$32,508,300.00 for MSU AgBioResearch, and~~
20 ~~\$27,994,800.00 for MSU Extension.~~**\$341,709,000.00, \$268,770,700.00**
21 **FOR OPERATIONS, \$11,022,600.00 FOR PERFORMANCE FUNDING,**
22 **\$33,243,100.00 FOR MSU AGBIORESEARCH, AND \$28,672,600.00 FOR MSU**
23 **EXTENSION.**

24 (g) The appropriation for Michigan Technological University is
25 ~~\$46,662,000.00, \$45,938,000.00 for operations and \$724,000.00 for~~
26 ~~performance funding.~~**\$48,772,500.00, \$46,754,700.00 FOR OPERATIONS**
27 **AND \$2,017,800.00 FOR PERFORMANCE FUNDING.**

1 (h) The appropriation for Northern Michigan University is
2 ~~\$45,020,400.00, \$44,338,300.00 for operations and \$682,100.00 for~~
3 ~~performance funding.~~**\$46,868,000.00, \$45,107,700.00 FOR OPERATIONS**
4 **AND \$1,760,300.00 FOR PERFORMANCE FUNDING.**

5 (i) The appropriation for Oakland University is
6 ~~\$49,600,300.00, \$48,371,900.00 for operations and \$1,228,400.00 for~~
7 ~~performance funding.~~**\$50,231,900.00, \$48,371,900.00 FOR OPERATIONS**
8 **AND \$1,860,000.00 FOR PERFORMANCE FUNDING.**

9 (j) The appropriation for Saginaw Valley State University is
10 ~~\$28,117,700.00, \$27,621,600.00 for operations and \$496,100.00 for~~
11 ~~performance funding.~~**\$29,582,900.00, \$28,181,200.00 FOR OPERATIONS**
12 **AND \$1,401,700.00 FOR PERFORMANCE FUNDING.**

13 (k) The appropriation for University of Michigan - Ann Arbor
14 is ~~\$299,430,600.00, \$295,178,500.00 for operations and~~
15 ~~\$4,252,100.00 for performance funding.~~**\$313,360,600.00,**
16 **\$299,975,000.00 FOR OPERATIONS AND \$13,385,600.00 FOR PERFORMANCE**
17 **FUNDING.**

18 (l) The appropriation for University of Michigan - Dearborn is
19 ~~\$23,995,400.00, \$23,701,000.00 for operations and \$294,400.00 for~~
20 ~~performance funding.~~**\$25,190,500.00, \$24,033,100.00 FOR OPERATIONS**
21 **AND \$1,157,400.00 FOR PERFORMANCE FUNDING.**

22 (m) The appropriation for University of Michigan - Flint is
23 ~~\$21,763,700.00, \$21,359,600.00 for operations and \$404,100.00 for~~
24 ~~performance funding.~~**\$22,918,300.00, \$21,815,400.00 FOR OPERATIONS**
25 **AND \$1,102,900.00 FOR PERFORMANCE FUNDING.**

26 (n) The appropriation for Wayne State University is
27 ~~\$191,346,700.00, \$190,529,900.00 for operations and \$816,800.00 for~~

1 ~~performance funding.~~ \$198,749,900.00, \$191,451,300.00 FOR OPERATIONS
2 AND \$7,298,600.00 FOR PERFORMANCE FUNDING.

3 (o) The appropriation for Western Michigan University is
4 ~~\$104,155,600.00, \$102,761,100.00 for operations and \$1,394,500.00~~
5 ~~for performance funding.~~ \$109,369,200.00, \$104,334,100.00 FOR
6 OPERATIONS AND \$5,035,100.00 FOR PERFORMANCE FUNDING.

7 (3) The amount appropriated in subsection (2) for public
8 universities is appropriated from the following:

9 (a) State school aid fund, ~~\$200,019,500.00.~~ \$231,219,500.00.

10 (b) State general fund/general purpose money,
11 ~~\$1,221,041,200.00.~~ \$1,251,041,200.00.

12 (4) The amount appropriated for Michigan public school
13 employees' retirement system reimbursement is ~~\$5,160,000.00,~~
14 \$5,890,000.00, appropriated from the state school aid fund.

15 (5) The amount appropriated for state and regional programs is
16 \$315,000.00, appropriated from general fund/general purpose money
17 and allocated as follows:

18 (a) Higher education database modernization and conversion,
19 \$200,000.00.

20 (b) Midwestern Higher Education Compact, \$115,000.00.

21 (6) The amount appropriated for the Martin Luther King, Jr. -
22 Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated
23 from general fund/general purpose money and allocated as follows:

24 (a) Select student support services, \$1,956,100.00.

25 (b) Michigan college/university partnership program,
26 \$586,800.00.

27 (c) Morris Hood, Jr. educator development program,

1 \$148,600.00.

2 (7) Subject to subsection (8), the amount appropriated for
3 grants and financial aid is ~~\$105,497,200.00,~~ **\$108,650,000.00,**
4 allocated as follows:

5 (a) State competitive scholarships,
6 ~~\$18,361,700.00.~~ **\$18,765,700.00.**

7 (b) Tuition grants, ~~\$34,035,500.00.~~ **\$34,784,300.00.**

8 (c) Tuition incentive program, ~~\$48,500,000.00.~~ **\$50,500,000.00.**

9 (d) Children of veterans and officer's survivor tuition grant
10 programs, \$1,400,000.00.

11 (e) Project GEAR-UP, \$3,200,000.00.

12 (8) The money appropriated in subsection (7) for grants and
13 financial aid is appropriated from the following:

14 (a) Federal revenues under the United States Department of
15 Education, Office of Elementary and Secondary Education, GEAR-UP
16 program, \$3,200,000.00.

17 (b) Federal revenues under the social security act, temporary
18 assistance for needy families, ~~\$93,826,400.00.~~ **\$96,979,200.00.**

19 (c) Contributions to children of veterans tuition grant
20 program, \$100,000.00.

21 (d) State general fund/general purpose money, \$8,370,800.00.

22 Sec. 236a. It is the intent of the legislature to provide
23 appropriations for the fiscal year ending on September 30, ~~2017~~
24 **2018** for the items listed in section 236. The fiscal year ~~2016-2017~~
25 **2017-2018** appropriations are anticipated to be the same as those
26 for fiscal year ~~2015-2016,~~ **2016-2017**, except that the amounts will
27 be adjusted for changes in caseload and related costs, federal fund

1 match rates, economic factors, and available revenue. These
2 adjustments will be determined after the January ~~2016-2017~~
3 consensus revenue estimating conference.

4 Sec. 236b. In addition to the funds appropriated in section
5 236, there is appropriated for grants and financial aid in fiscal
6 year ~~2015-2016-2016-2017~~ an amount not to exceed \$6,000,000.00 for
7 federal contingency funds. These funds are not available for
8 expenditure until they have been transferred under section 393(2)
9 of the management and budget act, 1984 PA 431, MCL 18.1393, for
10 another purpose under this article.

11 Sec. 236c. In addition to the funds appropriated for fiscal
12 year ~~2015-2016-2016-2017~~ in section 236, appropriations to the
13 department of technology, management, and budget in the act
14 providing general appropriations for fiscal year ~~2015-2016-2016-~~
15 ~~2017~~ for state building authority rent, totaling an estimated
16 ~~\$135,995,300.00,~~ **\$144,995,300.00**, provide funding for the state
17 share of costs for previously constructed capital projects for
18 state universities. These appropriations for state building
19 authority rent represent additional state general fund support
20 provided to public universities, and the following is an estimate
21 of the amount of that support to each university:

22 (a) Central Michigan University, ~~\$9,551,800.00.~~ **\$11,819,500.00.**

23 (b) Eastern Michigan University, ~~\$4,860,900.00.~~ **\$4,868,000.00.**

24 (c) Ferris State University, ~~\$6,251,200.00.~~ **\$6,260,300.00.**

25 (d) Grand Valley State University,

26 ~~\$6,952,300.00.~~ **\$6,635,900.00.**

27 (e) Lake Superior State University,

1 ~~\$1,720,300.00~~-\$1,722,800.00.

2 (f) Michigan State University, ~~\$16,549,200.00~~-\$18,827,000.00.

3 (g) Michigan Technological University,

4 ~~\$7,443,400.00~~-\$6,793,200.00.

5 (h) Northern Michigan University, ~~\$9,706,200.00~~-\$9,447,600.00.

6 (i) Oakland University, ~~\$12,993,400.00~~-\$12,685,900.00.

7 (j) Saginaw Valley State University,

8 ~~\$9,865,800.00~~-\$10,331,000.00.

9 (k) University of Michigan - Ann Arbor,

10 ~~\$9,607,800.00~~-\$11,875,600.00.

11 (l) University of Michigan - Dearborn,

12 ~~\$6,745,200.00~~-\$9,008,800.00.

13 (m) University of Michigan - Flint,

14 ~~\$3,104,000.00~~-\$4,357,600.00.

15 (n) Wayne State University, ~~\$15,703,000.00~~-\$15,399,400.00.

16 (o) Western Michigan University,

17 ~~\$14,940,800.00~~-\$14,962,700.00.

18 Sec. 237b. As used in this article, the term "workforce
19 development agency" means the workforce development agency ~~of the~~
20 ~~Michigan strategic fund~~. **WITHIN THE DEPARTMENT OF TALENT AND**
21 **ECONOMIC DEVELOPMENT--TALENT INVESTMENT AGENCY.**

22 Sec. 238. Unless otherwise specified, a public university
23 receiving appropriations in section 236 shall use the ~~internet~~
24 **INTERNET** to fulfill the reporting requirements of this article.
25 This requirement may include transmission of reports via electronic
26 mail to the recipients identified for each reporting requirement,
27 or it may include placement of reports on an ~~internet~~-**INTERNET** or

1 intranet site.

2 Sec. 241. (1) Subject to sections 244 and 265a, the funds
3 appropriated in section 236 to public universities shall be paid
4 out of the state treasury and distributed by the state treasurer to
5 the respective institutions in 11 equal monthly installments on the
6 sixteenth of each month, or the next succeeding business day,
7 beginning with October 16, ~~2015~~—**2016**. Except for Wayne State
8 University, each institution shall accrue its July and August ~~2016~~
9 **2017** payments to its institutional fiscal year ending June 30,
10 ~~2016~~—**2017**.

11 (2) All public universities shall submit higher education
12 institutional data inventory (HEIDI) data and associated financial
13 and program information requested by and in a manner prescribed by
14 the state budget director. For public universities with fiscal
15 years ending June 30, ~~2015~~—**2016**, these data shall be submitted to
16 the state budget director by October 15, ~~2015~~—**2016**. Public
17 universities with a fiscal year ending September 30, ~~2015~~—**2016**
18 shall submit preliminary HEIDI data by November 15, ~~2015~~—**2016** and
19 final data by December 15, ~~2015~~—**2016**. If a public university fails
20 to submit HEIDI data and associated financial aid program
21 information in accordance with this reporting schedule, the state
22 treasurer may withhold the monthly installments under subsection
23 (1) to the public university until those data are submitted.

24 Sec. 246. (1) All of the following apply to the allocation of
25 the ~~fiscal year 2015-2016~~ appropriations described in section
26 236(4) for payments to universities that are participating entities
27 of the Michigan public school employees' retirement system:

1 (a) The funds appropriated in section 236(4) for Michigan
2 public school employees' retirement system reimbursement shall be
3 allocated to each participating public university under this
4 section based on each participating public university's percentage
5 of the total combined payrolls of the universities' employees who
6 are members of the retirement system and who were hired before
7 January 1, 1996 and the universities' employees who would have been
8 members of the retirement system on or after January 1, 1996, but
9 for the enactment of 1995 PA 272 for all public universities that
10 are participating public universities for the immediately preceding
11 state fiscal year.

12 (b) The amount of a payment under section 236(4) shall be
13 equal to the difference between the unfunded actuarial accrued
14 liability contribution rate for university reporting units as
15 calculated under section 41 of the public school employees
16 retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated
17 without taking into account the maximum employer rate of 25.73%
18 included in section 41 of the public school employees retirement
19 act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer
20 rate for university reporting units of 25.73% under section 41 of
21 the public school employees retirement act of 1979, 1980 PA 300,
22 MCL 38.1341. Payments shall be made in a form and manner determined
23 by the office of retirement services.

24 (c) A public university that receives money under section
25 236(4) shall use that money solely for the purpose of retirement
26 contributions. Each participating university that receives funds
27 under section 236(4) shall forward an amount equal to the amount

1 received under section 236(4) to the Michigan public school
2 employees' retirement system in a form and manner determined by the
3 office of retirement services.

4 (2) As used in this section, "participating public university"
5 means a public university that is a reporting unit of the Michigan
6 public school employees' retirement system under the public school
7 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
8 38.1437, and that pays contributions to the Michigan public school
9 employees' retirement system for the state fiscal year.

10 Sec. 251. (1) Payments of the amounts included in section 236
11 for the state competitive scholarship program shall be distributed
12 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

13 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the
14 department of treasury shall determine an actual maximum state
15 competitive scholarship award per student, which shall be not less
16 than \$575.00, that ensures that the aggregate payments for the
17 state competitive scholarship program do not exceed the
18 appropriation contained in section 236 for the state competitive
19 scholarship program. If the department determines that insufficient
20 funds are available to establish a maximum award amount equal to at
21 least \$575.00, the department shall immediately report to the house
22 and senate appropriations subcommittees on higher education, the
23 house and senate fiscal agencies, and the state budget director
24 regarding the estimated amount of additional funds necessary to
25 establish a \$575.00 maximum award amount.

26 (3) The department of treasury shall implement a proportional
27 competitive scholarship maximum award level for recipients enrolled

1 less than full-time in a given semester or term.

2 (4) If a student who receives an award under this section has
3 his or her tuition and fees paid under the Michigan educational
4 trust program, pursuant to the Michigan education trust act, 1986
5 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
6 funds awarded under this section may be used for educational
7 expenses other than tuition and fees.

8 (5) If the department of treasury increases the maximum award
9 per eligible student from that provided in the previous fiscal
10 year, it shall not have the effect of reducing the number of
11 eligible students receiving awards in relation to the total number
12 of eligible applicants. Any increase in the maximum grant shall be
13 proportional for all eligible students receiving awards.

14 (6) Veterans ~~administration~~ **ADMINISTRATION** benefits shall not
15 be considered in determining eligibility for the award of
16 scholarships under 1964 PA 208, MCL 390.971 to 390.981.

17 Sec. 252. (1) The amounts appropriated in section 236 for the
18 state tuition grant program shall be distributed pursuant to 1966
19 PA 313, MCL 390.991 to 390.997a.

20 (2) Tuition grant awards shall be made to all eligible
21 Michigan residents enrolled in undergraduate degree programs who
22 are qualified and who apply before July 1 of each year for the next
23 academic year.

24 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
25 subject to subsections (7) and (8), the department of treasury
26 shall determine an actual maximum tuition grant award per student,
27 which shall be no less than \$1,512.00, that ensures that the

1 aggregate payments for the tuition grant program do not exceed the
2 appropriation contained in section 236 for the state tuition grant
3 program. If the department determines that insufficient funds are
4 available to establish a maximum award amount equal to at least
5 \$1,512.00, the department shall immediately report to the house and
6 senate appropriations subcommittees on higher education, the house
7 and senate fiscal agencies, and the state budget director regarding
8 the estimated amount of additional funds necessary to establish a
9 \$1,512.00 maximum award amount. If the department determines that
10 sufficient funds are available to establish a maximum award amount
11 equal to at least \$1,512.00, the department shall immediately
12 report to the house and senate appropriations subcommittees on
13 higher education, the house and senate fiscal agencies, and the
14 state budget director regarding the maximum award amount
15 established and the projected amount of any projected year-end
16 appropriation balance based on that maximum award amount. By
17 February 18 of each fiscal year, the department shall analyze the
18 status of award commitments, shall make any necessary adjustments,
19 and shall confirm that those award commitments will not exceed the
20 appropriation contained in section 236 for the tuition grant
21 program. The determination and actions shall be reported to the
22 state budget director and the house and senate fiscal agencies no
23 later than the final day of February of each year. If award
24 adjustments are necessary, the students shall be notified of the
25 adjustment by March 4 of each year.

26 (4) Any unexpended and unencumbered funds remaining on
27 September 30, ~~2016~~—2017 from the amounts appropriated in section

1 236 for the tuition grant program for fiscal year ~~2015-2016~~**2016-**
2 **2017** shall not lapse on September 30, ~~2016,~~**2017**, but shall
3 continue to be available for expenditure for tuition grants
4 provided in the ~~2016-2017~~**2017-2018** fiscal year under a work
5 project account. The use of these unexpended fiscal year ~~2015-2016~~
6 **2016-2017** funds shall terminate at the end of the ~~2016-2017~~**2017-**
7 **2018** fiscal year.

8 (5) The department of treasury shall continue a proportional
9 tuition grant maximum award level for recipients enrolled less than
10 full-time in a given semester or term.

11 (6) If the department of treasury increases the maximum award
12 per eligible student from that provided in the previous fiscal
13 year, it shall not have the effect of reducing the number of
14 eligible students receiving awards in relation to the total number
15 of eligible applicants. Any increase in the maximum grant shall be
16 proportional for all eligible students receiving awards for that
17 fiscal year.

18 (7) Except as provided in subsection (4), the department of
19 treasury shall not award more than ~~\$3,200,000.00~~**\$3,300,000.00** in
20 tuition grants to eligible students enrolled in the same
21 independent nonprofit college or university in this state. Any
22 decrease in the maximum grant shall be proportional for all
23 eligible students enrolled in that college or university, as
24 determined by the department.

25 (8) The department of treasury shall not award tuition grants
26 to otherwise eligible students enrolled in an independent college
27 or university that does not report, in a form and manner directed

1 by and satisfactory to the department of treasury, by September 30
2 of each year, all of the following:

3 (a) The number of students in the most recently completed
4 academic year who in any academic year received a state tuition
5 grant at the reporting institution and successfully completed a
6 program or graduated.

7 (b) The number of students in the most recently completed
8 academic year who in any academic year received a state tuition
9 grant at the reporting institution and took a remedial education
10 class.

11 (c) The number of students in the most recently completed
12 academic year who in any academic year received a Pell grant at the
13 reporting institution and successfully completed a program or
14 graduated.

15 (9) By February 1, ~~2016,~~ **2017**, each independent college and
16 university participating in the tuition grant program shall report
17 to the senate and house appropriations subcommittees on higher
18 education, the senate and house fiscal agencies, and the state
19 budget director on its efforts to develop and implement sexual
20 assault response training for the institution's title IX
21 coordinator, campus law enforcement personnel, campus public safety
22 personnel, and any other campus personnel charged with responding
23 to on-campus incidents, including information on sexual assault
24 response training materials and the status of implementing sexual
25 assault response training for institutional personnel.

26 Sec. 254. The sums appropriated in section 236 for the state
27 competitive scholarship, tuition incentive, and tuition grant

1 programs shall be paid out of the state treasury and shall be
2 distributed to the respective institutions under a quarterly
3 payment system as follows:

4 **(A) FOR THE STATE COMPETITIVE SCHOLARSHIP AND TUITION GRANT**
5 **PROGRAMS**, 50% shall be paid at the beginning of the state's first
6 fiscal quarter, 30% during the state's second fiscal quarter, 10%
7 during the state's third fiscal quarter, and 10% during the state's
8 fourth fiscal quarter.

9 **(B) FOR THE TUITION INCENTIVE PROGRAM, 55% SHALL BE PAID AT**
10 **THE BEGINNING OF THE STATE'S FIRST FISCAL QUARTER, 40% DURING THE**
11 **STATE'S SECOND FISCAL QUARTER, AND 5% DURING THE STATE'S THIRD**
12 **FISCAL QUARTER.**

13 Sec. 256. (1) The funds appropriated in section 236 for the
14 tuition incentive program shall be distributed as provided in this
15 section and pursuant to the administrative procedures for the
16 tuition incentive program of the department of treasury.

17 (2) As used in this section:

18 (a) "Phase I" means the first part of the tuition incentive
19 assistance program defined as the academic period of 80 semester or
20 120 term credits, or less, leading to an associate degree or
21 certificate.

22 (b) "Phase II" means the second part of the tuition incentive
23 assistance program which provides assistance in the third and
24 fourth year of 4-year degree programs.

25 (c) "Department" means the department of treasury.

26 (d) "High school equivalency certificate" means that term as
27 defined in section 4.

1 (3) An individual shall meet the following basic criteria and
2 financial thresholds to be eligible for tuition incentive **PROGRAM**
3 benefits:

4 (a) To be eligible for phase I, an individual shall meet all
5 of the following criteria:

6 (i) Apply for certification to the department any time after
7 he or she begins the sixth grade but before August 31 of the school
8 year in which he or she graduates from high school or before
9 achieving a high school equivalency certificate.

10 (ii) Be less than 20 years of age at the time he or she
11 graduates from high school with a diploma or certificate of
12 completion or achieves a high school equivalency certificate.

13 (iii) Be a United States citizen and a resident of Michigan
14 according to institutional criteria.

15 (iv) Be at least a half-time student, earning less than 80
16 semester or 120 term credits at a participating educational
17 institution within 4 years of high school graduation or achievement
18 of a high school equivalency certificate.

19 (v) Request information on filing a FAFSA.

20 (vi) ~~Must meet~~ **MEET** the satisfactory academic progress policy
21 of the educational institution he or she attends.

22 (b) To be eligible for phase II, an individual shall meet
23 either of the following criteria in addition to the criteria in
24 subdivision (a):

25 (i) Complete at least 56 transferable semester or 84
26 transferable term credits.

27 (ii) Obtain an associate degree or certificate at a

1 participating institution.

2 (c) To be eligible for phase I or phase II, an individual must
3 not be incarcerated and must be financially eligible as determined
4 by the department. An individual is financially eligible for the
5 tuition incentive program if he or she was eligible for Medicaid
6 from the state of Michigan for 24 months within the 36 **CONSECUTIVE**
7 months before application. The department shall accept
8 certification of Medicaid eligibility only from the department of
9 health and human services for the purposes of verifying if a person
10 is Medicaid eligible for 24 months within the 36 **CONSECUTIVE** months
11 before application. Certification of eligibility may begin in the
12 sixth grade. As used in this subdivision, "incarcerated" does not
13 include detention of a juvenile in a state-operated or privately
14 operated juvenile detention facility.

15 (4) For phase I, the department shall provide payment on
16 behalf of a person eligible under subsection (3). The department
17 shall reject billings that are excessive or outside the guidelines
18 for the type of educational institution.

19 (5) For phase I, all of the following apply:

20 (a) Payments for associate degree or certificate programs
21 shall not be made for more than 80 semester or 120 term credits for
22 any individual student at any participating institution.

23 (b) For persons enrolled at a Michigan community college, the
24 department shall pay the current in-district tuition and mandatory
25 fees. For persons residing in an area that is not included in any
26 community college district, the out-of-district tuition rate may be
27 authorized.

1 (c) For persons enrolled at a Michigan public university, the
2 department shall pay lower division resident tuition and mandatory
3 fees for the current year.

4 (d) For persons enrolled at a Michigan independent, nonprofit
5 degree-granting college or university, or a Michigan federal
6 tribally controlled community college, or Focus: HOPE, the
7 department shall pay mandatory fees for the current year and a per-
8 credit payment that does not exceed the average community college
9 in-district per-credit tuition rate as reported on August 1, for
10 the immediately preceding academic year.

11 **(E) IF THE AMOUNT APPROPRIATED FOR THE PHASE I PAYMENTS UNDER**
12 **THIS SUBSECTION IS NOT SUFFICIENT TO PAY EACH ELIGIBLE PERSON THE**
13 **AMOUNT REQUIRED UNDER THIS SUBSECTION, THE DEPARTMENT SHALL ADJUST**
14 **THE PHASE I AMOUNTS PAID UNDER THIS SUBSECTION BY PRORATING THE**
15 **AMOUNTS PAID TO EACH RECIPIENT AS NECESSARY TO REFLECT AVAILABLE**
16 **RESOURCES AND THE AMOUNT APPROPRIATED.**

17 (6) A person participating in phase II may be eligible for
18 additional funds not to exceed \$500.00 per semester or \$400.00 per
19 term up to a maximum of \$2,000.00 subject to the following
20 conditions:

21 (a) Credits are earned in a 4-year program at a Michigan
22 degree-granting 4-year college or university.

23 (b) The tuition reimbursement is for coursework completed
24 within 30 months of completion of the phase I requirements.

25 (7) The department shall work closely with participating
26 institutions to develop an application and eligibility
27 determination process that will provide the highest level of

1 participation and ensure that all requirements of the program are
2 met.

3 (8) Applications for the tuition incentive program may be
4 approved at any time after the student begins the sixth grade. If a
5 determination of financial eligibility is made, that determination
6 is valid as long as the student meets all other program
7 requirements and conditions.

8 (9) Each institution shall ensure that all known available
9 restricted grants for tuition and fees are used prior to billing
10 the tuition incentive program for any portion of a student's
11 tuition and fees.

12 (10) The department shall ensure that the tuition incentive
13 program is well publicized and that eligible Medicaid clients are
14 provided information on the program. The department shall provide
15 the necessary funding and staff to fully operate the program.

16 Sec. 263. (1) Included in the appropriation in section 236 for
17 fiscal year ~~2015-2016~~**2016-2017** for MSU AgBioResearch is
18 \$2,982,900.00 and included in the appropriation in section 236 for
19 MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN
20 is intended to address critical regulatory, food safety, economic,
21 and environmental problems faced by this state's plant-based
22 agriculture, forestry, and processing industries. "GREEN" is an
23 acronym for Generating Research and Extension to Meet Environmental
24 and Economic Needs.

25 (2) The department of agriculture and rural development and
26 Michigan State University, in consultation with agricultural
27 commodity groups and other interested parties, shall develop

1 Project GREEN and its program priorities.

2 Sec. 263a. (1) Not later than September 30 of each year,
3 Michigan State University shall submit a report on MSU
4 AgBioResearch and MSU Extension to the house and senate
5 appropriations subcommittees on agriculture and on higher
6 education, the house and senate standing committees on agriculture,
7 the house and senate fiscal agencies, and the state budget director
8 for the preceding academic fiscal year.

9 (2) The report required under subsection (1) shall include all
10 of the following:

11 (a) Total funds expended by MSU AgBioResearch and by MSU
12 Extension identified by state, local, private, federal, and
13 university fund sources.

14 (b) The metric goals that were used to evaluate the impacts of
15 programs operated by MSU Extension and MSU AgBioResearch. ~~It is the~~
16 ~~intent of the legislature that the~~ **THE** following metric goals will
17 be used to evaluate the impacts of those programs:

18 (i) Increasing the number of agriculture and food-related
19 firms collaborating with and using services of research and
20 extension faculty and staff by 3% per year.

21 (ii) Increasing the number of individuals utilizing MSU
22 Extension's educational services by 5% per year.

23 (iii) Increasing external funds generated in support of
24 research and extension, beyond state appropriations, by 10% over
25 the amounts generated in the past 3 state fiscal years.

26 (iv) Increasing the sector's total economic impact to at least
27 \$100,000,000,000.00.

1 (v) Increasing Michigan's agricultural exports to at least
2 \$3,500,000,000.00.

3 (vi) Increasing jobs in the food and agriculture sector by
4 10%.

5 (vii) Improving access by Michigan consumers to healthy foods
6 by 20%.

7 (c) A review of major programs within both MSU AgBioResearch
8 and MSU Extension with specific reference to accomplishments,
9 impacts, and the metrics described in subdivision (b), including a
10 specific accounting of Project GREEN expenditures and the impact
11 of those expenditures.

12 Sec. 264. Included in the appropriation in section 236 for
13 fiscal year ~~2015-2016~~-2016-2017 for Michigan State University is
14 \$80,000.00 for the Michigan Future Farmers of America Association.
15 This \$80,000.00 allocation shall not supplant any existing support
16 that Michigan State University provides to the Michigan Future
17 Farmers of America Association.

18 Sec. 265. (1) Payments under section 265a for performance
19 funding shall only be made to a public university that certifies to
20 the state budget director by August 31, ~~2015-2016~~ that its board
21 did not adopt an increase in tuition and fee rates for resident
22 undergraduate students after September 1, ~~2014-2015~~ for the ~~2014-~~
23 ~~2015-2015-2016~~ academic year and that its board will not adopt an
24 increase in tuition and fee rates for resident undergraduate
25 students for the ~~2015-2016~~-2016-2017 academic year that is greater
26 than ~~3.2%~~-4.8%. As used in this subsection:

27 (a) "Fee" means any board-authorized fee that will be paid by

1 more than 1/2 of all resident undergraduate students at least once
2 during their enrollment at a public university, **AS DESCRIBED IN THE**
3 **HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) USER MANUAL.**

4 A university increasing a fee that applies to a specific subset of
5 students or courses shall provide sufficient information to prove
6 that the increase applied to that subset will not cause the
7 increase in the average amount of board-authorized total tuition
8 and fees paid by resident undergraduate students in the ~~2015-2016~~
9 **2016-2017** academic year to exceed the limit established in this
10 subsection.

11 (b) "Tuition and fee rate" means the average of full-time
12 rates ~~for all~~ **PAID BY A MAJORITY OF STUDENTS IN EACH** undergraduate
13 ~~classes,~~ **CLASS**, based on an **UNWEIGHTED** average of the rates
14 authorized by the university board and actually charged to
15 students, deducting any uniformly rebated or refunded amounts, for
16 the 2 semesters with the highest levels of full-time equated
17 resident undergraduate enrollment during the academic year, **AS**
18 **DESCRIBED IN THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY**
19 **(HEIDI) USER MANUAL.**

20 (c) For purposes of subdivision (a), for a public university
21 that compels resident undergraduate students to be covered by
22 health insurance as a condition to enroll at the university, "fee"
23 includes the annual amount a student is charged for coverage by the
24 university-affiliated group health insurance policy if he or she
25 does not provide proof that he or she is otherwise covered by
26 health insurance. This subdivision does not apply to limited
27 subsets of resident undergraduate students to be covered by health

1 insurance for specific reasons other than general enrollment at the
2 university.

3 (2) The state budget director shall implement uniform
4 reporting requirements to ensure that a public university receiving
5 a payment under section 265a for performance funding has satisfied
6 the tuition restraint requirements of this section. The state
7 budget director shall have the sole authority to determine if a
8 public university has met the requirements of this section.
9 Information reported by a public university to the state budget
10 director under this subsection shall also be reported to the house
11 and senate appropriations subcommittees on higher education and the
12 house and senate fiscal agencies.

13 **(3) UNIVERSITIES THAT EXCEED THE TUITION AND FEE RATE CAP**
14 **DESCRIBED IN SUBSECTION (1) SHALL NOT RECEIVE A PLANNING OR**
15 **CONSTRUCTION AUTHORIZATION FOR A STATE-FUNDED CAPITAL OUTLAY**
16 **PROJECT IN FISCAL YEAR 2017-2018 OR FISCAL YEAR 2018-2019.**

17 Sec. 265a. (1) Appropriations to public universities in
18 section 236 for fiscal year ~~2015-2016-2016-2017~~ for performance
19 funding shall be paid only to a public university that complies
20 with section 265 and certifies to the state budget director, the
21 house and senate appropriations subcommittees on higher education,
22 and the house and senate fiscal agencies by August 31, ~~2015-2016~~
23 that it complies with all of the following requirements:

24 (a) The university participates in reverse transfer agreements
25 described in section 286 with at least 3 Michigan community
26 colleges. ~~or has made a good faith effort to enter into reverse~~
27 ~~transfer agreements.~~

1 (b) The university does not and will not consider whether dual
2 enrollment credits earned by an incoming student were utilized
3 towards his or her high school graduation requirements when making
4 a determination as to whether those credits may be used by the
5 student toward completion of a university degree or certificate
6 program.

7 (c) The university **ACTIVELY** participates in **AND SUBMITS TIMELY**
8 **UPDATES TO** the Michigan Transfer Network created as part of the
9 Michigan Association of Collegiate Registrars and Admissions
10 Officers transfer agreement.

11 (2) Any performance funding amounts under section 236 that are
12 not paid to a public university because it did not comply with 1 or
13 more requirements under subsection (1) are unappropriated and
14 reappropriated for performance funding to those public universities
15 that meet the requirements under subsection (1), distributed in
16 proportion to their performance funding appropriation amounts under
17 section 236.

18 (3) The state budget director shall report to the house and
19 senate appropriations subcommittees on higher education and the
20 house and senate fiscal agencies by September 30, ~~2015,~~ **2016,**
21 regarding any performance funding amounts that are not paid to a
22 public university because it did not comply with 1 or more
23 requirements under subsection (1) and any reappropriation of funds
24 under subsection (2).

25 (4) Performance funding amounts described in section 236 are
26 distributed based on the following formula:

27 **(A) PROPORTIONAL TO EACH UNIVERSITY'S SHARE OF TOTAL**

1 OPERATIONS FUNDING APPROPRIATED IN FISCAL YEAR 2010-2011, 50%.

2 (B) ~~(a)~~—Based on weighted undergraduate completions in
3 critical skills areas, ~~22.2%~~**11.1%**.

4 (C) ~~(b)~~—Based on research and development expenditures, for
5 universities classified in Carnegie classifications as
6 doctoral/research universities, research universities (high
7 research activity), or research universities (very high research
8 activity) only, ~~11.1%~~**5.6%**.

9 (D) ~~(c)~~—Based on 6-year graduation rate, total degree
10 completions, and institutional support as a percentage of core
11 expenditures, and the percentage of students receiving Pell grants,
12 scored against national Carnegie classification peers and weighted
13 by total undergraduate fiscal year equated students, ~~66.7%~~**33.3%**.

14 (5) For purposes of determining the score of a university
15 under subsection ~~(4)(c)~~, **(4)(D)**, each university is assigned 1 of
16 the following scores:

17 (a) A university classified as in the top 20%, a score of 3.

18 (b) A university classified as above national median, a score
19 of 2.

20 (c) A university classified as improving, a score of 2. It is
21 the intent of the legislature that, beginning in the ~~2016-2017~~
22 **2017-2018** state fiscal year, a university classified as improving
23 is assigned a score of 1.

24 (d) A university that is not included in subdivision (a), (b),
25 or (c), a score of 0.

26 (6) ~~For purposes of~~ **AS USED IN** this section, "Carnegie
27 classification" ~~shall mean~~ **MEANS** the basic classification of the

1 university according to the most recent version **PRIOR TO FEBRUARY**
2 **1, 2016** of the Carnegie classification of institutions of higher
3 education, published by the Carnegie Foundation for the Advancement
4 of Teaching.

5 Sec. 267. All public universities shall submit the amount of
6 tuition and fees actually charged to a full-time resident
7 undergraduate student for academic year ~~2015-2016~~ **2016-2017** as part
8 of their higher education institutional data inventory (HEIDI) data
9 by August 31 of each year. A public university shall report any
10 revisions for any semester of the reported academic year ~~2015-2016~~
11 **2016-2017** tuition and fee charges to HEIDI within 15 days of being
12 adopted.

13 Sec. 268. (1) For the fiscal year ending September 30, ~~2016,~~
14 **2017**, it is the intent of the legislature that funds be allocated
15 for unfunded North American Indian tuition waiver costs incurred by
16 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
17 from the general fund.

18 (2) By February 15 of each year, the department of civil
19 rights shall annually submit to the state budget director, the
20 house and senate appropriations subcommittees on higher education,
21 and the house and senate fiscal agencies a report on North American
22 Indian tuition waivers for the preceding fiscal year that includes,
23 but is not limited to, all of the following information: ~~for each~~
24 ~~postsecondary institution:~~

25 (a) The ~~total~~ number of waiver applications **RECEIVED AND THE**
26 **NUMBER OF WAIVER APPLICATIONS APPROVED.**

27 **(B) FOR EACH UNIVERSITY SUBMITTING INFORMATION UNDER**

1 SUBSECTION (3), ALL OF THE FOLLOWING:

2 (i) THE NUMBER OF GRADUATE AND UNDERGRADUATE NORTH AMERICAN
3 INDIAN STUDENTS ENROLLED EACH TERM FOR THE PREVIOUS FISCAL YEAR.

4 (ii) ~~(b)~~ The ~~total~~ number of NORTH AMERICAN INDIAN waivers
5 granted EACH TERM and the monetary value of each ~~waiver~~. THE WAIVERS
6 FOR THE PREVIOUS FISCAL YEAR.

7 (iii) ~~(c)~~ The number of GRADUATE AND UNDERGRADUATE students
8 ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER who ~~withdrew~~
9 WITHDREW from ~~classes~~. THE UNIVERSITY DURING THE PREVIOUS FISCAL
10 YEAR.

11 (iv) ~~(d)~~ The number of GRADUATE AND UNDERGRADUATE students
12 ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER who
13 successfully complete a degree or certificate program, SEPARATED BY
14 DEGREE OR CERTIFICATE LEVEL, and the ~~6-year~~ graduation rate FOR
15 GRADUATE AND UNDERGRADUATE STUDENTS ATTENDING UNDER A NORTH
16 AMERICAN INDIAN TUITION WAIVER WHO COMPLETE A DEGREE WITHIN 150% OF
17 THE NORMAL TIME TO COMPLETE, SEPARATED BY THE LEVEL OF THE DEGREE.

18 (3) A public university that receives funds under section 236
19 shall provide to the department of civil rights any information
20 necessary for preparing the report detailed in subsection (2),
21 USING GUIDELINES AND PROCEDURES DEVELOPED BY THE DEPARTMENT OF
22 CIVIL RIGHTS.

23 (4) THE DEPARTMENT OF CIVIL RIGHTS MAY CONSOLIDATE THE REPORT
24 REQUIRED UNDER THIS SECTION WITH THE REPORT REQUIRED UNDER SECTION
25 223, BUT A CONSOLIDATED REPORT MUST SEPARATELY IDENTIFY DATA FOR
26 UNIVERSITIES AND DATA FOR COMMUNITY COLLEGES.

27 Sec. 269. For fiscal year ~~2015-2016~~, 2016-2017, from the

1 amount appropriated in section 236 to Central Michigan University
2 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
3 College for the costs of waiving tuition for North American Indians
4 under 1976 PA 174, MCL 390.1251 to 390.1253.

5 Sec. 270. For fiscal year ~~2015-2016~~, **2016-2017**, from the
6 amount appropriated in section 236 to Lake Superior State
7 University for operations, \$100,000.00 shall be paid to Bay Mills
8 Community College for the costs of waiving tuition for North
9 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

10 Sec. 274. It is the intent of the legislature that public and
11 private organizations that conduct human embryonic stem cell
12 derivation subject to section 27 of article I of the state
13 constitution of 1963 will provide information to the director of
14 the department of health and human services by December 1, ~~2015~~
15 **2016** that includes all of the following:

16 (a) Documentation that the organization conducting human
17 embryonic stem cell derivation is conducting its activities in
18 compliance with the requirements of section 27 of article I of the
19 state constitution of 1963 and all relevant National Institutes of
20 Health guidelines pertaining to embryonic stem cell derivation.

21 (b) A list of all human embryonic stem cell lines submitted by
22 the organization to the National Institutes of Health for inclusion
23 in the Human Embryonic Stem Cell Registry before and during fiscal
24 year ~~2014-2015~~, **2015-2016**, and the status of each submission as
25 approved, pending approval, or review completed but not yet
26 accepted.

27 (c) Number of human embryonic stem cell lines derived and not

1 submitted for inclusion in the Human Embryonic Stem Cell Registry,
2 before and during fiscal year ~~2014-2015-2015-2016~~.

3 Sec. 274c. By February 1, ~~2016,~~**2017**, each university
4 receiving funds under section 236 shall report to the senate and
5 house appropriations subcommittees on higher education, the senate
6 and house fiscal agencies, and the state budget director on its
7 efforts to develop and implement sexual assault response training
8 for the university's title IX coordinator, campus law enforcement
9 personnel, campus public safety personnel, and any other campus
10 personnel charged with responding to on-campus incidents, including
11 information on sexual assault response training materials and the
12 status of implementing sexual assault response training for campus
13 personnel.

14 Sec. 275. (1) ~~It is the intent of the legislature that each~~
15 **EACH** public university that receives an appropriation in section
16 236 **IS ENCOURAGED TO** do all of the following:

17 (a) Meet the provisions of section 5003 of the post-911
18 veterans educational assistance act of 2008, 38 USC 3301 to ~~3324,~~
19 **3325**, including voluntary participation in the ~~yellow ribbon GI~~
20 ~~education enhancement program~~**YELLOW RIBBON GI EDUCATION**
21 **ENHANCEMENT PROGRAM** established in that act in 38 USC 3317. By
22 October 1 of each year, each public university shall report to the
23 house and senate appropriations subcommittees on higher education,
24 the house and senate fiscal agencies, and the ~~presidents council,~~
25 ~~state universities of Michigan~~**MICHIGAN ASSOCIATION OF STATE**
26 **UNIVERSITIES** on whether or not it has chosen to participate in the
27 ~~yellow ribbon GI education enhancement program.~~**YELLOW RIBBON GI**

1 **EDUCATION ENHANCEMENT PROGRAM.** If at any time during the fiscal
2 year a university participating in the ~~yellow ribbon program~~ **YELLOW**
3 **RIBBON PROGRAM** chooses to leave the ~~yellow ribbon program,~~ **YELLOW**
4 **RIBBON PROGRAM,** it shall notify the house and senate appropriations
5 subcommittees on higher education, the house and senate fiscal
6 agencies, and the ~~presidents council, state universities of~~
7 ~~Michigan.~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES.**

8 (b) Establish an on-campus veterans' liaison to provide
9 information and assistance to all student veterans.

10 (c) Provide flexible enrollment application deadlines for all
11 veterans.

12 (d) Include in its admission application process a specific
13 question as to whether an applicant for admission is a veteran, an
14 active member of the military, a member of the ~~national guard~~
15 **NATIONAL GUARD** or military reserves, or the spouse or dependent of
16 a veteran, active member of the military, or member of the ~~national~~
17 ~~guard~~ **NATIONAL GUARD** or military reserves, in order to more quickly
18 identify potential educational assistance available to that
19 applicant.

20 (e) Consider all veterans residents of this state for
21 determining their tuition rates and fees.

22 (f) Waive enrollment fees for all veterans.

23 (2) By October 1 of each year, each public university shall
24 report to the house and senate appropriations subcommittees on
25 higher education, the house and senate fiscal agencies, and the
26 department of military and veterans affairs regarding services
27 provided specifically to veterans and active military duty

1 personnel, including, but not limited to, the services described in
2 subsection (1).

3 (3) As used in this section, "veteran" means an honorably
4 discharged veteran entitled to educational assistance under the
5 provisions of section 5003 of the post-911 veterans educational
6 assistance act of 2008, 38 USC 3301 to ~~3324~~**3325**.

7 Sec. 276. (1) Included in the appropriation for fiscal year
8 ~~2015-2016-2016-2017~~ for each public university in section 236 is
9 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
10 future faculty program that is intended to increase the pool of
11 academically or economically disadvantaged candidates pursuing
12 faculty teaching careers in postsecondary education. Preference may
13 not be given to applicants on the basis of race, color, ethnicity,
14 gender, or national origin. Institutions should encourage
15 applications from applicants who would otherwise not adequately be
16 represented in the graduate student and faculty populations. Each
17 public university shall apply the percentage change applicable to
18 every public university in the calculation of appropriations in
19 section 236 to the amount of funds allocated to the future faculty
20 program.

21 (2) The program shall be administered by each public
22 university in a manner prescribed by the workforce development
23 agency. The workforce development agency shall use a good faith
24 effort standard to evaluate whether a fellowship is in default.

25 Sec. 277. (1) Included in the appropriation for fiscal year
26 ~~2015-2016-2016-2017~~ for each public university in section 236 is
27 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks

1 college day program that is intended to introduce academically or
2 economically disadvantaged schoolchildren to the potential of a
3 college education. Preference may not be given to participants on
4 the basis of race, color, ethnicity, gender, or national origin.
5 Public universities should encourage participation from those who
6 would otherwise not adequately be represented in the student
7 population.

8 (2) Individual program plans of each public university shall
9 include a budget of equal contributions from this program, the
10 participating public university, the participating school district,
11 and the participating independent degree-granting college. College
12 day funds shall not be expended to cover indirect costs. Not more
13 than 20% of the university match shall be attributable to indirect
14 costs. Each public university shall apply the percentage change
15 applicable to every public university in the calculation of
16 appropriations in section 236 to the amount of funds allocated to
17 the college day program.

18 (3) The program described in this section shall be
19 administered by each public university in a manner prescribed by
20 the workforce development agency.

21 Sec. 278. (1) Included in section 236 for fiscal year ~~2015-~~
22 ~~2016-2016-2017~~ is funding for the Martin Luther King, Jr. - Cesar
23 Chavez - Rosa Parks select student support services program for
24 developing academically or economically disadvantaged student
25 retention programs for 4-year public and independent educational
26 institutions in this state. Preference may not be given to
27 participants on the basis of race, color, ethnicity, gender, or

1 national origin. Institutions should encourage participation from
2 those who would otherwise not adequately be represented in the
3 student population.

4 (2) An award made under this program to any 1 institution
5 shall not be greater than \$150,000.00, and the amount awarded shall
6 be matched on a 70% state, 30% college or university basis.

7 (3) The program described in this section shall be
8 administered by the workforce development agency.

9 Sec. 279. (1) Included in section 236 for fiscal year ~~2015-~~
10 ~~2016-2016-2017~~ is funding for the Martin Luther King, Jr. - Cesar
11 Chavez - Rosa Parks college/university partnership program between
12 4-year public and independent colleges and universities and public
13 community colleges, which is intended to increase the number of
14 academically or economically disadvantaged students who transfer
15 from community colleges into baccalaureate programs. Preference may
16 not be given to participants on the basis of race, color,
17 ethnicity, gender, or national origin. Institutions should
18 encourage participation from those who would otherwise not
19 adequately be represented in the transfer student population.

20 (2) The grants shall be made under the program described in
21 this section to Michigan public and independent colleges and
22 universities. An award to any 1 institution shall not be greater
23 than \$150,000.00, and the amount awarded shall be matched on a 70%
24 state, 30% college or university basis.

25 (3) The program described in this section shall be
26 administered by the workforce development agency.

27 Sec. 280. (1) Included in the appropriation for fiscal year

1 ~~2015-2016-2016-2017~~ for each public university in section 236 is
2 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
3 visiting professors program which is intended to increase the
4 number of instructors in the classroom to provide role models for
5 academically or economically disadvantaged students. Preference may
6 not be given to participants on the basis of race, color,
7 ethnicity, gender, or national origin. Public universities should
8 encourage participation from those who would otherwise not
9 adequately be represented in the student population.

10 (2) The program described in this section shall be
11 administered by the workforce development agency.

12 Sec. 281. (1) Included in the appropriation for fiscal year
13 ~~2015-2016-2016-2017~~ in section 236 is funding under the Martin
14 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
15 Morris Hood, Jr. educator development program which is intended to
16 increase the number of academically or economically disadvantaged
17 students who enroll in and complete K-12 teacher education programs
18 at the baccalaureate level. Preference may not be given to
19 participants on the basis of race, color, ethnicity, gender, or
20 national origin. Institutions should encourage participation from
21 those who would otherwise not adequately be represented in the
22 teacher education student population.

23 (2) The program described in this section shall be
24 administered by each state-approved teacher education institution
25 in a manner prescribed by the workforce development agency.

26 (3) Approved teacher education institutions may and are
27 encouraged to use student support services funding in coordination

1 with the Morris Hood, Jr. funding to achieve the goals of the
2 program described in this section.

3 Sec. 282. Each institution receiving funds for fiscal year
4 ~~2015-2016-2016-2017~~ under section 278, 279, or 281 shall notify the
5 workforce development agency by April 15, ~~2016-2017~~ as to whether
6 it will expend by the end of its fiscal year the funds received
7 under section 278, 279, or 281. Notwithstanding the award
8 limitations in sections 278 and 279, the amount of funding reported
9 as not being expended will be reallocated to the institutions that
10 intend to expend all funding received under section 278, 279, or
11 281.

12 Sec. 283. (1) From the amount appropriated in section 236, the
13 public universities shall systematically inform Michigan high
14 schools regarding the academic status of students from each high
15 school in a manner prescribed by the ~~Presidents Council, State~~
16 ~~Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES**
17 in cooperation with the Michigan Association of Secondary School
18 Principals. Public universities shall also work with the center for
19 educational performance and information to maintain a systematic
20 approach for accomplishing this task.

21 (2) Michigan high schools shall systematically inform the
22 public universities about the use of information received under
23 this section in a manner prescribed by the Michigan Association of
24 Secondary School Principals in cooperation with the ~~Presidents~~
25 ~~Council, State Universities of Michigan~~ **MICHIGAN ASSOCIATION OF**
26 **STATE UNIVERSITIES.**

27 Sec. 284. From the amount appropriated in section 236, the

1 public universities shall inform Michigan community colleges
2 regarding the academic status of community college transfer
3 students in a manner prescribed by the ~~Presidents Council, State~~
4 ~~Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES**
5 in cooperation with the Michigan Community College Association.
6 Public universities shall also work with the center for educational
7 performance and information to maintain a systematic approach for
8 accomplishing this task.

9 **SEC. 286A. BY FEBRUARY 1, 2017, THE MICHIGAN COMMUNITY COLLEGE**
10 **ASSOCIATION, THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND**
11 **THE MICHIGAN INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF**
12 **THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE**
13 **AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE**
14 **SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY**
15 **COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE**
16 **BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF**
17 **ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES,**
18 **PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES,**
19 **INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION:**

20 (A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY
21 OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE
22 CAMPUSES.

23 (B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE
24 DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC
25 UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.

26 (C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES
27 AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES

1 OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED
2 THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1,
3 2015 THROUGH JUNE 30, 2016.

4 Sec. 289. (1) The auditor general shall periodically audit
5 higher education institutional data inventory (HEIDI) data
6 submitted by all public universities under section 241 and may
7 perform audits of selected public universities if determined
8 necessary. The audits shall be based upon the definitions,
9 requirements, and uniform reporting categories established by the
10 state budget director in consultation with the HEIDI advisory
11 committee. The auditor general shall submit a report of findings to
12 the house and senate appropriations committees and the state budget
13 director no later than July 1 of each year an audit takes place.

14 (2) Student credit hours reports shall not include the
15 following:

16 (a) Student credit hours generated through instructional
17 activity by faculty or staff in classrooms located outside
18 Michigan, with the exception of instructional activity related to
19 study-abroad programs or field programs.

20 (b) Student credit hours generated through distance learning
21 instruction for students not eligible for the public university's
22 in-state main campus resident tuition rate. However, in instances
23 where a student is enrolled in distance education and non-distance
24 education credit hours in a given term and the student's non-
25 distance education enrollment is at a campus or site located within
26 Michigan, student credit hours per the student's eligibility for
27 in-state or out-of-state tuition rates may be reported.

1 (c) Student credit hours generated through credit by
2 examination.

3 (d) Student credit hours generated through inmate prison
4 programs regardless of teaching location.

5 (e) Student credit hours generated in new degree programs
6 created on or after January 1, 1975 and before January 1, 2013,
7 that were not specifically authorized for funding by the
8 legislature, except spin-off programs converted from existing core
9 programs, and student credit hours generated in any new degree
10 programs created after January 1, 2013, that are specifically
11 excluded from reporting by the legislature under this section.

12 (3) "Distance learning instruction" as used in subsection (2)
13 means instruction that occurs solely in other than a traditional
14 classroom setting where the student and instructor are in the same
15 physical location and for which a student receives course credits
16 and is charged tuition and fees. Examples of distance learning
17 instruction are instruction delivered solely through the ~~internet,~~
18 **INTERNET**, cable television, teleconference, or mail.

19 Sec. 290. By March 1 of each year, the ~~presidents council,~~
20 ~~state universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE**
21 **UNIVERSITIES** shall provide a listing of new degree programs for
22 which enrollment information will be reported to HEIDI under
23 sections 241 and 289, as well as a listing of degree programs that
24 institutions of higher education will no longer offer in subsequent
25 academic years, to the house and senate appropriations
26 subcommittees on higher education, the house and senate fiscal
27 agencies, and the state budget director.

Senate Bill No. 801 as amended May 4, 2016

1 Enacting section 1. (1) In accordance with section 30 of
2 article IX of the state constitution of 1963, total state spending
3 from state sources on school aid for fiscal year 2016-2017 under
4 article I of the state school aid act of 1979, 1979 PA 94, MCL
5 388.1601 to 388.1772, as amended by this amendatory act, is
6 estimated at <<\$12,288,479,600.00>> and state appropriations for school
7 aid to be paid to local units of government for fiscal year 2016-
8 2017 are estimated at <<\$12,127,646,200.00>>.

9 (2) In accordance with section 30 of article IX of the state
10 constitution of 1963, total state spending from state sources for
11 community colleges for fiscal year 2016-2017 under article II of
12 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to
13 388.1830a, as amended by this amendatory act, is estimated at
14 \$399,025,600.00 and the amount of that state spending from state
15 sources to be paid to local units of government for fiscal year
16 2016-2017 is estimated at \$399,025,600.00.

17 (3) In accordance with section 30 of article IX of the state
18 constitution of 1963, total state spending from state sources for
19 higher education for fiscal year 2016-2017 under article III of the
20 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893,
21 as amended by this amendatory act, is estimated at
22 \$1,499,628,000.00 and the amount of that state spending from state
23 sources to be paid to local units of government for fiscal year
24 2016-2017 is estimated at \$0.

25 Enacting section 2. Sections 22i, 31c, 43, 210c, 230a, and 293
26 of the state school aid act of 1979, 1979 PA 94, MCL 388.1622i,
27 388.1631c, 388.1643, 388.1810c, 388.1830a, and 388.1893, are

1 repealed effective October 1, 2016.

2 Enacting section 3. This amendatory act takes effect October
3 1, 2016.