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Fiscal Years 2025 and 2026
Executive Budget Recommendation
Education Omnibus

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979," by amending sections 3, 11, 11a, 11j, 11k, 11m,

11s, 11x, 12c, 15, 20, 20d, 21h, 22a, 22b, 22c, 22d, 22l, 22m, 23g, 24, 24a, 25f, 25g, 26a,
26b, 26c, 26d, 27a, 27b, 27c, 27d, 27e, 27h, 28, 29, 30d, 31a, 31d, 31f, 31j, 31n, 31p,
31aa, 32d, 32n, 32p, 35a, 39, 39a, 41, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54b, 54d, 56, 61a,
61b, 61c, 61d, 62, 65, 67, 67f, 74, 81, 94, 94a, 98, 99h, 99s, 104, 104h, 107, 147, 147a,
147c, 147e, 152a, 163, 201, 205, 206, 207a, 207b, 207c, 217, 217b, 222, 223, 229, 229a,
230, 236, 236b, 236c, 236j, 241, 241a, 241c, 244, 248, 248a, 250, 251, 252, 253, 255, 256,
258, 259, 260, 263, 264, 268, 269, 270c, 275b, 276, 277, 278, 279, 280, 281, and 282, (MCL
388.1603, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1611x,
388.1612c, 388.1615, 388.1620, 388.1620d, 388.1621h, 388.1622a, 388.1622b, 388.1622c,
388.1622d, 388.1622l, 388.1622m, 388.1623g, 388.1624, 388.1624a, 388.1625f, 388.1625g,
388.1626a, 388.1626b, 388.1626c, 388.1626d, 388.1627a, 388.1627b, 388.1627c, 388.1627d,
388.1627e, 388.1627h, 388.1628, 388.1629, 388.1630d, 388.1631a, 388.1631d, 388.1631f,
388.1631j, 388.1631n, 388.1631p, 388.1631aa, 388.1632d, 388.1632n, 388.1632p, 388.1635a,

1 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1651e, 388.1651g,
2 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1656, 388.1661a, 388.1661b, 388.1661c,
3 388.1661d, 388.1662, 388.1665, 388.1667, 388.1667f, 388.1674, 388.1681, 388.1694,
4 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1704, 388.1704h, 388.1707, 388.1747,
5 388.1747a, 388.1747c, 388.1747e, 388.1752a, 388.1763, 388.1801, 388.1805, 388.1806,
6 388.1807a, 388.1807b, 388.1807c, 388.1817, 388.1817b, 388.1822, 388.1823, 388.1829,
7 388.1829a, 388.1830, 388.1836, 388.1836b, 388.1836c, 388.1836j, 388.1841, 388.1841a,
8 388.1841c, 388.1844, 388.1848, 388.1848a, 388.1850, 388.1851, 388.1852, 388.1853, 388.1855,
9 388.1856, 388.1858, 388.1859, 388.1860, 388.1863, 388.1864, 388.1868, 388.1869, 388.1870c,
10 388.1875b, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, and 388.1882),
11 sections 3, 11m, 11s, 11x, 22a, 22b, 22d, 26c, 26d, 27b, 31d, 31f, 31p, 32d, 39a, 51e, 56,
12 62, and 147e as amended and sections 23g, 29, and 30d as added by 2023 PA 103, sections 11,
13 12c, 20, 22l, 31a, 41, 51a, 51c, 94a, 147a, 201, 236, and 248 as amended by 2023 PA 320,
14 sections 11a, 11j, 11k, 15, 20d, 21h, 22c, 22m, 24, 24a, 25f, 25g, 26a, 26b, 27a, 27c, 28,
15 31j, 31n, 31aa, 32n, 32p, 35a, 39, 51d, 51g, 53a, 54, 54b, 54d, 61a, 61b, 61c, 61d, 65, 67,
16 74, 81, 94, 98, 99h, 99s, 104, 104h, 107, 147, 147c, 152a, 163, 206, 207a, 207b, 207c, 223,
17 229a, 230, 236b, 236c, 236j, 241, 248a, 251, 252, 256, 259, 260, 263, 264, 268, 269, 270c,
18 276, 277, 278, 279, 280, 281, and 282 as amended and sections 27h, 67f, 217b, 241a, and
19 241c as added by 2023 PA 103, sections 205 and 217 as amended by 2020 PA 165, section 222
20 as amended by 2021 PA 86, sections 229 and 275b as amended and sections 27d and 27e as
21 added by 2022 PA 144, section 244 as amended and section 250 as added by 2017 PA 108,
22 sections 253 and 255 as amended by 2012 PA 201, section 258 as amended by 2013 PA 60, and
23 by adding sections 25l, 25m, 35m, 35n, 61v, 94e, 97j, and 247; and to repeal acts and parts
24 of acts.

25
26 The People of the State of Michigan Enact:

27 ARTICLE I

28 STATE AID TO PUBLIC SCHOOLS, EARLY CHILDHOOD, AND ADULT EDUCATION

29

30 Sec. 3. (1) "Average daily attendance", for the purposes of complying with federal
31 law, means 92% of the pupils counted in membership on the pupil membership count day, as
32 defined in section 6(7).

(2) "Board" means the governing body of a district or public school academy.

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

(4) "Community district" means a school district organized under part 5b of the revised school code, MCL 380.381 to 380.396.

(5) "Cooperative education program" means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement must be approved by all affected districts at least annually and must specify the educational programs to be provided and the estimated number of pupils from each district who will participate in the educational programs.

(6) "Department", except as otherwise provided in this article, means the department of education.

(7) "District" means, except as otherwise specifically provided in this act, a local school district established under the revised school code or, except in sections 6(4), 6(6), 11x, ~~11y, 11aa, 12c~~, 13, 20, 22a, 22p, ~~27l~~, 31a, 51a(14), 105, 105c, and 166b, a public school academy. Except in section 20, district also includes a community district.

(8) "District of residence", except as otherwise provided in this subsection, means the district in which a pupil's custodial parent or parents or legal guardian resides. For a pupil described in section 24b, the pupil's district of residence is the district in which the pupil enrolls under that section. For a pupil described in section 6(4)(d), the pupil's district of residence is considered to be the district or intermediate district in which the pupil is counted in membership under that section. For a pupil under court jurisdiction who is placed outside the district in which the pupil's custodial parent or parents or legal guardian resides, the pupil's district of residence is considered to be the educating district or educating intermediate district.

(9) "District superintendent" means the superintendent of a district or the chief administrator of a public school academy.

Sec. 11. (1) ~~For the fiscal year ending September 30, 2023, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$17,290,268,900.00 from the state school aid fund, the sum of \$124,350,000.00 from the general fund, an amount not to exceed \$72,000,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489,~~

1 ~~MCL 12.262, an amount not to exceed \$200,000.00 from the school transportation fund created~~
2 ~~under section 22k, an amount not to exceed \$25,000,000.00 from the school meals reserve~~
3 ~~fund created under section 30e, and an amount not to exceed \$140,400,000.00 from the MPSERS~~
4 ~~retirement obligation reform reserve fund created under section 147b.~~ For the fiscal year
5 ending September 30, ~~2024,~~ **2025**, there is appropriated for the public schools of this state
6 and certain other state purposes relating to education the sum of ~~\$18,364,157,800.00~~
7 **\$17,916,530,200.00** from the state school aid fund, the sum of ~~\$87,900,000.00~~ **\$51,550,000.00**
8 from the general fund, an amount not to exceed ~~\$72,000,000.00~~ **\$41,000,000.00** from the
9 community district education trust fund created under section 12 of the Michigan trust fund
10 act, 2000 PA 489, MCL 12.262, ~~an amount not to exceed \$245,000,000.00 from the school~~
11 ~~consolidation and infrastructure fund created under section 11x,~~ an amount not to exceed
12 \$125,000,000.00 from the school transportation fund created under section 22k, an amount
13 not to exceed \$71,000,000.00 from the enrollment stabilization fund created under section
14 29, an amount not to exceed ~~\$60,000,000.00~~ **\$30,000,000.00** from the school meals reserve
15 fund created under section 30e, an amount not to exceed \$18,000,000.00 from the great start
16 readiness program reserve fund created under section 32e, and an amount not to exceed
17 ~~\$215,800,000.00~~ **\$84,100,000.00** from the MPSERS retirement obligation reform reserve fund
18 created under section 147b. In addition, all available federal funds are ~~only~~ appropriated
19 as allocated in this article for the fiscal ~~years~~ **year** ending September 30, ~~2023 and~~
20 ~~September 30, 2024.~~ **2025.**

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

25 (3) Any general fund allocations under this article that are not expended by the end
26 of the fiscal year are transferred to the school aid stabilization fund created under
27 section 11a.

28 Sec. 11a. (1) The school aid stabilization fund is created as a separate account
29 within the state school aid fund.

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

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

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

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

5 (3) Money available in the school aid stabilization fund may not be expended without
6 a specific appropriation from the school aid stabilization fund. Money in the school aid
7 stabilization fund must be expended only for purposes for which state school aid fund money
8 may be expended.

9 (4) The state treasurer shall direct the investment of the school aid stabilization
10 fund. The state treasurer shall credit to the school aid stabilization fund interest and
11 earnings from fund investments.

12 (5) Money in the school aid stabilization fund at the close of a fiscal year remains
13 in the school aid stabilization fund and does not lapse to the unreserved school aid fund
14 balance or the general fund.

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

25 (7) For ~~2023-2024~~, **2024-2025** in addition to the appropriations in section 11, there
26 is appropriated from the school aid stabilization fund to the state school aid fund the
27 amount necessary to fully fund the allocations under this article.

28 Sec. 11j. From the state school aid fund money appropriated in section 11, there is
29 allocated an amount not to exceed ~~\$111,000,000.00~~ **\$23,000,000.00** for ~~2023-2024-2024-2025~~
30 for payments to the school loan bond redemption fund in the department of treasury on
31 behalf of districts and intermediate districts. Notwithstanding section 296 or any other
32 provision of this act, funds allocated under this section are not subject to proration and

1 must be paid in full.

2 Sec. 11k. For ~~2023-2024~~, **2024-2025** there is appropriated from the general fund to the
3 school loan revolving fund an amount equal to the amount of school bond loans assigned to
4 the Michigan finance authority, not to exceed the total amount of school bond loans held in
5 reserve as long-term assets. As used in this section, "school loan revolving fund" means
6 that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL
7 141.1066c.

8 Sec. 11m. From the state school aid fund money appropriated in section 11, there is
9 allocated for ~~2022-2023 an amount not to exceed \$1,000,000.00 and there is allocated for~~
10 ~~2023-2024~~ **2024-2025** an amount not to exceed \$1,000,000.00 for fiscal year cash-flow
11 borrowing costs solely related to the state school aid fund established under section 11 of
12 article IX of the state constitution of 1963.

13 Sec. 11s. (1) From the state school aid fund money appropriated in section 11, there
14 is allocated \$5,000,000.00 for ~~2022-2023 and 2023-2024~~ **2024-2025** and from the general fund
15 money appropriated in section 11, there is allocated \$3,075,000.00 for ~~2022-2023 and 2023-~~
16 ~~2024~~ **2024-2025** for the purpose of providing services and programs to children who reside
17 within the boundaries of a district with the majority of its territory located within the
18 boundaries of a city for which an executive proclamation of emergency concerning drinking
19 water is issued in the current or immediately preceding ~~8-9~~ fiscal years under the
20 emergency management act, 1976 PA 390, MCL 30.401 to 30.421, and that has at least 4,500
21 pupils in membership for the 2016-2017 fiscal year or has at least 2,800 pupils in
22 membership for a fiscal year after 2016-2017.

23 (2) From the general fund money allocated in subsection (1), there is allocated to a
24 district with the majority of its territory located within the boundaries of a city for
25 which an executive proclamation of emergency concerning drinking water is issued in the
26 current or immediately preceding 8 fiscal years under the emergency management act, 1976 PA
27 390, MCL 30.401 to 30.421, and that has at least 4,500 pupils in membership for the 2016-
28 2017 fiscal year or has at least 2,800 pupils in membership for a fiscal year after 2016-
29 2017, an amount not to exceed \$2,425,000.00 for ~~2022-2023 and 2023-2024~~ **2024-2025** for the
30 purpose of employing school nurses, classroom aides, school social workers, and community
31 health workers; for the provision of behavioral or mental health supports, parental
32 engagement activities, community coordination activities, and other support services; and

1 for purchasing program supplies. The district shall provide a report to the department in a
2 form, manner, and frequency prescribed by the department. The department shall provide a
3 copy of that report to the governor, the house and senate school aid subcommittees, the
4 house and senate fiscal agencies, and the state budget director within 5 days after
5 receipt. The report must provide at least the following information:

6 (a) How many personnel were hired using the funds allocated under this subsection.

7 (b) A description of the services provided to pupils by those personnel.

8 (c) How many pupils received each type of service identified in subdivision (b).

9 (d) Any other information the department considers necessary to ensure that the
10 children described in subsection (1) received appropriate levels and types of services.

11 ~~(3) For 2022-2023, from the state school aid fund money allocated in subsection (1),~~
12 ~~there is allocated an amount not to exceed \$2,000,000.00 to an intermediate district that~~
13 ~~has a constituent district described in subsection (2) to provide state early intervention~~
14 ~~services for children described in subsection (1) who are between age 3 and age 5. The~~
15 ~~intermediate district shall use these funds to provide state early intervention services~~
16 ~~that are similar to the services described in the early on Michigan state plan.~~

17 ~~(4) From the state school aid fund money allocated in subsection (1), there is~~
18 ~~allocated an amount not to exceed \$1,000,000.00 for 2022-2023 to the intermediate district~~
19 ~~described in subsection (3) to enroll children described in subsection (1) in school-day~~
20 ~~great start readiness programs, regardless of household income eligibility requirements~~
21 ~~contained in section 32d. The department shall administer this funding consistent with all~~
22 ~~other provisions that apply to great start readiness programs under sections 32d and 39.~~

23 (3) ~~(5) For 2022-2023 and 2023-2024, 2024-2025,~~ from the general fund money allocated
24 in subsection (1), there is allocated an amount not to exceed \$650,000.00 for nutritional
25 services to children described in subsection (1).

26 (4) ~~(6) For 2022-2023, 2024-2025,~~ from the state school aid fund money allocated in
27 subsection (1), ~~there is allocated an amount not to exceed \$2,000,000.00 and for 2023-2024,~~
28 there is allocated an amount not to exceed \$5,000,000.00 to an intermediate district that
29 has a constituent district described in subsection (2) for interventions and supports for
30 students in K to 12 who were impacted by an executive proclamation of emergency described
31 in subsection (1) concerning drinking water. Funds under this subsection must be used for
32 behavioral supports, social workers, counselors, psychologists, nursing services,

1 including, but not limited to, vision and hearing services, transportation services,
2 parental engagement, community coordination, and other support services.

3 ~~(7) In addition to the allocation under subsection (1), from the general fund money~~
4 ~~appropriated under section 11, there is allocated an amount not to exceed \$1,000,000.00 for~~
5 ~~2022-2023 and 2023-2024 only for an early childhood collaborative that serves students~~
6 ~~located in a county with a population of not less than 390,000 or more than 450,000. The~~
7 ~~funds allocated under this subsection must be used to continue the expansion of early~~
8 ~~childhood services in response to an executive proclamation of emergency described in this~~
9 ~~section concerning drinking water.~~

10 ~~(8) In addition to other funding allocated and appropriated in this section, there is~~
11 ~~appropriated an amount not to exceed \$5,000,000.00 for 2022-2023 for state restricted~~
12 ~~contingency funds. These contingency funds are not available for expenditure until they~~
13 ~~have been transferred to a section within this article under section 393(2) of the~~
14 ~~management and budget act, 1984 PA 431, MCL 18.1393.~~

15 (5) ~~(9)~~ Notwithstanding section 17b, the department shall make payments under this
16 section on a schedule determined by the department.

17 Sec. 11x. (1) The school consolidation and infrastructure fund is created as a
18 separate account within the state school aid fund for the purpose of improving student
19 academic outcomes, increasing the efficiency of the state's public education system, and
20 creating a healthy and safe space for students in this state.

21 (2) The state treasurer may receive money or other assets from any source for deposit
22 into the school consolidation and infrastructure fund. The state treasurer shall direct the
23 investment of the school consolidation and infrastructure fund. The state treasurer shall
24 credit to the school consolidation and infrastructure fund interest and earnings from
25 school consolidation and infrastructure fund investments.

26 (3) Money in the school consolidation and infrastructure fund at the close of the
27 fiscal year remains in the school consolidation and infrastructure fund and does not lapse
28 to the state school aid fund or the general fund.

29 (4) The department of treasury is the administrator of the school consolidation and
30 infrastructure fund for auditing purposes.

31 (5) Money available in the school consolidation and infrastructure fund must not be
32 expended without a specific appropriation.

~~(6) From the state school aid fund money appropriated under section 11, there is allocated for 2022-2023 only an amount not to exceed \$5,000,000.00 for grants to districts and intermediate districts to support the cost of a feasibility study or analysis of consolidation or the consolidation of services among 1 or more buildings within a district, among 1 or more districts, or among 1 or more intermediate districts. Districts and intermediate districts may apply for a grant under this subsection to the department on a first-come, first-serve basis. The maximum amount of a grant to be distributed under this subsection may not exceed \$250,000.00. Notwithstanding section 17b, the department shall make payments under this subsection on a schedule determined by the department.~~

~~(7) To be eligible for a grant under subsection (6), a district or intermediate district must demonstrate to the department, in the manner prescribed by the department, that it will conduct a feasibility study or analysis and that all of the following will be met:~~

~~(a) Within 30 days after completion of the study or analysis, the district or intermediate district will make the results of the study or analysis available to all districts and intermediate districts included in the study or analysis. Within 60 days after the completion of the study or analysis, the district or intermediate district will make the results available on a publicly available website.~~

~~(b) The study or analysis may include, but is not limited to, consolidation opportunities in the following areas:~~

~~(i) Financial services, which may include, but is not limited to, the following:~~

~~(A) Budgeting and staffing.~~

~~(B) Payroll.~~

~~(C) Employee benefits.~~

~~(D) State reporting.~~

~~(E) Software consolidation to achieve common software throughout the intermediate district.~~

~~(ii) Human resources, which may include, but is not limited to, the following:~~

~~(A) Onboarding.~~

~~(B) Title IX administration.~~

~~(C) Hiring.~~

~~(D) Software consolidation to achieve common software throughout the intermediate~~

1 ~~district.~~

2 ~~(iii) Information technology, which may include, but is not limited to, the following:~~

3 ~~(A) Software consolidation to achieve common software throughout the intermediate~~

4 ~~district.~~

5 ~~(B) Fiber projects.~~

6 ~~(C) Cybersecurity.~~

7 ~~(D) One-to-one device management.~~

8 ~~(iv) Grant management and reporting, which may include, but is not limited to, the~~

9 ~~following:~~

10 ~~(A) Management of all state grant sites and databases.~~

11 ~~(B) Grant reporting.~~

12 ~~(v) Cash management, which may include, but is not limited to, the opportunities for~~

13 ~~intermediate districts and districts to contract on cash flow management to maximize~~

14 ~~interest earnings.~~

15 ~~(vi) Debt issuance and management, including at least all of the following:~~

16 ~~(A) Refunding opportunities.~~

17 ~~(B) New bond issue analysis.~~

18 ~~(vii) School facility consolidation.~~

19 ~~(viii) Consolidation of transportation-related activities.~~

20 ~~(ix) The physical consolidation of districts.~~

21 ~~(8) An intermediate district that receives a grant under this section shall meet with~~

22 ~~its constituent districts located within the intermediate district to discuss the results~~

23 ~~of the study or analysis and to implement changes where feasible. The application for an~~

24 ~~intermediate district must include a brief description of how the intermediate district~~

25 ~~will conduct these meetings.~~

26 ~~(6) (9)~~ To be eligible for the receipt of funding for infrastructure-related projects

27 appropriated from the school consolidation and infrastructure fund created under this

28 section, a district must allow for the facility condition assessments described in section

29 11y, **as that section was in effect for 2022-2023** to be conducted in the district. It is the

30 intent of the legislature that money in the school consolidation and infrastructure fund

31 will not be appropriated for infrastructure projects until the completion of the facility

32 condition assessments described in section 11y, **as that section was in effect for 2022-**

1 **2023.**

2 Sec. 12c. (1) From the school consolidation and infrastructure fund created under
3 section 11x, there is allocated for 2023-2024 only an amount not to exceed \$245,000,000.00
4 for grants to districts and intermediate districts to support the initial costs related to
5 the consolidation or the consolidation of services identified in the feasibility study or
6 analysis conducted under section 11x. **From the amount allocated in this subsection, an**
7 **amount not to exceed \$25,000.000.00 may be awarded by the department to districts and**
8 **intermediate districts to support districts experiencing infrastructure emergencies,**
9 **subject to subsection (5) .**

10 (2) ~~To~~**Except as otherwise provided in this section,** to be eligible for funding under
11 this section, a district or intermediate district must apply for the funding in a form and
12 manner prescribed by the department. An intermediate district may apply for funding on
13 behalf of a district if the intermediate district is providing the consolidated services.
14 An application described in this subsection must include all of the following:

15 (a) An assurance that the district or intermediate district was included in a
16 feasibility study or analysis conducted under section 11x.

17 (b) An assurance that the consolidation or the consolidated service or services being
18 funded were included as a recommendation in a feasibility study or analysis conducted under
19 section 11x.

20 (c) A brief description of how the district or intermediate district plans to
21 implement changes, as outlined in a feasibility study or analysis conducted under section
22 11x, where possible.

23 (d) An assurance that the district or intermediate district will submit to the
24 department an annual report documenting the estimated savings produced as a result of the
25 consolidation or the consolidation of services.

26 (e) A budget of the estimated first-year costs associated with the consolidation or
27 the consolidation of services, in the form and manner prescribed by the department.

28 (3) If funding under this section is not sufficient to fully fund all applicants, the
29 department shall do either of the following:

30 (a) Ensure that awards under this section are determined based upon a competitive
31 grant process.

32 (b) Distribute funds under this section on a prorated or other equitable basis as

determined by the department.

(4) ~~Each~~ **Except for funding received under subsection (5), each** intermediate district that receives funding under this section and also receives funding under section 11x(6) for 2022-2023 shall, in consultation with its constituent districts that receive funds under this section, submit a report to the department not later than June 30, 2025. Each district that receives funding under this section and also receives funding under section 11x(6) that is separate from the funding received by its intermediate district for 2022-2023 shall submit a report to the department by not later than June 30, 2025. The report must include all of the following information regarding the consolidation or consolidation of services supported by funding under this section, in the form and manner prescribed by the department:

(a) The amount previously spent on each consolidation or consolidation of service in the prior fiscal year.

(b) The number of students impacted by the consolidation or the consolidation of service.

(c) The vendors, third-party entities, or other educational entities used for consolidation or to consolidate the service or services.

(d) The impact on student learning attributable to money reallocated as a result of the consolidation or consolidated service or services.

(e) A total of cost savings produced as a result of the consolidation or the consolidation of services, in the form and manner prescribed by the department.

(5) All of the following apply to emergency infrastructure funding awarded under this subsection:

(a) Districts and intermediate districts must apply for the funding in a form and manner prescribed by the department. A district or intermediate district applying for funding under this subsection is not required to complete a consolidation feasibility study described in section 11x or a facility condition assessment described in section 11y.

(b) Before any funding may be awarded pursuant to this subsection, the superintendent must submit a request in writing to the state treasurer and the state budget director describing the emergency nature of funding, the scope of the request, the estimated cost of the request, and any other information requested by the state treasurer or the state budget director regarding the request.

1 (c) The state treasurer and the state budget director must evaluate the information
2 received under subdivision (b) and determine whether the funding is being used for an
3 eligible purpose, and whether the district has access to other funds that could be utilized
4 before emergency funding is made available.

5 (d) With written concurrence of the state treasurer and the state budget director
6 that funding is being utilized pursuant to this subsection, the superintendent may award
7 emergency funding to eligible districts and intermediate districts.

8 (e) Funding awarded under this subsection may only be utilized on emergency
9 infrastructure needs that threaten the health and safety of students and staff in the
10 district or intermediate district.

11 (f) The state budget director shall provide notification to the house and senate
12 appropriations subcommittees on K to 12 school aid and the house and senate fiscal agencies
13 for any awards made under this subsection within 30 days of funding being distributed to a
14 district or intermediate district.

15 (6) ~~(5)~~ As used in this section, "constituent district" means that term as defined in
16 section 3 of the revised school code, MCL 380.3.

17 Sec. 15. (1) If a district or intermediate district fails to receive its proper
18 apportionment, the department, upon satisfactory proof that the district or intermediate
19 district was entitled justly, shall apportion the deficiency in the next apportionment.
20 Subject to subsections (2) and (3), if a district or intermediate district has received
21 more than its proper apportionment, the department, upon satisfactory proof, shall deduct
22 the excess in the next apportionment. Notwithstanding any other provision in this article,
23 state aid overpayments to a district, other than overpayments in payments for special
24 education or special education transportation, may be recovered from any payment made under
25 this article other than a special education or special education transportation payment,
26 from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA
27 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under
28 section 1211 of the revised school code, MCL 380.1211. State aid overpayments made in
29 special education or special education transportation payments may be recovered from
30 subsequent special education or special education transportation payments, from the
31 proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL
32 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of

1 the revised school code, MCL 380.1211.

2 (2) If the result of an audit conducted by or for the department affects the current
3 fiscal year membership, the department shall adjust affected payments in the current fiscal
4 year. A deduction due to an adjustment made as a result of an audit conducted by or for the
5 department, or as a result of information obtained by the department from the district, an
6 intermediate district, the department of treasury, or the office of auditor general, must
7 be deducted from the district's apportionments when the adjustment is finalized. At the
8 request of the district and upon the district presenting evidence satisfactory to the
9 department of the hardship, the department may grant up to an additional 4 years for the
10 adjustment and may advance payments to the district otherwise authorized under this article
11 if the district would otherwise experience a significant hardship in satisfying its
12 financial obligations. However, a district that presented satisfactory evidence of hardship
13 and was undergoing an extended adjustment during 2018-2019 may continue to use the period
14 of extended adjustment as originally granted by the department.

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

28 (4) If the department makes an adjustment under this section based in whole or in
29 part on a membership audit finding that a district or intermediate district employed an
30 educator in violation of certification requirements under the revised school code and rules
31 promulgated by the department, the department shall prorate the adjustment according to the
32 period of noncompliance with the certification requirements.

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

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

(7) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for ~~2023-2024~~ **2024-2025** for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

Sec. 20. (1) ~~All of the following apply:~~

~~(a) For 2022-2023, the target foundation allowance is \$9,150.00.~~

~~(b) For 2023-2024, **2024-2025**, the target foundation allowance is \$9,608.00.~~

\$9,849.00.

(2) The department shall calculate the amount of each district's foundation allowance as provided in this section, using a target foundation allowance in the amount specified in subsection (1).

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

(a) For a district that had a foundation allowance for the immediately preceding fiscal year that was equal to the target foundation allowance for the immediately preceding fiscal year, the district receives a foundation allowance in an amount equal to the target foundation allowance described in subsection (1) for the current fiscal year.

(b) For a district that had a foundation allowance for the immediately preceding fiscal year that was greater than the target foundation allowance for the immediately preceding fiscal year, the district's foundation allowance is an amount equal to the lesser of (the sum of the district's foundation allowance for the immediately preceding fiscal year plus any per pupil amount calculated under section 20m(2) in the immediately preceding fiscal year plus the increase in the target foundation allowance for the current fiscal year, as compared to the immediately preceding fiscal year) or (the product of the

1 district's foundation allowance for the immediately preceding fiscal year times the
2 percentage increase in the United States Consumer Price Index in the calendar year ending
3 in the immediately preceding fiscal year as reported by the May revenue estimating
4 conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL
5 18.1367b).

6 (c) For a district that had a foundation allowance in the immediately preceding
7 fiscal year that was less than the target foundation allowance in effect for that fiscal
8 year, the district's foundation allowance is an amount equal to the lesser of (the sum of
9 district's foundation allowance for the immediately preceding fiscal year plus any per
10 pupil amount calculated under section 20m(2) in the immediately preceding fiscal year plus
11 the increase in the target foundation allowance for the current fiscal year, as compared to
12 the immediately preceding fiscal year) or (the product of the district's foundation
13 allowance for the immediately preceding fiscal year times the percentage increase in the
14 United States Consumer Price Index in the calendar year ending in the immediately preceding
15 fiscal year as reported by the May revenue estimating conference conducted under section
16 367b of the management and budget act, 1984 PA 431, MCL 18.1367b).

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

20 (4) Except as otherwise provided in this subsection, the state portion of a
21 district's foundation allowance is an amount equal to the district's foundation allowance
22 or the target foundation allowance for the current fiscal year, whichever is less, minus
23 the local portion of the district's foundation allowance. Except as otherwise provided in
24 this subsection, for a district described in subsection (3)(b) and (c), the state portion
25 of the district's foundation allowance is an amount equal to the target foundation
26 allowance minus the district's foundation allowance supplemental payment per pupil
27 calculated under section 20m and minus the local portion of the district's foundation
28 allowance. For a district that has a millage reduction required under section 31 of article
29 IX of the state constitution of 1963, the department shall calculate the state portion of
30 the district's foundation allowance as if that reduction did not occur. For a receiving
31 district, if school operating taxes continue to be levied on behalf of a dissolved district
32 that has been attached in whole or in part to the receiving district to satisfy debt

1 obligations of the dissolved district under section 12 of the revised school code, MCL
2 380.12, the taxable value per membership pupil of property in the receiving district used
3 for the purposes of this subsection does not include the taxable value of property within
4 the geographic area of the dissolved district. For a community district, if school
5 operating taxes continue to be levied by a qualifying school district under section 12b of
6 the revised school code, MCL 380.12b, with the same geographic area as the community
7 district, the taxable value per membership pupil of property in the community district to
8 be used for the purposes of this subsection does not include the taxable value of property
9 within the geographic area of the community district.

10 (5) The allocation calculated under this section for a pupil is based on the
11 foundation allowance of the pupil's district of residence. For a pupil enrolled under
12 section 105 or 105c in a district other than the pupil's district of residence, the
13 allocation calculated under this section is based on the lesser of the foundation allowance
14 of the pupil's district of residence or the foundation allowance of the educating district.
15 For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another
16 district in a grade not offered by the pupil's district of residence, the allocation
17 calculated under this section is based on the foundation allowance of the educating
18 district if the educating district's foundation allowance is greater than the foundation
19 allowance of the pupil's district of residence. The calculation under this subsection must
20 take into account a district's per-pupil allocation under section 20m.

21 (6) Except as otherwise provided in this subsection, for pupils in membership, other
22 than special education pupils, in a public school academy, the allocation calculated under
23 this section is an amount per membership pupil other than special education pupils in the
24 public school academy equal to the target foundation allowance specified in subsection (1),
25 or, for a public school academy that was issued a contract under section 552 of the revised
26 school code, MCL 380.552, to operate as a school of excellence that is a cyber school,
27 ~~\$9,150.00.~~ **\$7,879.00.** Notwithstanding section 101, for a public school academy that begins
28 operations after the pupil membership count day, the amount per membership pupil calculated
29 under this subsection must be adjusted by multiplying that amount per membership pupil by
30 the number of hours of pupil instruction provided by the public school academy after it
31 begins operations, as determined by the department, divided by the minimum number of hours
32 of pupil instruction required under section 101(3). The result of this calculation must not

1 exceed the amount per membership pupil otherwise calculated under this subsection.

2 (7) For pupils in membership, other than special education pupils, in a community
3 district, the allocation calculated under this section is an amount per membership pupil
4 other than special education pupils in the community district equal to the foundation
5 allowance of the qualifying school district, as described in section 12b of the revised
6 school code, MCL 380.12b, that is located within the same geographic area as the community
7 district.

8 (8) Subject to subsection (4), for a district that is formed or reconfigured after
9 June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting
10 district's foundation allowance under this section beginning after the effective date of
11 the consolidation or annexation is the lesser of the sum of the average of the foundation
12 allowances of each of the original or affected districts, calculated as provided in this
13 section, weighted as to the percentage of pupils in total membership in the resulting
14 district who reside in the geographic area of each of the original or affected districts
15 plus \$100.00 or the highest foundation allowance among the original or affected districts.
16 This subsection does not apply to a receiving district unless there is a subsequent
17 consolidation or annexation that affects the district. The calculation under this
18 subsection must take into account a district's per-pupil allocation under section 20m.

19 (9) The department shall round each fraction used in making calculations under this
20 section to the fourth decimal place and shall round the dollar amount of an increase in the
21 target foundation allowance to the nearest whole dollar.

22 (10) ~~For 2022-2023, state payments related to payment of the foundation allowance for~~
23 ~~a special education pupil are not calculated under this section but are instead calculated~~
24 ~~as follows:~~

25 ~~(a) Twenty-five percent is calculated under section 51a.~~

26 ~~(b) Seventy-five percent is calculated under section 51e.~~

27 ~~(11) For 2023-2024, state~~ **State** payments related to payment of the foundation
28 allowance for a special education pupil are not calculated under this section but are
29 instead calculated under section 51e.

30 **(11)** ~~(12)~~ To assist the legislature in determining the target foundation allowance
31 for the subsequent fiscal year, each revenue estimating conference conducted under section
32 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, must calculate a pupil

1 membership factor, a revenue adjustment factor, and an index as follows:

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

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

23 (c) The index is calculated by multiplying the pupil membership factor by the revenue
24 adjustment factor. If a consensus index is not determined at the revenue estimating
25 conference, the principals of the revenue estimating conference shall report their
26 estimates to the house and senate subcommittees responsible for state school aid
27 appropriations not later than 7 days after the conclusion of the revenue conference.

28 **(12)** ~~(13)~~ Payments to districts and public school academies are not made under this
29 section. Rather, the calculations under this section are used to determine the amount of
30 state payments under section 22b.

31 **(13)** ~~(14)~~ If an amendment to section 2 of article VIII of the state constitution of
32 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this

1 state, each foundation allowance or per-pupil payment calculation under this section may be
2 reduced.

3 (14) ~~(15)~~ As used in this section:

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

6 (b) "Current fiscal year" means the fiscal year for which a particular calculation is
7 made.

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

11 (d) "Immediately preceding fiscal year" means the fiscal year immediately preceding
12 the current fiscal year.

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

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

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

27 (h) "Principal residence", "qualified agricultural property", "qualified forest
28 property", "supportive housing property", "industrial personal property", and "commercial
29 personal property" mean those terms as defined in section 1211 of the revised school code,
30 MCL 380.1211.

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

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

4 (k) "School operating taxes" means local ad valorem property taxes levied under
5 section 1211 of the revised school code, MCL 380.1211, and retained for school operating
6 purposes.

7 (l) "Tax increment financing acts" means parts 2, 3, 4, and 6 of the recodified tax
8 increment financing act, 2018 PA 57, MCL 125.4201 to 125.4420 and 125.4602 to 125.4629, or
9 the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

10 (m) "Taxable value per membership pupil" means taxable value, as certified by the
11 county treasurer and reported to the department, for the calendar year ending in the
12 current state fiscal year divided by the district's membership excluding special education
13 pupils for the school year ending in the current state fiscal year.

14 Sec. 20d. In making the final determination required under former section 20a of a
15 district's combined state and local revenue per membership pupil in 1993-94 and in making
16 calculations under section 20 for ~~2023-2024~~, **2024-2025**, the department and the department
17 of treasury shall comply with all of the following:

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

29 (b) If a district had an adjustment made to its 1993-94 total state school aid that
30 excluded payments made under former section 146 and under section 147 on behalf of the
31 district's employees who provided direct services for intermediate district center programs
32 operated by the district under former section 51 and sections 51a to 56, if nonresident

pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district agreeing to an adjustment under this subdivision, the department shall calculate the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate district center program operated by the district that had the adjustment as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

Sec. 21h. (1) From the state school aid fund money appropriated in section 11, there is allocated \$6,137,400.00 for ~~2023-2024~~ **2024-2025** for assisting districts assigned by the superintendent to participate in a partnership and districts that have established a community engagement advisory committee in partnership with the department of treasury, are required to submit a deficit elimination plan or an enhanced deficit elimination plan under section 1220 of the revised school code, MCL 380.1220, and are located in a city with a population between 8,000 and 10,000 as determined by the department, that is in a county with a population between 150,000 and 160,000, as determined by the department, to improve student achievement and district financial stability. The superintendent shall collaborate with the state treasurer to identify any conditions that may be contributing to low academic performance within a district being considered for assignment to a partnership. The purpose of the partnership is to identify district needs, develop intervention plans, and partner with public, private, and nonprofit organizations to coordinate resources and improve student achievement. Assignment of a district to a partnership is made by the superintendent in consultation with the state treasurer.

(2) A district described in subsection (1) is eligible for funding under this section if the district includes at least 1 school that has been identified as low performing under the approved federal accountability system or the state accountability system. A district described in this subsection must do all of the following to be eligible for funding under this section:

(a) For a partnership district under this section, within 90 days of assignment to the partnership described in this section, and for a district described in subsection (1) that is not a partnership district under this section, by October 15 of each year, complete

1 a comprehensive needs assessment or evaluation in collaboration with an intermediate
2 district, community members, education organizations, and postsecondary institutions, as
3 applicable, that is approved by the superintendent. The comprehensive needs assessment or
4 evaluation must include at least all of the following:

5 (i) A review of the district's implementation and utilization of a multi-tiered
6 system of supports to ensure that it is used to appropriately inform instruction.

7 (ii) A review of the district and school building leadership and educator capacity to
8 substantially improve student outcomes.

9 (iii) A review of classroom, instructional, and operational practices and curriculum
10 to ensure alignment with research-based instructional practices and state curriculum
11 standards.

12 (b) Develop an academic and financial operating or intervention plan that has been
13 approved by the superintendent and that addresses the needs identified in the comprehensive
14 needs assessment or evaluation completed under subdivision (a). The intervention plan must
15 include at least all of the following:

16 (i) Specific actions that will be taken by the district and each of its partners to
17 improve student achievement.

18 (ii) Specific measurable benchmarks that will be met within 18 months to improve
19 student achievement and identification of expected student achievement outcomes to be
20 attained within 3 years after assignment to the partnership.

21 (c) Craft academic goals that put pupils on track to meet or exceed grade level
22 proficiency, increase high school graduation rates, reduce class sizes, and improve
23 attendance rates.

24 (d) Provide access to training for district leadership, including, but not limited
25 to, the superintendent or chief administrator and school board or board of directors
26 members, on areas of education fiscal and policy matters.

27 (3) Upon approval of the academic and financial operating or intervention plan
28 developed under subsection (2), the department, in collaboration with the department of
29 treasury, shall assign a team of individuals with expertise in comprehensive school and
30 district reform to partner with the district, the intermediate district, community
31 organizations, education organizations, and postsecondary institutions identified in the
32 academic and financial operating or intervention plan to review the district's use of

1 existing financial resources to ensure that those resources are being used as efficiently
2 and effectively as possible to improve student academic achievement and to ensure district
3 financial stability. The superintendent of public instruction may waive burdensome
4 administrative rules for a partnership district for the duration of the partnership
5 agreement and for a district described in subsection (1) that is not a partnership district
6 under this section and that receives funding under this section in the current fiscal year.

7 (4) Funds allocated under this section, excluding funds allocated under subsection
8 (5), may be used to pay for district expenditures approved by the superintendent to improve
9 student achievement. Funds may be used for professional development for teachers or
10 district or school leadership, increased instructional time, teacher mentors, or other
11 expenditures that directly impact student achievement and cannot be paid from existing
12 district financial resources. An eligible district must not receive funds under this
13 section for more than 3 years. Notwithstanding section 17b, the department shall make
14 payments to districts under this section on a schedule determined by the department.

15 (5) From the funds allocated under subsection (1), there is allocated for ~~2023-2024~~
16 **2024-2025** an amount not to exceed \$137,400.00 for the purchase of a data analytics tool to
17 be used by districts described in subsection (1). The superintendent of public instruction
18 shall require districts described in subsection (1) to purchase a data analytics tool
19 funded under this subsection as part of the agreements described in this section.

20 (6) The department, in consultation with the department of treasury, shall annually
21 report to the legislature on the activities funded under this section and how those
22 activities impacted student achievement in districts that received funds under this
23 section. To the extent possible, participating districts receiving funding under this
24 section shall participate in the report.

25 ~~(7) In addition to the allocation under subsection (1), from the state school aid~~
26 ~~fund money appropriated in section 11, there is allocated an amount not to exceed~~
27 ~~\$36,000,000.00 to districts described in subsection (1) for 2023-2024 only for supplemental~~
28 ~~funding to be used by districts for the purposes of this section in equal installments of~~
29 ~~\$12,000,000.00 in each of the fiscal years 2023-2024, 2024-2025, and 2025-2026. The funds~~
30 ~~allocated under this subsection for 2023-2024 are a work project appropriation, and any~~
31 ~~unexpended funds for 2023-2024 are carried forward into 2024-2025. The purpose of the work~~
32 ~~project is to provide assistance to districts eligible for funding under this section. The~~

~~estimated completion date of the work project described in this subsection is September 30, 2026.~~

Sec. 22a. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed ~~\$4,327,000,000.00 for 2022-2023 and there is allocated an amount not to exceed \$4,206,000,000.00~~ **\$4,008,000,000.00** for ~~2023-2024~~ **2024-2025** for payments to districts and qualifying public school academies to guarantee each district and qualifying public school academy an amount equal to its 1994-95 total state and local per-pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c to fully fund those allocations for the same fiscal year.

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

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the department shall calculate the state portion of the district's foundation allowance as if that reduction did not occur. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been

1 attached in whole or in part to the receiving district to satisfy debt obligations of the
2 dissolved district under section 12 of the revised school code, MCL 380.12, taxable value
3 per membership pupil of all property in the receiving district that is nonexempt property
4 and taxable value per membership pupil of property in the receiving district that is
5 commercial personal property do not include property within the geographic area of the
6 dissolved district; ad valorem property tax revenue of the receiving district captured
7 under tax increment financing acts does not include ad valorem property tax revenue
8 captured within the geographic boundaries of the dissolved district under tax increment
9 financing acts; and certified mills do not include the certified mills of the dissolved
10 district. For a community district, the department shall reduce the allocation as otherwise
11 calculated under this section by an amount equal to the amount of local school operating
12 tax revenue that would otherwise be due to the community district if not for the operation
13 of section 386 of the revised school code, MCL 380.386, and the amount of this reduction is
14 offset by the increase in funding under section 22b(2).

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

32 (3) For pupils in membership in a qualifying public school academy, there is

1 allocated under this section to the authorizing body that is the fiscal agent for the
2 qualifying public school academy for forwarding to the qualifying public school academy an
3 amount equal to the 1994-95 per-pupil payment to the qualifying public school academy under
4 section 20.

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

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

21 (6) Payments under this section are subject to section 25g.

22 (7) As used in this section:

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

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

28 (c) "Current fiscal year" means the fiscal year for which a particular calculation is
29 made.

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

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

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

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

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

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

28 (i) "Principal residence", "qualified agricultural property", "qualified forest
29 property", "supportive housing property", "industrial personal property", and "commercial
30 personal property" mean those terms as defined in section 1211 of the revised school code,
31 MCL 380.1211.

32 (j) "Qualifying public school academy" means a public school academy that was in

1 operation in the 1994-95 school year and is in operation in the current fiscal year.

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

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

7 (m) "Tax increment financing acts" means parts 2, 3, 4, and 6 of the recodified tax
8 increment financing act, 2018 PA 57, MCL 125.4201 to 125.4420 and 125.4602 to 125.4629, or
9 the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

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

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

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

32 Sec. 22b. (1) Except as otherwise provided in this section, for discretionary

1 nonmandated payments to districts under this section, there is allocated for ~~2022-2023 an~~
2 ~~amount not to exceed \$5,663,000,000.00 from the state school aid fund and general fund~~
3 ~~appropriations in section 11 and an amount not to exceed \$72,000,000.00 from the community~~
4 ~~district education trust fund appropriation in section 11, and there is allocated for 2023-~~
5 ~~2024-2024-2025~~ an amount not to exceed ~~\$6,236,200,000.00~~ **\$6,509,000,000.00** from the state
6 school aid fund and general fund appropriations in section 11 and an amount not to exceed
7 ~~\$72,000,000.00~~ **\$41,000,000.00** from the community district education trust fund
8 appropriation in section 11. For ~~2022-2023, \$22,400,000.00 must be deposited from the~~
9 ~~general fund into the state school aid fund to reimburse the state school aid fund for~~
10 ~~community district education trust fund costs in excess of \$72,000,000.00, as required~~
11 ~~under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262. For 2023-2024~~
12 ~~\$28,200,000.00, 2024-2025, the amount necessary, estimated at \$68,800,000.00~~ must be
13 deposited from the general fund into the state school aid fund to reimburse the state
14 school aid fund for community district education trust fund costs in excess of
15 ~~\$72,000,000.00, \$41,000,000.00~~ as required under section 12 of the Michigan trust fund act,
16 2000 PA 489, MCL 12.262. If the amount allocated under this subsection from the community
17 district education trust fund appropriation under section 11 is insufficient to pay for an
18 increase under this section, any amount exceeding that allocation may be paid from other
19 allocations under this subsection. Except for money allocated under this section from the
20 community district education trust fund appropriation in section 11, funds allocated under
21 this section that are not expended in the fiscal year for which they were allocated, as
22 determined by the department, may be used to supplement the allocations under sections 22a
23 and 51c to fully fund those allocations for the same fiscal year.

24 (2) Subject to subsection (3) and section 296, the allocation to a district under
25 this section is an amount equal to the sum of the amounts calculated under sections 20,
26 20m, 51a(2), 51a(3), 51a(11), and 51e, minus the sum of the allocations to the district
27 under sections 22a and 51c. For a community district, the allocation as otherwise
28 calculated under this section is increased by an amount equal to the amount of local school
29 operating tax revenue that would otherwise be due to the community district if not for the
30 operation of section 386 of the revised school code, MCL 380.386, and this increase must be
31 paid from the community district education trust fund allocation in subsection (1) in order
32 to offset the absence of local school operating revenue in a community district in the

1 funding of the state portion of the foundation allowance under section 20(4).

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

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

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

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

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

11 (e) Comply with section 21f.

12 (f) For a district that has entered into a partnership agreement with the department,
13 comply with section 22p.

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

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

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

28 (7) It is the intent of the legislature that all constitutional obligations of this
29 state have been fully funded under sections 22a, 31d, 51a, 51c, 51e, and 152a. If a claim
30 is made by an entity receiving funds under this article that challenges the legislative
31 determination of the adequacy of this funding or alleges that there exists an unfunded
32 constitutional requirement, the state budget director may escrow or allocate from the

1 discretionary funds for nonmandated payments under this section the amount as may be
2 necessary to satisfy the claim before making any payments to districts under subsection
3 (2). If funds are escrowed, the escrowed funds are a work project appropriation and the
4 funds are carried forward into the following fiscal year. The purpose of the work project
5 is to provide for any payments that may be awarded to districts as a result of litigation.
6 The work project is completed upon resolution of the litigation.

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

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

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

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

1 In addition, this state reserves the right to terminate future federal title XIX Medicaid
2 reimbursement payments to districts if the amount or allocation of reimbursed funds is
3 challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the
4 social security act, 42 USC 1396 to 1396w-6.

5 ~~(12) For 2022-2023 only, from the allocation in subsection (1) the department may use~~
6 ~~the amount necessary, estimated at \$1,000,000.00, for payments to districts for state~~
7 ~~compliance with federal maintenance of equity requirements described in the American rescue~~
8 ~~plan act of 2021, Public Law 117-2. Notwithstanding section 17b, the department shall make~~
9 ~~calculations and payments under this subsection in a form and manner determined by the~~
10 ~~department.~~

11 (12) ~~(13)~~ As used in this section:

12 (a) "Dissolved district" means that term as defined in section 20.

13 (b) "Local school operating revenue" means school operating taxes levied under
14 section 1211 of the revised school code, MCL 380.1211. For a receiving district, if school
15 operating taxes are to be levied on behalf of a dissolved district that has been attached
16 in whole or in part to the receiving district to satisfy debt obligations of the dissolved
17 district under section 12 of the revised school code, MCL 380.12, local school operating
18 revenue does not include school operating taxes levied within the geographic area of the
19 dissolved district.

20 (c) "Receiving district" and "school operating taxes" mean those terms as defined in
21 section 20.

22 Sec. 22c. From the state school aid fund money appropriated in section 11, there is
23 allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$3,000,000.00 for payments to
24 eligible districts as provided under this section. The payment for an eligible district
25 under this section must be in an amount per membership pupil equal to \$171.00. As used in
26 this section:

27 (a) "Eligible district" means a district that received payments under this section in
28 the immediately preceding fiscal year and for which the local school operating revenue per
29 membership pupil in the current school fiscal year exceeds the district's foundation
30 allowance as calculated under section 20 for the current fiscal year.

31 (b) "Local school operating revenue" means that term as defined in section 22b.

32 (c) "Local school operating revenue per membership pupil" means a district's local

1 school operating revenue divided by the district's membership excluding special education
2 pupils.

3 Sec. 22d. (1) From the state school aid fund money appropriated under section 11, an
4 amount not to exceed ~~\$8,858,000.00 is allocated for 2022-2023 and an amount not to exceed~~
5 ~~\$11,601,000.00~~ **\$12,486,000.00** is allocated for ~~2023-2024~~ **2024-2025** for supplemental
6 payments to rural districts under this section.

7 (2) From the allocation under subsection (1), there is allocated for ~~2022-2023 an~~
8 ~~amount not to exceed \$1,638,300.00 and there is allocated for 2023-2024~~ **2024-2025** an amount
9 not to exceed ~~\$3,520,200.00~~ **\$3,788,800.00** for payments under this subsection to eligible
10 districts. A district that meets all of the following is an eligible district under this
11 subsection:

12 (a) Operates grades K to 12.

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

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

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

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

18 (3) The amount of the additional funding to each eligible district under subsection
19 (2) is determined under a spending plan developed as provided in this subsection and
20 approved by the superintendent of public instruction. The spending plan must be developed
21 cooperatively by the intermediate superintendents of each intermediate district in which an
22 eligible district is located. The intermediate superintendents shall review the financial
23 situation of each eligible district, determine the minimum essential financial needs of
24 each eligible district, and develop and agree on a spending plan that distributes the
25 available funding under subsection (2) to the eligible districts based on those financial
26 needs. The intermediate superintendents shall submit the spending plan to the
27 superintendent of public instruction for approval. Upon approval by the superintendent of
28 public instruction, the amounts specified for each eligible district under the spending
29 plan are allocated under subsection (2) and must be paid to the eligible districts in the
30 same manner as payments under section 22b.

31 (4) Subject to subsection (7), from the allocation in subsection (1), there is
32 allocated for ~~2022-2023 an amount not to exceed \$7,219,700.00 and there is allocated for~~

1 ~~2023-2024-2024-2025~~ an amount not to exceed ~~\$7,580,800.00~~ **\$8,159,200.00** for payments under
2 this subsection to districts that have fewer than 10.0 pupils per square mile, as
3 determined by the department, or that have greater than 250 square miles.

4 (5) The funds allocated under subsection (4) are allocated as follows:

5 (a) ~~For 2022-2023, an amount equal to \$5,470,400.00 and for 2023-2024, an~~ **An** amount
6 equal to ~~\$5,743,900.00~~ **\$6,182,200.00** is allocated to districts with fewer than 8.0 pupils
7 per square mile, as determined by the department, on an equal per-pupil basis.

8 (b) The balance of the funding under subsection (4) is allocated as follows:

9 (i) For districts with at least 8.0 but fewer than 9.0 pupils per square mile, as
10 determined by the department, the allocation is an amount per pupil equal to 75% of the
11 per-pupil amount allocated to districts under subdivision (a).

12 (ii) For districts with at least 9.0 but fewer than 10.0 pupils per square mile, as
13 determined by the department, the allocation is an amount per pupil equal to 50% of the
14 per-pupil amount allocated to districts under subdivision (a).

15 (iii) For districts that have greater than 250 square miles, have at least 10.0 pupils
16 per square mile, and do not receive funding under subsection (2), as determined by the
17 department, the allocation is an amount per pupil equal to 100% of the per-pupil amount
18 allocated to districts under subdivision (a).

19 (c) If the total funding allocated under subdivision (b) is not sufficient to fully
20 fund payments as calculated under that subdivision, the department shall prorate payments
21 to districts under subdivision (b) on an equal per-pupil basis. If funding allocated under
22 subdivision (b) remains unallocated after making calculations under that subdivision, the
23 department may provide the remaining unallocated funding on an equal per-pupil basis to
24 districts receiving funding under subdivision (b) (i) and (ii).

25 (6) Subject to subsection (7), from the allocation under subsection (1), there is
26 allocated for ~~2023-2024-2024-2025~~ an amount not to exceed ~~\$500,000.00~~ **\$538,000.00** for
27 payments under this subsection to districts where each school building operated by the
28 district is located on an island that is accessible by bridge.

29 (7) A district receiving funds allocated under subsection (2) is not eligible for
30 funding allocated under subsection (4) or (6). A district receiving funds allocated under
31 subsection (6) is not eligible for funding under subsection (2) or (4).

32 Sec. 22I. (1) From the school transportation fund money appropriated under section

1 11, there is allocated for ~~2023-2024-2024-2025~~ only an amount not to exceed \$125,000,000.00
2 to districts and intermediate districts for transportation costs. Funding for each district
3 or intermediate district is as follows:

4 (a) The department must assign each district and intermediate district to a quartile
5 based on the number of riders per square mile and calculate the median cost per rider for
6 each quartile.

7 (b) Funds must be distributed to each district and intermediate district at the
8 lesser of the quartile's median cost per rider or the actual transportation cost per
9 general education student at the district or intermediate district.

10 (c) If funds are insufficient to fully fund payments under this section, payments may
11 be prorated on an equal percentage basis.

12 ~~(2) In addition to the funds allocated under subsection (1), from the school~~
13 ~~transportation fund money appropriated under section 11, there is allocated for 2022-2023~~
14 ~~only an amount not to exceed \$200,000.00 to an intermediate district for a study on~~
15 ~~district transportation costs. The intermediate district receiving funds under this~~
16 ~~subsection must submit a report to the department, the state budget director, the house and~~
17 ~~senate appropriations subcommittees on school aid, and the house and senate fiscal agencies~~
18 ~~by February 29, 2024 on the outcomes of the study under this subsection.~~

19 (2) ~~(3)~~ Notwithstanding section 17b, the department shall make payments under this
20 section on a schedule determined by the department.

21 Sec. 22m. (1) From the state school aid fund money appropriated in section 11, there
22 is allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$3,500,000.00 for supporting
23 the integration of local data systems into the Michigan data hub network based on common
24 standards and applications that are in compliance with section 19(6).

25 (2) An entity that is the fiscal agent for no more than 5 consortia of intermediate
26 districts that previously received funding from the technology readiness infrastructure
27 grant under former section 22i for the purpose of establishing regional data hubs that are
28 part of the Michigan data hub network is eligible for funding under this section.

29 (3) The center shall work with an advisory committee composed of representatives from
30 intermediate districts within each of the data hub regions to coordinate the activities of
31 the Michigan data hub network.

32 (4) The center, in collaboration with the Michigan data hub network, shall determine

1 the amount of funds distributed under this section to each participating regional data hub
2 within the network, based upon a competitive grant process. The center shall ensure that
3 the entities receiving funding under this section represent geographically diverse areas in
4 this state.

5 (5) Notwithstanding section 17b, the department shall make payments under this
6 section on a schedule determined by the center.

7 (6) To receive funding under this section, a regional data hub must have a governance
8 model that ensures local control of data, data security, and student privacy issues. The
9 integration of data within each of the regional data hubs must provide for the actionable
10 use of data by districts and intermediate districts through common reports and dashboards
11 and for efficiently providing information to meet state and federal reporting purposes.

12 (7) Participation in a data hub region in the Michigan data hub network under this
13 section is voluntary and is not required.

14 (8) Entities receiving funding under this section shall use the funds for all of the
15 following:

16 (a) Creating an infrastructure that effectively manages the movement of data between
17 data systems used by intermediate districts, districts, and other educational organizations
18 in Michigan based on common data standards to improve student achievement.

19 (b) Utilizing the infrastructure to put in place commonly needed integrations,
20 reducing cost and effort to do that work while increasing data accuracy and usability.

21 (c) Promoting the use of a more common set of applications by promoting systems that
22 integrate with the Michigan data hub network.

23 (d) Promoting 100% district adoption of the Michigan data hub network.

24 (e) Ensuring local control of data, data security, and student data privacy.

25 (f) Utilizing the infrastructure to promote the actionable use of data through common
26 reports and dashboards that are consistent statewide.

27 (g) Creating a governance model to facilitate sustainable operations of the
28 infrastructure in the future, including administration, legal agreements, documentation,
29 staffing, hosting, and funding.

30 (h) Evaluating future data initiatives at all levels to determine whether the
31 initiatives can be enhanced by using the standardized environment in the Michigan data hub
32 network.

1 (9) Not later than January 1 of each fiscal year, the center shall prepare a summary
2 report of information provided by each entity that received funds under this section that
3 includes measurable outcomes based on the objectives described under this section and a
4 summary of compiled data from each entity to provide a means to evaluate the effectiveness
5 of the project. The center shall submit the report to the house and senate appropriations
6 subcommittees on school aid and to the house and senate fiscal agencies.

7 Sec. 23g. (1) From the state school aid fund money appropriated in section 11, there
8 is allocated for ~~2022-2023~~ **2024-2025** only an amount not to exceed \$150,000,000.00 for
9 payments to eligible recipients for implementing the MI Kids Back-on-Track program as
10 described in this section.

11 (2) The department shall pay to each eligible recipient an equal amount per
12 membership pupil who is ~~not less than~~ proficient in math or reading based on the most
13 recent state summative assessment. Eligible recipients must use funding received under this
14 section only for costs related to implementation of the MI Kids Back-on-Track program as
15 described in this section. Implementation costs of the program include, but are not limited
16 to, costs related to staffing, high-quality training, curriculum needs, student
17 transportation needs, technology needs, materials, any purpose for which any district
18 previously used funds allocated under section 98c, or other costs incurred as a result of
19 the provision of services for the program.

20 (3) From the allocation in subsection (1), there is allocated \$600,000.00 to the
21 Clinton County Regional Educational Service Agency to work with the Michigan Association of
22 Intermediate School Administrators (MAISA), to do all of the following:

23 (a) Provide a report on tutoring programs eligible to be purchased by eligible
24 recipients using the funding allocated under subsection (1).

25 (b) Develop and provide technical assistance to eligible recipients in selecting
26 high-impact tutoring strategies and include their integration into eligible recipients'
27 Michigan Integrated Continuous Improvement Process (MICIP) plans. Developing and providing
28 technical assistance **that** may include the design and integration of eligible tutoring
29 programs within the MiStrategyBank.

30 (c) Collect, aggregate, and report data in collaboration with the MAISA Michigan
31 Collaborative Hub. An amount not to exceed \$300,000.00 of the funds allocated under this
32 subsection may be used for this purpose.

(d) Provide an annual report of tutoring programs to the office of the governor, senate and house education committees, the senate and house appropriations subcommittees on school aid, the state budget director, and the department based on the criteria described in subsection (4) to be included in the MiStrategyBank, and the educational effectiveness as documented at least through data submitted through the Michigan data hub.

(4) The list of eligible tutoring programs contained within the MiStrategyBank must only consist of tutoring programs, including, but not limited to, those created by for-profit vendors, nonprofit vendors, intermediate districts, districts, and the Michigan Schools for the Deaf and Blind, that are aligned with high-impact tutoring that **has been reviewed by a statewide high-quality tutoring advisory committee defined in subsection (5). Criteria for review must be based on research and** ~~must include—consider~~ all of the following criteria:

(a) Tutoring is provided in groups of 4 or fewer students.

(b) The tutor or tutors provide consistent service to students throughout the school year.

(c) Tutoring is provided a minimum of 3 times per week for at least 20 to 30 minutes per session.

(d) Except as otherwise provided in this subdivision, tutoring is implemented throughout the school day. Tutoring that is a before- or after-school program may be approved if the tutoring meets the other criteria described in this subsection.

(e) Trained tutors provide the tutoring. Trained tutors may include teachers, paraprofessionals, community providers, AmeriCorps members, or other individuals who have received training.

(f) The program uses a high-quality curriculum that utilizes research-based strategies that are aligned with state academic standards.

(g) Tutoring is data-driven and includes the use of formative assessments and student progress measures that meet criteria in subdivision (h).

(h) Progress monitoring is part of the tutoring program, and includes using curriculum-based measures that include all of the following:

(i) Identification of a valid, reliable progress monitoring assessment tool that is curriculum-based.

(ii) Implementation of standardized procedures for collecting data.

(iii) Standardized repeated assessments over time that are graphed.

(iv) Comparisons with a goal set using validated strategies.

(v) Collecting data with fidelity, documented by direct observation using a checklist with immediate performance feedback.

(vi) Graphed progress monitoring data that is reviewed by a team every 4 to 8 weeks to determine student response to intervention.

(i) Progress monitoring tools that must do all of the following:

(i) Have a sufficient number of alternate forms.

(ii) Specify minimum acceptable growth.

(iii) Provide criterion-referenced or norm-referenced benchmarks.

(iv) Possess validity and reliability for the performance score.

(j) Tutoring fidelity is established through direct observation using a checklist with immediate performance feedback provided by a qualified staff person, such as an instructional coach.

(k) Tutoring does not replace Tier 1 or core instruction time or curricula for reading or math.

(l) Tutoring is supplemental to core academic instruction and not a replacement for core academic instruction.

(m) Tutoring assessment and intervention is evidence-based, with experimental research studies, 1 of which must be published or pending publication in a peer-reviewed publication.

(5) All **eligible** tutoring programs in the MiStrategyBank must be reviewed by MAISA. If necessary, MAISA may convene a committee to review tutoring programs for inclusion in the MiStrategyBank. The committee described in this subsection must include all of the following members:

(a) Two certified teachers representing elementary and secondary schools.

(b) A representative from the MiMTSS TA Center.

(c) A representative from an institution of higher education with a teacher preparation college.

(d) Two representatives of the department.

(e) One representative of the MAISA Michigan Collaboration Hub.

(f) An intermediate district designee with a background in English language arts.

1 (g) An intermediate district designee with a background in mathematics.

2 (6) A district, intermediate district, or the Michigan Schools for the Deaf and Blind
3 that meets all of the following is an eligible recipient under this section:

4 (a) It applies for funding in a form and manner prescribed by the department. An
5 intermediate district may apply on behalf of its constituent districts.

6 (b) It posts a MI Kids Back-on-Track plan to its website homepage that describes
7 evidence-based actions the district, intermediate district, or Michigan Schools for the
8 Deaf and Blind is taking to respond to student needs related to unfinished learning and how
9 funds received under this section will create or expand these efforts. The plan described
10 in this subdivision must meet the following criteria:

11 (i) Reflect input from educators, parents and legal guardians, and community members.

12 (ii) Include an analysis of student data and describe student needs.

13 (iii) Identify evidence-based best practices to be implemented or expanded in response
14 to student needs.

15 (iv) Include a plan to implement identified tutoring in the district's, intermediate
16 district's, or Michigan Schools for the Deaf and Blind's MICIP plan.

17 (c) It implements and maintains functionality on its website homepage that allows
18 parents, legal guardians, and students to request additional assistance through the MI Kids
19 Back-on-Track program.

20 (d) It provides transparency reporting on the MI Kids Back-on-Track program spending,
21 including posting on its website a transparency dashboard concerning funding from the
22 federal elementary and secondary school emergency relief fund used for the program, in a
23 form and manner prescribed by the department.

24 (e) It ensures that all tutoring is supported by individuals who provide training and
25 coaching. The individuals described in this subdivision shall meet all of the following
26 criteria:

27 (i) Have established knowledge and expertise in all aspects of the tutoring program.

28 (ii) Support the integration of the tutoring into a school's multi-tiered systems of
29 support framework.

30 (iii) Support and provide initial and ongoing professional development or training of
31 tutors.

32 (iv) Participate in or lead data review meetings of graphed progress monitoring data

1 of all students being tutored every 4 to 8 weeks.

2 (v) Provide fidelity checks for program implementation using a checklist with
3 immediate performance feedback.

4 (f) By September 1 of each fiscal year for which it receives funding under this
5 section, it pledges to provide data through MiDataHub that includes the outcomes and
6 performance measures of the tutoring program, including, but not limited to, the degree to
7 which tutoring is demonstrating sufficient efficacy and impact. The **advisory committee will**
8 **work with the Michigan DataHub, tutoring program providers, and the department of education**
9 **to establish** data submission **criteria** under this subdivision ~~must include~~ **that includes, to**
10 **the greatest extent practicable,** all of the following:

11 (i) Children and schools receiving tutoring.

12 (ii) Number of children and schools served.

13 (iii) Demographics of children served.

14 (iv) Dosage of tutoring, including frequency and minutes per week.

15 (v) Percentage of tutoring occurring on days possible.

16 (vi) Whether the assessments and interventions are implemented with fidelity. This
17 portion of the report must include details on the total number of assessments and
18 intervention fidelity checks completed and the range and mean of fidelity.

19 (vii) Student growth rate, such as average linear, and outcomes by grade or age level,
20 in comparison to a criterion-referenced or norm-referenced targeted growth rate.

21 (viii) Exit rates of students who successfully complete the tutoring program.

22 (ix) Percentage of students who exit and then maintain their learning through the end
23 of the school year as demonstrated by a valid and reliable assessment designed for this
24 purpose, such as a universal screening assessment.

25 (x) Percentage of students who exit and then meet or exceed local spring universal
26 screening targets for their grade level.

27 (xi) The impact of the programs on organizations and stakeholders, including, but not
28 limited to, school administrators, teachers, kids, families, and tutors.

29 (7) If the department determines that the eligible recipient has misused the funds
30 allocated under this section, the eligible recipient shall reimburse the department for the
31 amount of state funding misused.

32 (8) If data required under subsection (6)(f) are not submitted via the MiDataHub by

1 September 1 of the current fiscal year, the eligible recipient must forfeit future funding
2 and may be required to reimburse funds.

3 (9) The evaluation of programs under this section must be conducted by an approved
4 department evaluator. If an alternative evaluator is desired, the eligible recipient must
5 submit a request in writing with rationale to the department on or before January 1 of the
6 current fiscal year.

7 (10) The superintendent of public instruction shall provide guidelines to eligible
8 recipients on evidence-based best practices and effective strategies an eligible recipient
9 may use to respond to unfinished learning and shall provide resources to assist eligible
10 recipients in implementing the evidence-based practices, including through high-impact
11 tutoring programs listed in the MiStrategyBank described in subsection (4). Guidelines may
12 include technical assistance that may include, but is not limited to, planning,
13 implementation, and training or coaching.

14 (11) The funds allocated under this section for ~~2022-2023-2024-2025~~ are a work
15 project appropriation, and any unexpended funds for ~~2022-2023-2024-2025~~ are carried forward
16 into ~~2023-2024-2025-2026~~. The purpose of the work project is to address unfinished
17 learning. The estimated completion date of the work project is September 30, ~~2025-2027~~.

18 (12) Notwithstanding section 17b, the department shall make payments under this
19 section on a schedule determined by the department.

20 (13) As used in this section, the "MI Kids Back-on-Track program" means programs
21 provided before school, during school, after school, or during the summer, directly by the
22 eligible recipient or in partnership with community-based organizations for students in any
23 of grades pre-K to 12 in this state that are designed to address unfinished learning, get
24 students to grade-level academic standards, provide additional academic assistance to
25 students at risk of falling behind their peers, or help high school students prepare for
26 postsecondary education.

27 Sec. 24. (1) From the state school aid fund money appropriated in section 11, there
28 is allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$7,650,000.00 for payments to
29 the educating district or intermediate district for educating pupils assigned by a court or
30 the department of health and human services to reside in or to attend a juvenile detention
31 facility or child caring institution licensed by the department of health and human
32 services and approved by the department to provide an on-grounds education program. The

1 amount of the payment under this section to a district or intermediate district is
2 calculated as prescribed under subsection (2).

3 (2) The department shall allocate the total amount allocated under this section by
4 paying to the educating district or intermediate district an amount equal to the lesser of
5 the district's or intermediate district's added cost or the department's approved per-pupil
6 allocation for the district or intermediate district. For the purposes of this subsection:

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

17 (b) "Department's approved per-pupil allocation" for a district or intermediate
18 district is determined by dividing the total amount allocated under this section for a
19 fiscal year by the full-time equated membership total for all pupils approved by the
20 department to be funded under this section for that fiscal year for the district or
21 intermediate district.

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

29 (4) Special education pupils funded under section 53a are not funded under this
30 section.

31 Sec. 24a. From the state school aid fund money appropriated in section 11, there is
32 allocated an amount not to exceed \$1,355,700.00 for ~~2023-2024~~ **2024-2025** for payments to

1 intermediate districts for pupils who are placed in juvenile justice service facilities
2 operated by the department of health and human services. The amount of the payment to each
3 intermediate district is an amount equal to the state share of those costs that are clearly
4 and directly attributable to the educational programs for pupils placed in facilities
5 described in this section that are located within the intermediate district's boundaries.
6 The intermediate districts receiving payments under this section shall cooperate with the
7 department of health and human services to ensure that all funding allocated under this
8 section is utilized by the intermediate district and department of health and human
9 services for educational programs for pupils described in this section. Pupils described in
10 this section are not eligible to be funded under section 24. However, a program
11 responsibility or other fiscal responsibility associated with these pupils must not be
12 transferred from the department of health and human services to a district or intermediate
13 district unless the district or intermediate district consents to the transfer.

14 Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there
15 is allocated an amount not to exceed \$1,600,000.00 for ~~2023-2024~~**2024-2025** for payments to
16 strict discipline academies and qualified districts, as provided under this section.

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

20 (3) The total amount allocated to a strict discipline academy or qualified district
21 under this section must first be distributed as the lesser of the strict discipline
22 academy's or qualified district's added cost or the department's approved per-pupil
23 allocation for the strict discipline academy or qualified district. Subject to subsection
24 (7), any funds remaining after the first distribution must be distributed by prorating on
25 an equal per-pupil membership basis, not to exceed a strict discipline academy's or
26 qualified district's added cost. However, the sum of the amounts received by a strict
27 discipline academy or qualified district under this section and under section 24 must not
28 exceed the product of the strict discipline academy's or qualified district's per-pupil
29 allocation calculated under section 20 multiplied by the strict discipline academy's or
30 qualified district's full-time equated membership. The department shall allocate funds to
31 strict discipline academies and qualified districts under this section on a monthly basis.

32 (4) Special education pupils funded under section 53a are not funded under this

1 section.

2 (5) If the funds allocated under this section are insufficient to fully fund the
3 adjustments under subsection (3), the department shall prorate payments under this section
4 on an equal per-pupil basis.

5 (6) The department shall make payments to strict discipline academies and qualified
6 districts under this section according to the payment schedule under section 17b.

7 (7) For purposes of this section, the pupil membership for the current fiscal year
8 for a qualified district is the actual number of pupils that are in the custody of a county
9 juvenile agency as described in subsection (8)(c).

10 (8) As used in this section:

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

21 (b) "Department's approved per-pupil allocation" means, for a strict discipline
22 academy or qualified district, an amount equal to the quotient of the total amount
23 allocated under this section for a fiscal year and the full-time equated membership total
24 for all pupils approved by the department to be funded under this section for that fiscal
25 year for the strict discipline academy or qualified district.

26 (c) "Qualified district" means a public school academy that is not a strict
27 discipline academy that enrolls individuals who are in the custody of a county juvenile
28 agency to which both of the following are applicable:

29 (i) The agency had custody of individuals who were enrolled in a strict discipline
30 academy in the 2020-2021 school year.

31 (ii) The strict discipline academy that the individuals described in subparagraph (i)
32 were enrolled in subsequently closed.

(d) "Strict discipline academy" means a public school academy established under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m.

Sec. 25g. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$750,000.00 for ~~2023-2024~~**-2024-2025** for the purposes of this section. Except as otherwise provided in this section, if the operation of the special membership counting provisions under section 6(4)(dd) and the other membership counting provisions under section 6(4) result in a pupil being counted as more than 1.0 FTE in a fiscal year, then the payment made for the pupil under sections 22a and 22b must not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 is paid under this section in an amount equal to that portion multiplied by the educating district's foundation allowance or per-pupil payment calculated under section 20.

(2) Special education pupils funded under section 53a are not funded under this section.

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

(4) The department shall make payments to districts under this section according to the payment schedule under section 17b.

Sec. 25/. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2024-2025 only an amount not to exceed \$5,000,000.00 to an intermediate district for the deployment of the Michigan early warning intervention and monitoring system.

(2) An intermediate district must apply for funding in a form and manner determined by the department. The application must demonstrate that the intermediate district is in partnership with an association that represents intermediate district administrators in this state for the purpose of deploying the Michigan early warning intervention and monitoring system. The department must open the application for funding under this section no later than November 1, 2024.

(3) Funds received by an intermediate district under this section must be utilized, in partnership with the association referenced in subsection (2), to do all of the following:

(a) Establish statewide operational support and offer to districts the use of an

1 integrated online tool to support local early warning and intervention.

2 (b) Establish monitoring systems to identify and support students at risk of dropping
3 out of high school.

4 (c) Provide access to the system, develop and deliver professional learning on its
5 uses, and coordinate with the department on regional training and support efforts.

6 (d) Provide implementation support and technical assistance resources to aid in
7 implementing the Michigan early warning intervention and monitoring system for any district
8 in the state.

9 (4) Notwithstanding section 17b, the department must make payments under this section
10 by December 1, 2024.

11 (5) Notwithstanding section 18a, funds allocated under this section may be available
12 for expenditure until September 30, 2029. A recipient of funding under this section must
13 return any unexpended funds to the department in the manner prescribed by the department by
14 not later than October 30, 2029.

15 Sec. 25m. (1) From the state school aid fund money appropriated in section 11, there
16 is allocated for 2024-2025 an amount not to exceed \$90,000,000.00 for competitive grants to
17 districts and intermediate districts to support the academic, social-emotional, and
18 physical needs of income-eligible students.

19 (2) To receive funding under this section, districts and intermediate districts must
20 apply in a form and manner prescribed by the department. An intermediate district may apply
21 for funding on behalf of its constituent districts, with the consent of the constituent
22 districts. The department must open the application for funding under this section no later
23 than November 15, 2024. An application for funding must include, at a minimum, all of the
24 following:

25 (a) A description of the services that will be provided to income-eligible students,
26 including the number of students the district or intermediate district intends to serve;
27 how these services address the academic, social-emotional, and physical needs of students,
28 subject to the guidance in subsection (4); and how much the district or intermediate
29 district intends to spend on these services.

30 (b) Assurances that funding will only be utilized to support income-eligible
31 students.

32 (c) Assurances that funding will not be used to supplant other funding received by

1 the district or intermediate district.

2 (3) The department must determine and provide guidance to districts and intermediate
3 districts on eligible expenses for academic, social-emotional, and physical needs for the
4 purposes of this section. Subject to guidance provided by the department, eligible expenses
5 may include, but are not limited to, evidence-based before and after school programming
6 including programming with nonprofit community-based organizations, nutritional needs,
7 health and wellness needs, school supplies, connectivity needs for remote learning, and
8 evidence-based Tier 2 and Tier 3 academic interventions. In developing guidance under this
9 subsection, the department must collaborate with the department of health and human
10 services to ensure spending with funds under this section are allowable expenses for the
11 purposes of meeting state-level maintenance of effort requirements for the federal
12 temporary assistance for needy families program. The department must issue guidance under
13 this subsection no later than December 1, 2024.

14 (4) The department must award grants under this section to eligible districts and
15 intermediate districts based on the application for funding under subsection (2). The
16 department must evaluate the applications and determine an award amount based on, at a
17 minimum, all of the following:

18 (a) The number of income-eligible students in the district or intermediate district
19 compared to the total level of funding requested, compared to the average cost per eligible
20 student for similar services requested by other applicants.

21 (b) The likely impact that the requested services will help address academic, social-
22 emotional, and physical needs of income-eligible students.

23 (c) The likely ability of the district or intermediate district to implement the full
24 scope of the plan within the current school year.

25 (5) If funding is available, the department may award the full amount requested by
26 the applicant district or intermediate district, or may award a lower amount, based on the
27 evaluation under subsection (4) and the availability of funds. No eligible district or
28 intermediate district shall receive less than \$10,000.00 unless the amount requested by the
29 district or intermediate district is less than \$10,000.00. The department must award
30 funding to districts no later than January 15, 2025, and must make initial payments in the
31 February state school aid payment installation.

32 (6) Districts and intermediate districts receiving funding under this section must

1 submit to the department by July 15 of each fiscal year a report, in the form and manner
2 prescribed by the department, that includes a description of each program conducted or
3 services performed by the district or intermediate districts using funds under this
4 section, the amount of funds under this section allocated to each of those programs or
5 services, an assurance that funds were only expended on income-eligible students, and the
6 data necessary for the department and the department of health and human services to verify
7 maintenance of effort funds for the temporary assistance for needy families program. If a
8 district or intermediate district does not comply with this subsection, the department
9 shall withhold an amount equal to the August payment due under this section until the
10 district or intermediate district complies with this subsection. If the district or
11 intermediate district does not comply with this subsection by the end of the fiscal year,
12 the withheld funds are forfeited and lapse to the school aid fund.

13 (7) As used in this section, "income-eligible student" means either of the following:

14 (a) A student directly certified, in a form and manner determined by the department
15 in collaboration with the center and the department of health and human services, as being
16 from a household receiving supplemental nutrition assistance program benefits or cash
17 benefits through the temporary assistance to needy families program during the current
18 school year.

19 (b) A student who is not directly certified under subdivision (a) but otherwise meets
20 the eligibility criteria for receiving supplemental nutrition assistance program benefits
21 or cash benefits through the temporary assistance to needy families program during the
22 current school year. A student counted under this subdivision must be identified using a
23 documented, local process, following standardized guidance issued by the department. In
24 issuing this guidance, the department must ensure that children counted under this
25 subdivision meet criteria necessary to count expenses for the purposes of meeting state-
26 level maintenance of effort requirements for the federal temporary assistance for needy
27 families program.

28 (8) In addition to the allocations under subsection (1), from the general fund money
29 appropriated in section 11, there is allocated for 2024-2025 an amount not to exceed
30 \$250,000.00 for the department to administer this section.

31 Sec. 26a. From the state school aid fund money appropriated in section 11, there is
32 allocated an amount not to exceed \$14,000,000.00 for ~~2023-2024~~ 2024-2025 to reimburse

1 districts and intermediate districts under section 12 of the Michigan renaissance zone act,
2 1996 PA 376, MCL 125.2692, for taxes levied in ~~2023-2024~~. The department shall pay the
3 allocations not later than 60 days after the department of treasury certifies to the
4 department and to the state budget director that the department of treasury has received
5 all necessary information to properly determine the amounts due to each eligible recipient.

6 Sec. 26b. (1) From the state school aid fund money appropriated in section 11, there
7 is allocated an amount not to exceed \$5,084,000.00 for ~~2023-2024-2024-2025~~ for payments to
8 districts, intermediate districts, and community college districts for the portion of the
9 payment in lieu of taxes obligation that is attributable to districts, intermediate
10 districts, and community college districts under section 2154 of the natural resources and
11 environmental protection act, 1994 PA 451, MCL 324.2154.

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

15 Sec. 26c. (1) From the state school aid fund money appropriated under section 11,
16 there is allocated an amount not to exceed ~~\$20,500,000.00 for 2022-2023 and there is~~
17 ~~allocated an amount not to exceed \$26,000,000.00~~ **\$35,100,000.00** for ~~2023-2024-2024-2025~~ to
18 the promise zone fund created in subsection (3). The funds allocated under this section
19 reflect the amount of revenue from the collection of the state education tax captured under
20 section 17 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677.

21 (2) Funds allocated to the promise zone fund under this section must be used solely
22 for payments to eligible districts and intermediate districts, in accordance with section
23 17 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677, that have a
24 promise zone development plan approved by the department of treasury under section 7 of the
25 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667. Eligible districts and
26 intermediate districts shall use payments made under this section for reimbursement for
27 qualified educational expenses as that term is defined in section 3 of the Michigan promise
28 zone authority act, 2008 PA 549, MCL 390.1663.

29 (3) The promise zone fund is created as a separate account within the state school
30 aid fund to be used solely for the purposes of the Michigan promise zone authority act,
31 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

32 (a) The state treasurer shall direct the investment of the promise zone fund. The

1 state treasurer shall credit to the promise zone fund interest and earnings from fund
2 investments.

3 (b) Money in the promise zone fund at the close of a fiscal year remains in the
4 promise zone fund and does not lapse to the general fund.

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

9 (5) Notwithstanding section 17b, the department shall make payments under this
10 section on a schedule determined by the department.

11 Sec. 26d. (1) From the state school aid fund money appropriated under section 11,
12 there is allocated an amount not to exceed \$14,400,000.00 for ~~2022-2023 and 2023-2024~~ **2024-**
13 **2025** for reimbursements to intermediate districts as required under section 15b of the
14 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665b.

15 (2) The amounts reimbursed under subsection (1) must be used by the intermediate
16 district only for the purposes for which the property taxes were originally levied.

17 (3) The Michigan strategic fund and the Michigan economic development corporation
18 shall work with the department of treasury in identifying the amount of tax revenues that
19 are to be reimbursed under subsection (1).

20 (4) Notwithstanding section 17b, the department of treasury shall make payments under
21 this section on a schedule determined by the department of treasury.

22 Sec. 27a. (1) From the state school aid fund money appropriated in section 11, there
23 is allocated for ~~2023-2024~~ **2024-2025** an amount not to exceed \$20,000,000.00 and from the
24 general fund money appropriated in section 11, there is allocated for ~~2023-2024~~ **2024-2025**
25 an amount not to exceed \$5,000,000.00 for the MI future educator fellowship program. The
26 funds allocated under this section must be used to offset tuition costs for individuals who
27 are working toward earning their initial teacher certification.

28 (2) To establish initial eligibility for an award from funding under this section, an
29 individual must meet all of the following conditions by the date of enrollment described in
30 subdivision (b):

31 (a) Have graduated from high school with a diploma or certificate of completion or
32 achieved a high school equivalency certificate.

1 (b) Be admitted to an eligible educator preparation program; be working toward a
2 teacher certification; be enrolled in enough coursework to be considered enrolled full-time
3 during the academic year, as determined by the student's educator preparation program, or
4 the equivalent of full-time participation for individuals enrolled in an alternative
5 certification program, as defined by the department; and, for students at institutions of
6 higher education, be considered at least a junior-level student, as determined by the
7 institution of higher education.

8 (c) Not have previously earned a teacher certification.

9 (d) Timely complete a grant application in a form and manner prescribed by the
10 department of ~~treasury.~~ **lifelong education, advancement, and potential.**

11 (e) Timely file the Free Application for Federal Student Aid for the enrollment
12 period described in subdivision (b).

13 (f) Timely apply for all available gift aid for the enrollment period described in
14 subdivision (b).

15 (g) Agree to repay any funds received from funding under this section if the
16 individual does not maintain enrollment in their educator preparation program, the
17 individual does not successfully complete their educator program, or the individual does
18 not complete the work requirement described in subsection (7).

19 (h) Have a high school or college grade point average of at least 3.0.

20 (i) Be a resident of this state, as determined for purposes of the Free Application
21 for Federal Student Aid.

22 (3) To establish continuing eligibility for an award under this section at an
23 eligible educator preparation program, an individual must meet all of the following
24 conditions:

25 (a) Maintain full-time continuous enrollment in an eligible educator preparation
26 program, as determined by the educator preparation program, or the equivalent of full-time
27 participation for individuals enrolled in an alternative certification program, as defined
28 by the department, excluding any period of time missed due to a medical or other emergency,
29 as determined by the department of ~~treasury.~~ **lifelong education, advancement, and**
30 **potential.**

31 (b) Maintain satisfactory academic progress, including a grade point average of at
32 least 3.0, in courses provided by the eligible educator preparation program and meet

1 requirements established by the eligible educator preparation program.

2 (c) Participate in relevant academic and career advising programs offered by the
3 eligible educator preparation program.

4 (d) Timely file the Free Application for Federal Student Aid for each academic year
5 in which the individual receives an award from funding under this section.

6 (e) Timely apply for all available gift aid for each academic year in which the
7 individual applies for funding under this section.

8 (f) Maintain residency in this state, as determined for purposes of the Free
9 Application for Federal Student Aid.

10 (4) An award under this section must not exceed \$10,000.00 per academic year or the
11 cost of tuition at the eligible educator preparation program attended, whichever is less.
12 As used in this subsection, the cost of tuition at an educator preparation program that is
13 an institution of higher education is the in-district resident rate plus other required
14 fees, as determined by the department of ~~treasury~~ **lifelong education, advancement, and**
15 **potential**; and the cost of tuition at an educator preparation program that is an
16 alternative certification provider is the cost of tuition plus other required fees, as
17 determined by the department of ~~treasury~~ **lifelong education, advancement, and potential**.

18 (5) Awards under this section must be distributed to eligible educator preparation
19 programs on behalf of an eligible recipient on a timeline determined by the department of
20 ~~treasury~~ **lifelong education, advancement, and potential**.

21 (6) Pending available funds, applicants may renew their award for up to 3 years, or
22 until program completion, whichever comes first.

23 (7) To be an eligible recipient of fellowship funding under this section, an
24 individual must pledge to work as a certified teacher in a public school or a qualifying
25 public preschool program in this state and must meet 1 of the following work requirements:

26 (a) For a recipient of funding under this section who received an award for 1
27 academic year, 3 years of work as a certified teacher in a public school or a qualifying
28 public preschool program in this state.

29 (b) For a recipient of funding under this section who received an award for 2
30 academic years, 4 years of work as a certified teacher in a public school or a qualifying
31 public preschool program in this state.

32 (c) For a recipient of funding under this section who received an award for 3

1 academic years, 5 years of work as a certified teacher in a public school or a qualifying
2 public preschool program in this state.

3 (d) For a recipient working in a critical needs district, 3 years of work as a
4 certified teacher. As used in this subdivision, "critical needs district" means a district
5 with a median household income in the lowest quartile in each prosperity region, as
6 determined by the department.

7 (8) If an award recipient does not maintain enrollment in their educator preparation
8 program as required under subsection (3)(a), does not successfully complete their educator
9 preparation program, or does not meet the work requirement described in subsection (7), any
10 amount received from funds under this section converts to a 0% interest loan that must be
11 repaid to this state within 10 years, plus any deferment period as determined and approved
12 by the department of ~~treasury~~ **lifelong education, advancement, and potential**. The amount
13 of repayment must be reduced proportionate to the number of years worked in schools or
14 qualifying public preschool programs in this state as a certificated teacher out of 5
15 years. The department of ~~treasury~~ **lifelong education, advancement, and potential** shall
16 develop guidance to enforce this subsection.

17 (9) An individual may not concurrently receive funding through programs funded under
18 this section and grow your own programs funded under section 27b.

19 (10) If the amount allocated in subsection (1) is not sufficient to fully fund awards
20 under this section, there is appropriated from the educator fellowship public provider fund
21 or the educator fellowship private provider fund, as applicable, the amount necessary to
22 fully fund these programs. The state budget director shall provide notification to the
23 house and senate appropriations subcommittees on K to 12 school aid and the house and
24 senate fiscal agencies for any additional appropriation described under this subsection.

25 (11) Notwithstanding section 17b, the department of ~~treasury~~ **lifelong education,**
26 **advancement, and potential** shall make payments under this section on a schedule determined
27 by the department of ~~treasury~~ **lifelong education, advancement, and potential**.

28 (12) The department of ~~treasury~~ **lifelong education, advancement, and potential** shall
29 report to the chairpersons of the house appropriations subcommittee on school aid and
30 education and the senate appropriations subcommittee on pre-K to 12 by February 1 of the
31 current fiscal year. The report must include the following:

32 (a) The number and amount of awards granted in the previous fiscal year.

(b) The number of recipients in the previous fiscal year that had their awards converted to loans under subsection (8).

(13) As used in this section, "eligible educator preparation program" means a public or nonpublic institution of higher education or an alternative route provider that meets all of the following, as applicable:

(a) Is approved by the department to offer teacher preparation programming.

(b) Enrolls 1 or more future educator fellowship recipients.

(c) Has not ~~increased tuition and fee rates above the limitations described in section 241e.~~ **been deemed as ineligible to receive Michigan achievement scholarship funding under section 248 as a result of exceeding tuition restraint provisions described in that section.**

Sec. 27b. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2022-2023~~ **2024-2025** only an amount not to exceed ~~\$20,000,000.00 and from the federal funding appropriated under section 11, there is allocated for 2022-2023 only an amount not to exceed \$155,000,000.00 from the federal funding awarded to this state from the coronavirus state fiscal recovery fund under the American rescue plan act of 2021, title IX, subtitle M of Public Law 117-2,~~ **\$50,000,000.00** to districts and intermediate districts for a grow your own program as described in subsection (2).

(2) Districts and intermediate districts receiving funding under this section shall use the funding to implement a grow your own program. A grow your own program described in this subsection must be implemented to improve the teacher talent pipeline and provide a no-cost pathway for support staff members to become certified teachers. Allowable expenses for grow your own programs include, but are not limited to:

(a) Tuition and fees for attendance at a state-approved education preparation provider for an accelerated degree, for a traditional bachelor's degree for current staff who are not teachers, or for an advanced degree. As used in this subdivision, "advanced degree" includes, but is not limited to, a postbaccalaureate credential or certificate.

(b) Books.

(c) Testing fees.

(d) Travel to and from coursework.

(e) Substitute employee salary and wages for the duration of the educator preparation program attended by the recipient staff of the district or intermediate district.

1 (f) Costs for curriculum, materials, professional development, and hands-on-learning
2 experiences to implement a program within the district or intermediate district to
3 encourage students in any of grades 6 through 12 to consider a career in education. Not
4 more than 10% of funds received by a district or intermediate district under this section
5 may be used for this purpose.

6 (3) The department shall establish a grant process to distribute funds under this
7 section. A district or intermediate school district must apply for funds in a form and
8 manner prescribed by the department. As part of the application described in this
9 subsection, a district or intermediate district must submit the following information and
10 assurances:

11 (a) Demonstrated need for funding in the district or intermediate district or the
12 broader community, including projected workforce needs, and a proposed spending plan on how
13 the funds will be utilized that includes expected tuition, fees, and books for the program.

14 (b) Number of support staff projected to participate in a grow your own program
15 described in this section.

16 (c) For funds for the purposes described in subsection (2)(f), a description of the
17 program being implemented and the number of students the program is intended to reach.

18 (d) Assurances that the pathway will be no cost for participants and that
19 participants will be compensated as an employee for the duration of their training,
20 including a paid residency or student teaching.

21 (e) Identification of eligible recipients and a pledge to hire an eligible recipient
22 as a full-time teacher upon their receipt of an initial teaching certificate and provide
23 for student teaching opportunities.

24 (f) A pledge that, before providing funding under this section to an eligible
25 recipient, the district or intermediate district will require that the eligible recipient
26 pledge to serve as a full-time teacher at the district or intermediate district for at
27 least the same number of years as the recipient participated in a grow your own program. If
28 the district or intermediate district is unable to hire an eligible recipient as required
29 under subdivision (e), the eligible recipient may serve the years the recipient pledged to
30 serve under this subdivision at another district, intermediate district, or nonpublic
31 school.

32 (4) An individual may not concurrently receive funding for programs under this

1 section and programs funded under sections 27a and 27c.

2 ~~(5) The federal funding allocated under this section is intended to respond to the~~
3 ~~COVID-19 public health emergency and its negative impacts.~~

4 (5) ~~(6)~~ Notwithstanding section 17b, the department shall make payments under this
5 section on a schedule determined by the department.

6 (6) ~~(7)~~ The funds allocated under this section for ~~2022-2023-2024-2025~~ are a work
7 project appropriation, and any unexpended funds for ~~2022-2023-2024-2025~~ are carried forward
8 into ~~2023-2024-2025-2026~~. The purpose of the work project is to continue support for grow
9 your own programs in districts and intermediate districts. The estimated completion date of
10 the work project is December 31, ~~2026-2027~~.

11 Sec. 27c. (1) From the state school aid fund money appropriated in section 11, there
12 is allocated \$50,000,000.00 for ~~2023-2024-2024-2025~~ for the MI future educator student
13 teacher stipend program. Except as otherwise provided in this section, the funds allocated
14 under this section must be paid to eligible educator preparation programs for payments to
15 eligible student teachers working in a district.

16 (2) An eligible student teacher under this subsection must meet all of the following:

17 (a) The individual must be admitted to an eligible educator preparation program, be
18 working toward a teacher certification, be participating in required student teaching
19 coursework, and be maintaining satisfactory academic progress. As used in this subdivision,
20 "required student teaching coursework" means credit hours, or the program equivalent,
21 required by an eligible educator preparation program for successful completion of the
22 program. This coursework must include regular placement in a district where the student
23 gains real-world, first-hand experience working in a classroom, teaching students, engaging
24 in the day-to-day activities of a certified teacher, and working daily under the guidance
25 of a certified teacher.

26 (b) The individual must timely complete an application in a form and manner
27 prescribed by the department of ~~treasury~~, **lifelong education, advancement, and potential**.
28 The application must include the district in which the individual is working as a student
29 teacher and must include a certification by the district and the individual's eligible
30 educator preparation program that the student is working as a student teacher. If the
31 individual's eligible educator preparation program is not provided by a public institution
32 of higher education, the district in which the individual is working must also provide an

1 assurance that they will forward any amount received under this section from the department
2 of ~~treasury-lifelong education, advancement, and potential~~ for purposes of the program
3 described in this section to the individual's eligible educator preparation program.

4 (c) The individual must not have received a payment from funds under this subsection
5 previously, unless the individual is enrolled in an eligible educator preparation program
6 that requires multiple semesters of student teaching.

7 (d) If an individual is employed by their district as a teacher of record, they are
8 not eligible for payment under this section.

9 (e) An individual that is a current City Year corps member enrolled in an eligible
10 educator preparation program is eligible for payment under this section.

11 (3) The department of ~~treasury-lifelong education, advancement, and potential~~ shall
12 pay each eligible educator preparation program an amount not to exceed \$9,600.00 per
13 academic semester for each eligible student teacher working in a district. If the
14 individual's eligible educator preparation program is not provided by a public institution
15 of higher education, the department of ~~treasury-lifelong education, advancement, and~~
16 ~~potential~~ shall pay an amount not to exceed \$9,600.00 per academic semester to the district
17 in which the individual is working as a student teacher, and that district must forward the
18 amount received to the individual's eligible educator preparation program. If funding
19 allocated under this section is insufficient to fully fund all eligible student teachers,
20 the department of ~~treasury-lifelong education, advancement, and potential~~ shall first award
21 funding for eligible student teachers who are also Pell grant recipients and then shall
22 distribute funding in the order in which applications were received. It is intended that
23 payments under this subsection are made at the beginning of the semester in 1 lump sum for
24 eligible student teachers.

25 (4) Eligible educator preparation programs shall pay funds received under this
26 section, in entirety, to the eligible student teacher.

27 (5) Notwithstanding section 17b, the department of ~~treasury-lifelong education,~~
28 ~~advancement, and potential~~ shall make payments under this section on a schedule determined
29 by the department of ~~treasury-lifelong education, advancement, and potential~~.

30 (6) As used in this section, "eligible educator preparation program" means an
31 institution of higher education that meets all of the following:

32 (a) Is a public or private institution of higher education in this state.

1 (b) Has an established school of education with an educator preparation program
2 approved by the department.

3 (c) Has not ~~increased tuition and fee rates above the limitations described in~~
4 ~~section 241c.~~ **been deemed as ineligible to receive Michigan achievement scholarship funding**
5 **under section 248 as a result of exceeding tuition restraint provisions described in that**
6 **section.**

7 (7) If the amount allocated in subsection (1) is not sufficient to fully fund awards
8 under this section, there is appropriated from the educator fellowship public provider
9 fund, the amount necessary to fully fund these programs. The state budget director shall
10 provide notification to the house and senate appropriations subcommittees on K to 12 school
11 aid and the house and senate fiscal agencies for any additional appropriation described
12 under this subsection.

13 Sec. 27d. (1) The educator fellowship public provider fund is created as a separate
14 account within the state school aid fund for the purpose of improving the educator
15 workforce through recruitment efforts for students attending public educator preparation
16 programs.

17 (2) The state treasurer may receive money or other assets from any source for deposit
18 into the educator fellowship public provider fund. The state treasurer shall direct the
19 investment of the educator fellowship public provider fund. The state treasurer shall
20 credit to the educator fellowship public provider fund interest and earnings from educator
21 fellowship public provider fund investments.

22 (3) Money in the educator fellowship public provider fund at the close of the fiscal
23 year remains in the educator fellowship public provider fund and does not lapse to the
24 state school aid fund.

25 (4) The department of treasury is the administrator of the educator fellowship public
26 provider fund for auditing purposes.

27 (5) The department of treasury shall expend money from the educator fellowship public
28 provider fund, upon appropriation, for the purposes described in section 27a(10) for
29 students admitted to public educator preparation programs **and for the purposes described in**
30 **section 27c(7).**

31 (6) **At the close of each fiscal year, unspent funds from the state school aid fund**
32 **allocated in sections 27a and 27c must be deposited into the educator fellowship public**

1 **provider fund.**

2 (7) ~~(6)~~—For the fiscal year ending September 30, 2022 only, \$235,000,000.00 from the
3 state school aid fund is deposited into the educator fellowship public programs fund.

4 Sec. 27e. (1) The educator fellowship private provider fund is created within the
5 department of treasury for the purpose of improving the educator workforce through
6 recruitment efforts for students attending private educator preparation programs.

7 (2) The state treasurer may receive money or other assets from any source for deposit
8 into the educator fellowship private provider fund. The state treasurer shall direct the
9 investment of the educator fellowship private provider fund. The state treasurer shall
10 credit to the educator fellowship private provider fund interest and earnings from educator
11 fellowship private provider fund investments.

12 (3) Money in the educator fellowship private provider fund at the close of the fiscal
13 year remains in the educator fellowship private provider fund and does not lapse to the
14 general fund or state school aid fund.

15 (4) The department of treasury is the administrator of the educator fellowship
16 private provider fund for auditing purposes.

17 (5) The department of treasury shall expend money from the educator fellowship
18 private provider fund, upon appropriation, for the purposes described in section 27a(10)
19 for students admitted to private educator preparation programs.

20 **(6) At the close of each fiscal year, unspent funds from the general fund dollars**
21 **allocated in sections 27a must be deposited into the educator fellowship private provider**
22 **fund.**

23 (7) ~~(6)~~—For the fiscal year ending September 30, 2022 only, \$45,000,000.00 from the
24 general fund is deposited into the educator fellowship private programs fund.

25 Sec. 27h. (1) From the state school aid fund money appropriated in section 11, there
26 is allocated for ~~2023–2024–2024–2025~~ only for the purposes of this section an amount not to
27 exceed \$50,000,000.00. Programs funded under this section are intended to expand support
28 for new teachers, school counselors, and administrators; improve their instructional
29 practices; and improve teacher retention.

30 (2) From the allocation under subsection (1), the department shall provide grants to
31 districts for mentor stipends to support and retain quality teachers, school counselors,
32 and administrators in this state.

1 (3) To receive a grant under this section, a district must apply for the grant in a
2 form and manner prescribed by the department. **To qualify for funding under this section,**
3 **mentoring activities must align with the research-based mentor standards developed by the**
4 **department under subsection (6) as determined by the department.**

5 (4) Districts that receive grants under subsection (2) may use the funding for any of
6 the following allowable expenditures:

7 (a) Stipends for any of the following individuals:

8 (i) Veteran teachers who serve as mentor teachers of teachers participating in grow
9 your own programs.

10 (ii) Veteran teachers who serve as mentor teachers for teachers who are within their
11 first 3 years of teaching.

12 (b) Stipends for any of the following individuals:

13 (i) Veteran school counselors who serve as mentor school counselors of school
14 counselors participating in grow your own programs.

15 (ii) Veteran school counselors who serve as mentor school counselors for school
16 counselors who are within their first 3 years of serving as school counselors.

17 (c) Stipends for any of the following individuals:

18 (i) Veteran school administrators who serve as mentor school administrators of school
19 administrators participating in grow your own programs.

20 (ii) Veteran school administrators who serve as mentor school administrators for
21 school administrators who are within their first 3 years of serving as school
22 administrators.

23 (d) Training for mentor teachers, mentor school counselors, and mentor
24 administrators.

25 (e) Books, materials, professional learning expenses, and other resources necessary
26 for mentoring and onboarding new teachers. Professional learning expenses under this
27 subdivision must be in addition to professional learning requirements described under
28 section 1526 of the revised school code, MCL 380.1526.

29 (f) Staffing costs to cover time spent by both new and mentor teachers, school
30 counselors, and administrators dedicated to mentoring and onboarding rather than being in
31 the classroom or performing other job duties.

32 (g) Contracting with 1 or more established state professional organizations to

1 provide mentoring services to school administrators. Only \$3,000.00 per administrator **per**
2 **year** or the actual program cost, whichever is lesser, of the costs described in this
3 subdivision may be reimbursed from grant funding under subsection (2).

4 (5) From the allocation under subsection (1), there is allocated \$5,000,000.00 for
5 reimbursement grants to schools to provide mentoring services for school administrators
6 subject to subsections (3) and (4). Grants under this section will be awarded in the amount
7 of \$3,000.00 per eligible school administrator per year or the actual program cost,
8 whichever is lesser. The department shall award grants under this section on a first-come,
9 first-served basis until funding runs out. If funding under this section is not sufficient
10 to fully fund all eligible applicants, the department shall not prorate awards.

11 (6) ~~(5)~~ From the allocation under subsection (1), there is allocated \$500,000.00 for
12 a competitive grant to assist the department with the development of research-based mentor
13 standards, curricula, and professional learning to ensure mentors are prepared to support
14 new teachers. Intermediate districts and other educational entities, **as determined by the**
15 **department**, are eligible to apply for this grant in a form and manner determined by the
16 department.

17 (7) ~~(6)~~ From the allocation under subsection (1), there is allocated \$500,000.00 for
18 a competitive grant to conduct a program evaluation of activities funded under this
19 section. The evaluation must identify recommendations to strengthen the program. Qualified
20 evaluators, **as determined by the department**, are eligible to apply for this grant in a form
21 and manner prescribed by the department. ~~The funds allocated under this subsection for~~
22 ~~2023-2024 are a work project appropriation, and any unexpended funds for 2023-2024 are~~
23 ~~carried forward into 2024-2025. The purpose of the work project is to evaluate the~~
24 ~~activities under this section. The estimated completion date of the work project is~~
25 ~~September 30, 2027.~~

26 (8) ~~(7)~~ Notwithstanding section 17b, the department shall make payments under this
27 section on a schedule determined by the department.

28 (9) ~~(8)~~ Subject to subsection (6), the **The** funds allocated under this section for
29 ~~2023-2024-2024-2025~~ are a work project appropriation, and any unexpended funds for ~~2023-~~
30 ~~2024-2024-2025~~ are carried forward into ~~2024-2025-2025-2026~~. The purpose of the work
31 project is to continue support for grants for mentor stipends. The estimated completion
32 date of the work project is September 30, ~~2028-2029~~. ~~It is the intent of the legislature~~

1 ~~that up to \$10,000,000.00 be expended each year.~~

2 Sec. 28. (1) To recognize differentiated instructional costs for different types of
3 pupils in ~~2023-2024~~, **2024-2025**, the following sections provide a weighted foundation
4 allocation or an additional payment of some type in the following amounts, as allocated
5 under those sections:

6 (a) Section 22d, isolated and rural districts, ~~\$11,601,000.00.~~ **\$12,486,000.00.**

7 (b) Section 22l, transportation reimbursement, \$125,000,000.00.

8 (c) Section 31a, at risk, ~~\$952,000,000.00.~~ **\$975,800,000.00.**

9 (d) Section 41, bilingual education for English language learners, ~~\$39,766,500.00.~~
10 **\$42,813,500.00.**

11 (e) Section 51c, special education, mandated percentages, ~~\$820,000,000.00.~~
12 **\$1,014,500,000.00.**

13 (f) Section 61a, career and technical education, standard reimbursement,
14 ~~\$48,011,300.00.~~ **\$52,052,300.00.**

15 (g) Section 61d, career and technical education incentives, \$5,000,000.00.

16 (2) The funding described in subsection (1) is not a separate allocation of any
17 funding but is instead a listing of funding allocated in the sections listed in subsection
18 (1).

19 Sec. 29. (1) The enrollment stabilization fund is created as a separate account in
20 the state school aid fund for the purpose of stabilizing the effects of declining
21 enrollment.

22 (2) The state treasurer may receive money or other assets from any source for deposit
23 into the enrollment stabilization fund. The state treasurer shall direct the investment of
24 the enrollment stabilization fund. The state treasurer shall credit to the enrollment
25 stabilization fund interest and earnings from enrollment stabilization fund investments.

26 (3) Money in the enrollment stabilization fund at the close of the fiscal year
27 remains in the enrollment stabilization fund and does not lapse to the state school aid
28 fund or the general fund.

29 (4) The department of treasury is the administrator of the enrollment stabilization
30 fund for auditing purposes.

31 (5) Money available in the enrollment stabilization fund must not be expended without
32 a specific appropriation.

(6) For the fiscal year ending September 30, 2023 only, \$314,000,000.00 from the state school aid fund is deposited into the enrollment stabilization fund.

(7) From the enrollment stabilization fund money appropriated under section 11, there is allocated an amount not to exceed \$71,000,000.00 for ~~2023-2024-2024-2025~~ for districts and intermediate districts for which membership in the immediately preceding fiscal year, as calculated under section 6 in the immediately preceding fiscal year, exceeds membership in the current fiscal year, as calculated under section 6 in the current fiscal year.

(8) The allocation under subsection (7) must be an amount equal to the sum of the product of .50 and the district's or intermediate district's membership for the immediately preceding fiscal year, as calculated under section 6 of the immediately preceding fiscal year, and the product of .50 and the district's or intermediate district's membership in the current fiscal year, as calculated under section 6 of the current fiscal year, minus the district's or intermediate district's membership in the current fiscal year, as calculated under section 6 of the current fiscal year, multiplied by the target foundation allowance for the current fiscal year.

Sec. 30d. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed ~~\$100,000,000.00~~ **\$170,000,000.00** for ~~2023-2024, 2024-~~ **2025**, and from the school meals reserve fund money appropriated in section 11, there is allocated an amount not to exceed ~~\$25,000,000.00 for 2022-2023 and an amount not to exceed \$60,000,000.00~~ **\$30,000,000.00** for ~~2023-2024-2024-2025~~ for the purpose of making payments to participating entities to provide free school lunch and breakfast to public school pupils in grades pre-K to 12.

(2) In order to receive funding from this section, a participating entity must participate in the National School Lunch Program and must do all of the following:

(a) Provide reimbursable breakfasts and reimbursable lunches at no cost to all students for any school breakfast program or school lunch program operated by the participating entity.

(b) ~~Except for 2022-2023, submit~~ **Submit** information regarding the number of reimbursable breakfasts and reimbursable lunches served in a manner prescribed by the department.

(c) Maximize federal reimbursement for reimbursable breakfasts and reimbursable lunches by operating under the CEP if the participating entity has an identified student

percentage greater than or equal to the minimum requirement to be eligible to participate in the CEP. For purposes of this subdivision, all eligible participating entities must elect CEP on behalf of a single school, a group or groups of schools, or all schools in the participating entity, as applicable, in a manner that maximizes federal reimbursement.

(d) ~~The participating entity meets~~ **Meet** all applicable state and federal standards in its school breakfast and lunch programs, as determined by the department.

(e) ~~The participating entity takes~~ **Take** all efforts to maximize and implement policies that require parents or guardians to fill out relevant family income information, in a manner prescribed by the department, for the purposes of determining student eligibility for federal free or reduced cost meal reimbursement rates and CEP eligibility determinations.

(f) ~~By not later than February 1, 2024, Forgive~~ all school meal debt, ~~has been forgiven by the participating entity,~~ as determined by the department.

(3) Participating entities are encouraged to offer meals that meet students' dietary restrictions, including the provision of gluten-free meals, vegetarian meals, vegan meals, and, upon request, kosher meals, halal meals, and meals meeting any allergy restrictions as confirmed by a doctor's note.

(4) For each eligible participating entity, the department shall pay an amount equal to the following:

(a) The amount equal to the federal rate per student paid per pupil per free breakfast and lunch under the Child Nutrition Act of 1966, 42 USC 21 1771 to 1793, and the Richard B. Russell National School Lunch Act, 42 USC 1751 to 1769j, multiplied by the number of breakfasts and lunches provided by the participating entity to students, less the federal revenue received by the participating entity under the school breakfast program and the school lunch program under the Child Nutrition Act of 1966, 42 USC 21 1771 to 1793, and the Richard B. Russell National School Lunch Act, 42 USC 1751 to 1769j, and other state lunch payments received under section 31d.

(b) The amount equal to the federal rate per student paid per pupil per free breakfast and lunch under the Child Nutrition Act of 1966, 42 USC 21 1771 to 1793, and the Richard B. Russell National School Lunch Act, 42 USC 1751 to 1769j, multiplied by the number of breakfasts and lunches provided by the participating entity, as applicable, to children participating in the Great Start Readiness Program under section 32d at the

1 participating entity, less all other federal and state lunch payments made for those
2 children. For purposes of this subdivision, compliance with 7 CFR 226.9 is required. The
3 department shall assign rates of reimbursement pursuant to 7 CFR 226.9, at least annually,
4 on the basis of family size and income information reported by each eligible participating
5 entity. Assigned rates of reimbursement must be adjusted annually to reflect changes in the
6 national average payment rates.

7 (5) Notwithstanding section 17b, the department may make payments under this section
8 on a schedule determined by the department.

9 (6) As used in this section:

10 (a) "CEP" means the Community Eligibility Provision under the Richard B. Russell
11 National School Lunch Act, 42 USC 1751 to 1769j.

12 (b) "Participating entity" means a district, intermediate district, or the Michigan
13 Schools for the Deaf and Blind.

14 (7) In addition to the appropriations in section 11, if the amount allocated in
15 subsection (1) is not sufficient to fully reimburse districts for meals as required in this
16 section, there is appropriated from the school meals reserve fund created in section 30e
17 the amount necessary to fully fund these reimbursements.

18 Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there
19 is allocated for ~~2023-2024-2024-2025~~ an amount not to exceed ~~\$1,035,150,000.00,~~
20 **\$1,013,950,000.00** and from the general fund money appropriated in section 11 there is
21 allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$1,500,000.00 for payments to
22 eligible districts and eligible public school academies for the purposes of ensuring that
23 pupils are proficient in English language arts by the end of grade 3, that pupils are
24 proficient in mathematics by the end of grade 8, that pupils are attending school
25 regularly, that high school graduates are career and college ready, and for the purposes
26 under subsections (7), **and** (8)., ~~(19) and (20).~~

27 (2) For a district or public school academy to be eligible to receive funding under
28 this section, other than funding under subsection (7), **and** (8), ~~(19) or (20)~~ the district
29 or public school academy, for grades K to 12, must comply with the requirements under
30 section 1280f of the revised school code, MCL 380.1280f, and must use resources to address
31 early literacy and numeracy, and for at least grades K to 12 or, if the district or public
32 school academy does not operate all of grades K to 12, for all of the grades it operates,

1 must implement a multi-tiered system of supports that is an evidence-based framework that
2 uses data driven problem solving to integrate academic and behavioral instruction and that
3 uses intervention delivered to all pupils in varying intensities based on pupil needs. The
4 multi-tiered system of supports described in this subsection must provide at least all of
5 the following essential components:

6 (a) Team-based leadership.

7 (b) A tiered delivery system.

8 (c) Selection and implementation of instruction, interventions, and supports.

9 (d) A comprehensive screening and assessment system.

10 (e) Continuous data-based decision making.

11 (3) From the state school aid fund money allocated under subsection (1), there is
12 allocated for ~~2023-2024-2024-2025~~ an amount not to exceed ~~\$952,000,000.00~~ **\$975,800,000.00**
13 to continue a weighted foundation per pupil payment for districts and public school
14 academies enrolling economically disadvantaged pupils. The department shall pay under this
15 subsection to each eligible district or eligible public school academy an amount per pupil
16 equal to a percentage calculated under subsection (4) multiplied by the target foundation
17 allowance for the following, as applicable:

18 (a) Except as otherwise provided under subdivision (b), (c), or (d) the greater of
19 the following:

20 (i) The number of membership pupils in the district or public school academy who are
21 determined to be economically disadvantaged, as reported to the center in the form and
22 manner prescribed by the center not later than the fifth Wednesday after the pupil
23 membership count day of the immediately preceding fiscal year.

24 (ii) If the district or public school academy is in the community eligibility program,
25 the number of pupils determined to be eligible based on the product of the identified
26 student percentage multiplied by the total number of pupils in the district or public
27 school academy, as reported to the center in the form and manner prescribed by the center
28 not later than the fifth Wednesday after the pupil membership count day of the immediately
29 preceding fiscal year. These calculations must be made at the building level. This
30 subparagraph only applies to an eligible district or eligible public school academy for the
31 fiscal year immediately following the first fiscal year in which it is in the community
32 eligibility program. As used in this subparagraph, "identified student percentage" means

1 the quotient of the number of pupils in an eligible district or eligible public school
2 academy who are determined to be economically disadvantaged, as reported to the center in a
3 form and manner prescribed by the center, not later than the fifth Wednesday after the
4 pupil membership count day in the fiscal year preceding the first fiscal year in which the
5 eligible district or eligible public school academy is in the community eligibility
6 program, divided by the total number of pupils counted in an eligible district or eligible
7 public school academy on the pupil membership count day in the fiscal year preceding the
8 first fiscal year in which the eligible district or eligible public school academy is in
9 the community eligibility program.

10 (b) If the district or public school academy began operations as a district or public
11 school academy after the pupil membership count day of the immediately preceding school
12 year, the number of membership pupils in the district or public school academy who are
13 determined to be economically disadvantaged, as reported to the center in the form and
14 manner prescribed by the center not later than the fifth Wednesday after the pupil
15 membership count day of the current fiscal year.

16 (c) If the district or public school academy began operations as a district or public
17 school academy after the pupil membership count day of the current fiscal year, the number
18 of membership pupils in the district or public school academy who are determined to be
19 economically disadvantaged, as reported to the center in the form and manner prescribed by
20 the center not later than the fifth Wednesday after the supplemental count day of the
21 current fiscal year.

22 (d) If, for a particular fiscal year, the number of membership pupils in a district
23 or public school academy who are determined under subdivision (a) to be economically
24 disadvantaged or to be eligible based on the identified student percentage varies by more
25 than 20 percentage points from the number of those pupils in the district or public school
26 academy as calculated under subdivision (a) for the immediately preceding fiscal year
27 caused by an egregious reporting error by the district or public school academy, the
28 department may choose to have the calculations under subdivision (a) instead be made using
29 the number of membership pupils in the district or public school academy who are determined
30 to be economically disadvantaged, as reported to the center in the form and manner
31 prescribed by the center not later than the fifth Wednesday after the supplemental count
32 day of the immediately preceding fiscal year.

(4) Each district or public school academy must be assigned to an opportunity index score each fiscal year, the value of which is the quotient of the number of economically disadvantaged pupils as determined under subsection (3) for the district or public school academy and the total number of pupils in the district or public school academy in the immediately preceding fiscal year, multiplied by 100 and rounded up to the nearest whole number. Each district or public school academy must be assigned an opportunity index band as follows:

(a) A district or public school academy with an opportunity index score greater than or equal to 0 but less than 20 must be assigned to band 1 and shall receive reimbursement under subsection (3) at a rate of at least 35.0% and less than 36.0%. The reimbursement rate under this subdivision must be an amount equal to the district's opportunity index score minus 1, multiplied by the band adjustment factor applicable to this subdivision, plus 35.0%.

(b) A district or public school academy with an opportunity index score greater than or equal to 20 but less than 44 must be assigned to band 2 and shall receive reimbursement under subsection (3) at a rate of at least 36.0% and less than 37.5%. The reimbursement rate under this subdivision must be an amount equal to the district's opportunity index score minus 20, multiplied by the band adjustment factor applicable to this subdivision, plus 36.0%.

(c) A district or public school academy with an opportunity index score greater than or equal to 44 but less than 59 must be assigned to band 3 and shall receive reimbursement under subsection (3) at a rate of at least 37.5% and less than 39.0%. The reimbursement rate under this subdivision must be an amount equal to the district's opportunity index score minus 44, multiplied by the band adjustment factor applicable to this subdivision, plus 37.5%.

(d) A district or public school academy with an opportunity index score greater than or equal to 59 but less than 73 must be assigned to band 4 and shall receive reimbursement under subsection (3) at a rate of at least 39.0% and less than 42.0%. The reimbursement rate under this subdivision must be an amount equal to the district's opportunity index score minus 59, multiplied by the band adjustment factor applicable to this subdivision, plus 39.0%.

(e) A district or public school academy with an opportunity index score greater than

1 or equal to 73 but less than 85 must be assigned to band 5 and shall receive reimbursement
2 under subsection (3) at a rate of at least 42.0% and less than 47.0%. The reimbursement
3 rate under this subdivision must be an amount equal to the district's opportunity index
4 score minus 73, multiplied by the band adjustment factor applicable to this subdivision,
5 plus 42.0%.

6 (f) A district or public school academy with an opportunity index score greater than
7 or equal to 85 must be assigned to band 6 and shall receive reimbursement under subsection
8 (3) at a rate of 47.0%.

9 (g) As used in this subsection, "band adjustment factor" means an amount equal to the
10 difference between the lowest and highest reimbursement bounds for each band, divided by
11 the number of possible opportunity index scores in that band.

12 (5) Except as otherwise provided in this section, a district or public school academy
13 receiving funding under this section shall use that money only to provide instructional
14 programs and direct noninstructional services, including, but not limited to, medical,
15 mental health, or counseling services, for at-risk pupils; for school health clinics; and
16 for the purposes of subsection (6), (7), **or** (8). ~~-(19) or (20).~~ In addition, a district
17 that is a school district of the first class or a district or public school academy in
18 which at least 50% of the pupils in membership were determined to be economically
19 disadvantaged in the immediately preceding state fiscal year, as determined and reported as
20 described in subsection (3), may use the funds it receives under this section for school
21 security or school parent liaison personnel. The uses of the funds described in the
22 immediately preceding sentence must align to the needs assessment and the multi-tiered
23 system of supports model and, for funds spent on parent liaison personnel, must connect
24 parents to the school community. A district or public school academy shall not use any of
25 the money received under this section for administrative costs. The instruction or direct
26 noninstructional services provided under this section may be conducted before or after
27 regular school hours or by adding extra school days to the school year.

28 (6) A district or public school academy that receives funds under this section and
29 that operates a school breakfast program under section 1272a of the revised school code,
30 MCL 380.1272a, shall use from the funds received under this section an amount, not to
31 exceed \$10.00 per pupil for whom the district or public school academy receives funds under
32 this section, necessary to pay for costs associated with the operation of the school

1 breakfast program.

2 (7) From the state school aid fund money allocated under subsection (1), there is
3 allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$33,000,000.00 to support primary
4 health care services provided to children and adolescents up to age 21. These funds must be
5 expended in a form and manner determined jointly by the department and the department of
6 health and human services. When making funding decisions for new adolescent health centers
7 under this subsection, the department and department of health and human services shall
8 prioritize support for primary health care services in unserved **and underserved** counties.
9 ~~as of July 14, 2022. An amount not to exceed 4% of the funds allocated for 2023-2024-2024-~~
10 **2025** under this subsection must be made available for technical support and coordination
11 services from a nonprofit organization exclusively dedicated to serving adolescent health
12 centers in this state and that has a membership that includes federally qualified health
13 centers, local public health departments, hospital systems, and public school districts. As
14 a requirement of being awarded the funds under this subsection as prescribed under this
15 subsection, a nonprofit organization described in this subsection shall make readily
16 available technical support and coordination services to all child and adolescent health
17 centers in this state. ~~Funds appropriated under this subsection are a work project~~
18 ~~appropriation and any unexpended funds for 2023-2024 are carried forward into 2024-2025.~~
19 ~~The purpose of the work project is to continue to improve child and adolescent health~~
20 ~~center program sites and improve delivery of patient care. The estimated completion date of~~
21 ~~the work project is September 30, 2025.~~

22 (8) From the state school aid fund money allocated under subsection (1), there is
23 allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$5,150,000.00 for the state
24 portion of the hearing and vision screenings as described in part 93 of the public health
25 code, 1978 PA 368, MCL 333.9301 to 333.9329, and, from the general fund money allocated
26 under subsection (1), there is allocated for ~~2023-2024-2024-2025~~ an amount not to exceed
27 \$1,500,000.00 for the state portion of the dental screenings as described in part 93 of the
28 public health code, 1978 PA 368, MCL 333.9301 to 333.9329. A local public health department
29 shall pay at least 50% of the total cost of the screenings. The frequency of the vision
30 screenings must be as required under R 325.13091 to R 325.13096 of the Michigan
31 Administrative Code and the frequency of the hearing screenings must be as required under R
32 325.3271 to R 325.3276 of the Michigan Administrative Code. Funds must be awarded in a form

1 and manner approved jointly by the department and the department of health and human
2 services. Notwithstanding section 17b, the department shall make payments to eligible
3 entities under this subsection on a schedule determined by the department.

4 (9) Each district or public school academy receiving funds under this section shall
5 submit to the department by July 15 of each fiscal year a report, in the form and manner
6 prescribed by the department, that includes a brief description of each program conducted
7 or services performed by the district or public school academy using funds under this
8 section, the amount of funds under this section allocated to each of those programs or
9 services, the total number of at-risk pupils served by each of those programs or services,
10 and the data necessary for the department and the department of health and human services
11 to verify matching funds for the temporary assistance for needy families program. In
12 prescribing the form and manner of the report, the department shall ensure that districts
13 are allowed to expend funds received under this section on any activities that are
14 permissible under this section. If a district or public school academy does not comply with
15 this subsection, the department shall withhold an amount equal to the August payment due
16 under this section until the district or public school academy complies with this
17 subsection. If the district or public school academy does not comply with this subsection
18 by the end of the fiscal year, the withheld funds are forfeited to the school aid fund.

19 (10) To receive funds under this section, a district or public school academy must
20 allow access for the department or the department's designee to audit all records related
21 to the program for which it receives those funds. The district or public school academy
22 shall reimburse the state for all disallowances found in the audit.

23 (11) Subject to subsections (6), (7), and (8), ~~(19), and (20)~~ for schools in which
24 more than 40% of pupils are identified as at-risk, a district or public school academy may
25 use the funds it receives under this section to implement tier 1, evidence-based practices
26 in schoolwide reforms that are guided by the district's comprehensive needs assessment and
27 are included in the district improvement plan. Schoolwide reforms must include parent and
28 community supports, activities, and services, that may include the pathways to potential
29 program created by the department of health and human services or the communities in
30 schools program. As used in this subsection, "tier 1, evidence-based practices" means
31 research based instruction and classroom interventions that are available to all learners
32 and effectively meet the needs of most pupils.

1 (12) A district or public school academy that receives funds under this section may
2 use those funds to provide research based professional development and to implement a
3 coaching model that supports the multi-tiered system of supports framework. Professional
4 development may be provided to district and school leadership and teachers and must be
5 aligned to professional learning standards; integrated into district, school building, and
6 classroom practices; and solely related to the following:

7 (a) Implementing the multi-tiered system of supports required in subsection (2) with
8 fidelity and utilizing the data from that system to inform curriculum and instruction.

9 (b) Implementing section 1280f of the revised school code, MCL 380.1280f, as required
10 under subsection (2), with fidelity.

11 (13) ~~For 2023-2024 a~~ A district or public school academy that receives funds under
12 subsection (3) may use funds received under subsection (3) for support staff providing
13 services to at-risk pupils. **A district of the first class or a district or public school**
14 **academy that is assigned by the superintendent of public instruction as a partnership**
15 **district and that in which at least 90% of the pupils were determined to be economically**
16 **disadvantaged in the immediately preceding state fiscal year, as determined and reported as**
17 **described in subsection (4), may use up to 30% of the funds it receives under this section**
18 **to support retention and recruitment of instructional staff and staff providing services**
19 **related to mental, emotional or physical health. The use of the funds described in the**
20 **immediately preceding sentence must align with the needs assessment and the multi-tiered**
21 **system of support model. A district or public school academy shall not use any of the money**
22 **received under this subsection for administrative costs. A district or public-school**
23 **academy that uses funds in this manner must report to the department this intent by**
24 **November 1 of the fiscal year.**

25 (14) A district or public school academy that receives funds under this section may
26 use up to 10% of the funds received under this section to provide evidence-based
27 instruction for pre-kindergarten instructional and noninstructional services to children
28 who meet at least 1 of the criteria in subsection ~~(21) (a) (i)~~ **(19) (a) (i)** to (x).

29 (15) Except as otherwise provided in this subsection, if necessary, the department
30 shall prorate payments under this section, except payments under subsection (7)~~, or (8),~~
31 ~~(19), or (20),~~ by reducing the amount of the allocation as otherwise calculated under this
32 section by an equal percentage per district. Subject to the availability of funds, if

1 proration is necessary under this subsection, the department must ensure that no district
2 receives an amount less than 11.5% of the target foundation for each economically
3 disadvantaged pupil enrolled in the district.

4 (16) If a district is dissolved pursuant to section 12 of the revised school code,
5 MCL 380.12, the intermediate district to which the dissolved district was constituent shall
6 determine the estimated number of pupils that are economically disadvantaged and that are
7 enrolled in each of the other districts within the intermediate district and provide that
8 estimate to the department for the purposes of distributing funds under this section within
9 60 days after the district is declared dissolved.

10 (17) A district or public school academy that receives funds under this section may
11 use funds received under this section to provide an anti-bullying or crisis intervention
12 program.

13 (18) The department shall collaborate with the department of health and human
14 services to prioritize assigning Pathways to Potential success coaches to elementary
15 schools that have a high percentage of pupils in grades K to 3 who are not proficient in
16 English language arts, based upon state assessments for pupils in those grades.

17 ~~(19) From the state school aid fund money allocated under subsection (1), there is~~
18 ~~allocated for 2023-2024 only an amount not to exceed \$35,000,000.00 to support primary~~
19 ~~health care services provided to children and adolescents up to age 21 and for the~~
20 ~~provision of space upgrades in child and adolescent health center programs. All of the~~
21 ~~following apply to this allocation:~~

22 ~~(a) The funds must be used for only the following purposes:~~

23 ~~(i) Modernizing antiquated medical equipment.~~

24 ~~(ii) Improving security and patient safety measures.~~

25 ~~(iii) Investing in new patient-centered technologies.~~

26 ~~(iv) Renovating physical spaces to improve patient privacy and the care setting.~~

27 ~~(b) The funds must be expended in a form and manner determined jointly by the~~
28 ~~department and the department of health and human services.~~

29 ~~(c) To be eligible to receive funding under this subsection, a child and adolescent~~
30 ~~health center program that serves students in the current fiscal year must submit an~~
31 ~~application in a form and manner determined by the department and the department of health~~
32 ~~and human services.~~

1 ~~(d) An amount not to exceed 4% of the funds allocated for 2023-2024 under this~~
2 ~~subsection must be made available for technical support and coordination services from a~~
3 ~~nonprofit organization exclusively dedicated to serving adolescent health centers in this~~
4 ~~state and that has a membership that includes federally qualified health centers, local~~
5 ~~public health departments, hospital systems, and public school districts. As a requirement~~
6 ~~of being awarded the funds under this subsection as prescribed under this subsection, a~~
7 ~~nonprofit organization described in this subsection shall make readily available technical~~
8 ~~support and coordination services to all child and adolescent health centers in this state.~~

9 ~~(e) Funds appropriated under this subsection are a work project appropriation and any~~
10 ~~unexpended funds for 2023-2024 are carried forward into 2024-2025. The purpose of the work~~
11 ~~project is to continue to improve child and adolescent health center program sites and~~
12 ~~improve delivery of patient care. The estimated completion date of the work project is~~
13 ~~September 30, 2025.~~

14 ~~(20) From the state school aid fund money appropriated under section 11, there is~~
15 ~~allocated for 2023-2024 only an amount not to exceed \$10,000,000.00 for an electronic~~
16 ~~patient data and health care analytic system to be made available to each child and~~
17 ~~adolescent health center program. The department of health and human services shall~~
18 ~~collaborate on system implementation with a nonprofit organization exclusively dedicated to~~
19 ~~serving child and adolescent health center programs in this state and that has a membership~~
20 ~~that includes federally qualified health centers, local public health departments, hospital~~
21 ~~systems, and public school districts, including, but not limited to, technology assessment,~~
22 ~~design, coordination, and system implementation with child and adolescent health center~~
23 ~~programs.~~

24 **(19)** ~~(21)~~ As used in this section:

25 (a) "At-risk pupil" means a pupil in grades pre-K to 12 for whom the district has
26 documentation that the pupil meets any of the following criteria:

27 (i) The pupil is economically disadvantaged.

28 (ii) The pupil is an English language learner.

29 (iii) The pupil is chronically absent as defined by and reported to the center.

30 (iv) The pupil is a victim of child abuse or neglect.

31 (v) The pupil is a pregnant teenager or teenage parent.

32 (vi) The pupil has a family history of school failure, incarceration, or substance

1 abuse.

2 (vii) The pupil is an immigrant who has immigrated within the immediately preceding 3
3 years.

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

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

9 (x) Is a pupil who is at risk of not meeting the district's or public school
10 academy's core academic curricular objectives in English language arts or mathematics, as
11 demonstrated on local assessments.

12 (b) "Combined state and local revenue" means the aggregate of the district's state
13 school aid received by or paid on behalf of the district under section 20 and the
14 district's local school operating revenue.

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

18 (d) "Economically disadvantaged" means a pupil who has been determined eligible for
19 free or reduced-price meals as determined under the Richard B. Russell national school
20 lunch act, 42 USC 1751 to 1769j; who is in a household receiving supplemental nutrition
21 assistance program or temporary assistance for needy families assistance; or who is
22 homeless, migrant, or in foster care, as reported to the center.

23 (e) "English language learner" means limited English proficient pupils who speak a
24 language other than English as their primary language and have difficulty speaking,
25 reading, writing, or understanding English as reported to the center.

26 (f) "Local school operating revenue" means that term as defined in section 22b.

27 Sec. 31d. (1) From the state school aid fund money appropriated in section 11, there
28 is allocated an amount not to exceed ~~\$27,553,400.00 for 2022-2023 and there is allocated an~~
29 ~~amount not to exceed \$29,553,400.00 for 2023-2024-2024-2025~~ for the purpose of making
30 payments to districts and other eligible entities under this section.

31 (2) The amounts allocated from state sources under this section are used to pay the
32 amount necessary to reimburse districts for 6.0127% of the necessary costs of the state

1 mandated portion of lunch programs provided by those districts. The department shall
2 calculate the amount due to each district under this section using the methods of
3 calculation adopted by the Michigan supreme court in the consolidated cases known as Durant
4 v State of Michigan, 456 Mich 175 (1997).

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

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

13 (5) From the federal funds appropriated in section 11, there is allocated for ~~2022-~~
14 ~~2023 all available federal funding, estimated at \$901,400,000.00, and there is allocated~~
15 ~~for 2023-2024-2024-2025~~ all available federal funding, estimated at \$901,400,000.00 for
16 child nutrition programs and, for ~~2022-2023, all available federal funding, estimated at~~
17 ~~\$15,000,000.00, and, for 2023-2024, 2024-2025,~~ all available federal funding, estimated at
18 \$15,000,000.00, for food distribution programs.

19 (6) Notwithstanding section 17b, the department shall make payments to eligible
20 entities other than districts under this section on a schedule determined by the
21 department.

22 (7) In purchasing food for a lunch program funded under this section, a district or
23 other eligible entity shall give preference to food that is grown or produced by Michigan
24 businesses if it is competitively priced and of comparable quality.

25 Sec. 31f. (1) From the state school aid fund money appropriated in section 11, there
26 is allocated an amount not to exceed ~~\$11,900,000.00 for 2022-2023, and there is allocated~~
27 ~~an amount not to exceed \$16,900,000.00 for 2023-2024-2024-2025~~ for the purpose of making
28 payments to districts to reimburse for the cost of providing breakfast.

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

31 (a) The district participates in the federal school breakfast program and meets all
32 standards as prescribed by 7 CFR parts 210, 220, 225, 226, and 245.

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

(3) The payment for a district under this section is at a per meal rate equal to the lesser of the district's actual cost or 100% of the statewide average cost of a meal served, as determined and approved by the department, less federal reimbursement, participant payments, and state breakfast reimbursements received under section 30d. The department shall determine the statewide average cost using costs as reported in a manner approved by the department for the preceding school year.

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

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

Sec. 31j. (1) From the general fund money appropriated in section 11, there is allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$500,000.00 and from the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed ~~\$8,800,000.00~~ **\$4,000,000.00** for ~~2023-2024-2024-2025~~ for a program to support districts and other non-school sponsors in the purchase of locally grown fruits and vegetables as described in this section. ~~It is the intent of the legislature that, for 2024-2025, the allocation from the state school aid fund money appropriated in section 11 for purposes described in this section will be \$4,000,000.00.~~

(2) Funding under this section retained by the department for administration must not exceed 5%. Funding under this section retained by project partners for data collection, outreach, and training must not exceed ~~1%~~ **2%** for each partner.

(3) The department shall develop and implement a competitive grant program for districts and other non-school sponsors to assist in paying for the costs incurred by the district or other non-school sponsor to purchase or increase purchases of whole or minimally processed fruits, vegetables, and legumes grown in this state. The maximum amount that may be drawn down on a grant to a district or other non-school sponsor is based on the number of meals served by the district during the previous school year under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j, or meals served by the other non-school sponsor in the previous school year. The department shall collaborate with the

Michigan department of agriculture and rural development to provide training to newly participating schools and other non-school sponsors and electronic information on Michigan agriculture.

(4) The goals of the program under this section include improving daily nutrition and eating habits for children through the school and child care settings while investing in Michigan's agricultural and related food business economy.

(5) A district or other non-school sponsor that receives a grant under this section shall use those funds for the costs incurred by the district or the sponsor to:

(a) Purchase ~~purchase~~ whole or minimally processed fruits, vegetables, and legumes that meet both of the following:

(i) ~~(a)~~ For each fiscal year, were purchased for use in meals and supportive activities as part of the United States Department of Agriculture child nutrition programs provided between ~~September~~ **October** 1 through ~~August~~ **September** 30 of that fiscal year.

(ii) ~~(b)~~ Are grown in this state and, if minimally processed, are also processed in this state.

(b) Pay for labor and food transportation of locally grown fruits and vegetables that directly support the activities and goals of the program under this section. These costs must not exceed 25% of the grant award.

(6) For Michigan-grown fruits, vegetables, and legumes that satisfy the requirements of subsection (5), the department shall make matching reimbursements in an amount not to exceed 10 cents for every school meal that is served as part of the United States Department of Agriculture's child nutrition programs.

(7) In awarding grants under this section, the department shall work in consultation with Michigan-based farm to school resource organizations, to develop scoring criteria that assess an applicant's ability to procure Michigan-grown products, prepare and menu Michigan-grown products, promote and market Michigan-grown products, and submit letters of intent from districts or other non-school sponsors on plans for educational activities that promote the goals of the program.

(8) The department shall give preference to districts or other non-school sponsors that propose educational activities that meet 1 or more of the following: promote healthy food activities; have clear educational objectives; involve parents or the community; connect to a school's or child care center's farm-to-school or farm-to-early-child-care

1 procurement activities; and market and promote the program, leading to increased pupil
2 knowledge and consumption of Michigan-grown products. The department shall give stronger
3 weighting and consideration to applications with robust marketing and promotional
4 activities.

5 (9) In awarding grants, the department shall also consider all of the following:

6 (a) The percentage of children who qualify for free or reduced price school meals
7 under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j.

8 (b) The variety of school or child care center sizes and geographic locations within
9 the identified prosperity regions.

10 (c) Existing or planned collaboration between child care sponsors, between districts,
11 or with agricultural businesses and essential local food infrastructure, such as farms,
12 farm cooperatives, processors, distributors, and local food hubs.

13 (10) As a condition of receiving a grant under this section, a district or other non-
14 school sponsor shall provide or direct its vendors to provide to the department copies of
15 monthly receipts that show the quantity of different Michigan-grown fruits, vegetables, and
16 legumes purchased, the amount of money spent on each of these products, the name and
17 Michigan location of the farm that grew the products, and the methods or plans to market
18 and promote the program. The district or other non-school sponsor also shall provide to the
19 department monthly United States Department of Agriculture child nutrition reimbursable
20 meal numbers and must retain monthly menus noting when and how Michigan-grown products were
21 used in meals. The district or other non-school sponsor and school or non-school sponsor
22 food service director or directors also shall agree to respond to brief online surveys and
23 to provide a report that shows the percentage relationship of Michigan spending compared to
24 total food spending. Not later than 60 days after the end of the period in which funds
25 under this section were received, and in which federal child nutrition programs require
26 submission of claims, each district or each non-school sponsor shall submit a report to the
27 department on outcomes and related measurements for economic development and children's
28 nutrition and readiness to learn. The report must include at least both of the following:

29 (a) The extent to which farmers and related businesses, including distributors and
30 processors, saw an increase in market opportunities and income generation through sales of
31 Michigan or local products to districts and other non-school sponsors. All of the following
32 apply for purposes of this subdivision:

1 (i) The data used to determine the amount of this increase are the total dollar
2 amount of Michigan or local fruits, vegetables, and legumes purchased by schools and other
3 non-school sponsors, along with the number of different types of products purchased; school
4 and non-school sponsor food purchasing trends identified along with products that are of
5 new and growing interest among food service directors; the number of businesses impacted;
6 and the percentage of total food budget spent on Michigan-grown fruits, vegetables, and
7 legumes.

8 (ii) The district or other non-school sponsor shall use purchasing data collected for
9 the program and surveys of school and non-school sponsor food service directors on the
10 impact and success of the program as the source for the data described in subparagraph (i).

11 (b) The ability to which pupils can access a variety of healthy Michigan-grown foods
12 through schools and other non-school sponsor centers and increase their consumption of
13 those foods. All of the following apply for purposes of this subdivision:

14 (i) The data used to determine whether this subdivision is met are the number of
15 pupils exposed to Michigan-grown fruits, vegetables, and legumes at schools and non-school
16 sponsor centers; the variety of products served; new items taste-tested or placed on menus;
17 and the increase in pupil willingness to try new local healthy foods.

18 (ii) The district or other non-school sponsor shall use purchasing data collected for
19 the project, meal count and enrollment numbers, school menu calendars, and surveys of
20 school and non-school sponsor food service directors as the source for the data described
21 in subparagraph (i).

22 (11) The department shall compile the reports provided by districts and other non-
23 school sponsors under subsection (10) into 1 legislative report. The department shall
24 provide this report not later than April 1 of each fiscal year following the fiscal year
25 for which funding is allocated under this section to the house and senate subcommittees
26 responsible for school aid, the house and senate fiscal agencies, and the state budget
27 director.

28 (12) Notwithstanding section 17b, the department shall make payments under this
29 section on a schedule determined by the department.

30 Sec. 31n. (1) From the state school aid fund money appropriated in section 11, there
31 is allocated for ~~2023-2024~~ **2024-2025** for the purposes of this section an amount not to
32 exceed \$106,545,000.00 and from the general fund money appropriated in section 11, there is

1 allocated for ~~2023-2024~~**2024-2025** for the purposes of this section an amount not to exceed
2 \$1,300,000.00. The department and the department of health and human services shall
3 continue a program to distribute this funding to add licensed behavioral health providers
4 for general education pupils, and recipients of the funds under subsection (6) shall
5 continue to seek federal Medicaid match funding for all eligible mental health and support
6 services.

7 (2) The department and the department of health and human services shall maintain an
8 advisory council for programs funded under this section and any other funding under this
9 act to improve or maintain the mental health of students, except for programs funded under
10 section 31a(7) and (8). The advisory council shall define goals for implementation of
11 programs, and shall provide feedback on that implementation. At a minimum, the advisory
12 council shall consist of representatives of state associations representing school health,
13 school mental health, school counseling, education, health care, and other organizations,
14 representatives from the department and the department of health and human services, and a
15 representative from the school safety and mental health commission. The department and
16 department of health and human services, working with the advisory council, shall determine
17 an approach to increase capacity for mental health and support services in schools for
18 general education pupils, and shall determine where that increase in capacity qualifies for
19 federal Medicaid match funding.

20 (3) The advisory council shall develop a fiduciary agent checklist for intermediate
21 districts to facilitate development of a plan to submit to the department and to the
22 department of health and human services. The department and department of health and human
23 services shall determine the requirements and format for intermediate districts to submit a
24 plan for possible funding under subsection (6). The department shall make applications for
25 funding for this program available to districts and intermediate districts not later than
26 December 1 of each fiscal year for which funds are allocated under this section and shall
27 award the funding not later than February 1 of each fiscal year for which funds are
28 allocated under this section.

29 (4) The department of health and human services shall amend the state Medicaid plan
30 to obtain appropriate Medicaid waivers as necessary for the purpose of generating
31 additional Medicaid match funding for school mental health and support services for general
32 education pupils, and this expansion is called Caring for Students (C4S).

1 (5) From the state school aid fund money allocated under subsection (1), there is
2 allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$14,300,000.00 to be distributed
3 to the network of child and adolescent health centers to place a licensed master's level
4 behavioral health provider in schools that do not currently have services available to
5 general education students. Child and adolescent health centers that are part of the
6 network described in this subsection shall provide a commitment to maintain services and
7 implement all available federal Medicaid match methodologies. The department of health and
8 human services shall use all existing or additional federal Medicaid match opportunities to
9 maximize funding allocated under this subsection. The department shall provide funds under
10 this subsection to child and adolescent health centers that are part of the network
11 described in this subsection in the same proportion that funding under section 31a(7) is
12 provided to child and adolescent health centers that are part of the network described in
13 this subsection and that are located and operating in those districts. A payment from
14 funding allocated under this subsection must not be paid to an entity that is not part of
15 the network described in this subsection.

16 (6) From the state school aid fund money allocated under subsection (1), there is
17 allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$87,245,000.00 to be distributed
18 to intermediate districts for the provision of mental health and support services to
19 general education students. Recipients of funds under this subsection shall continue to
20 seek federal Medicaid match funding for all eligible mental health and support services. If
21 a district or intermediate district is not able to procure the services of a licensed
22 master's level behavioral health provider, the district or intermediate district shall
23 notify the department and the department of health and human services and, if the
24 department and department of health and human services verify that the district or
25 intermediate district attempted to procure services from a master's level behavioral health
26 provider and was not able to do so, then the district or intermediate district may instead
27 procure services from a provider with less than a master's degree in behavioral health. To
28 be able to use the exemption in the immediately preceding sentence, the district or
29 intermediate district must submit evidence satisfactory to the department and department of
30 health and human services demonstrating that the district or intermediate district took
31 measures to procure the services of a licensed master's level behavioral health provider
32 but was unable to do so, and the department and department of health and human services

1 must be able to verify this evidence. From the first \$56,173,600.00 of the funds allocated
2 under this subsection, the department shall distribute up to \$1,003,100.00 for ~~2023-2024~~
3 **2024-2025** to each intermediate district that submits a plan approved by the department and
4 the department of health and human services by February 1 of each fiscal year for which
5 funds are allocated under this section. The department shall distribute the remaining
6 \$31,071,400.00 of the funds allocated under this subsection for ~~2023-2024~~**-2024-2025** to
7 intermediate districts on an equal per-pupil basis based on the combined total number of
8 pupils in membership in the intermediate district and its constituent districts, including
9 public school academies that are considered to be constituent districts under section
10 705(7) of the revised school code, MCL 380.705. The department and department of health and
11 human services shall work cooperatively in providing oversight and assistance to
12 intermediate districts and shall monitor the program upon implementation. An intermediate
13 district shall use funds awarded under this subsection to provide funding to its
14 constituent districts, including public school academies that are considered to be
15 constituent districts under section 705(7) of the revised school code, MCL 380.705, for the
16 provision of mental health and support services to general education students. In addition
17 to the criteria identified under subsection (9), an intermediate district shall consider
18 geography, cost, or other challenges when awarding funding to its constituent districts.
19 Districts receiving funding under this subsection are encouraged to provide suicide
20 prevention and awareness education and counseling.

21 (7) If funding awarded to an intermediate district remains after funds are provided
22 by the intermediate district to its constituent districts, the intermediate district shall
23 notify the department and department of health and human services and submit evidence
24 satisfactory to the department and department of health and human services demonstrating
25 how it would like to use funds for purposes other than hiring licensed behavioral health
26 providers for general education pupils. With permission from the department and department
27 of health and human services, the intermediate district may hire or contract for experts to
28 provide mental health and support services to general education students residing within
29 the boundaries of the intermediate district, including, but not limited to, expanding,
30 hiring, or contracting for staff and experts to provide those services directly or to
31 increase access to those services through coordination with outside mental health agencies;
32 the intermediate district may also contract with 1 or more other intermediate districts for

1 coordination and the facilitation of activities related to providing mental health and
2 support services to general education students residing within the boundaries of the
3 intermediate district; the intermediate district may also use the funds under this section
4 to create or strengthen school-based behavioral health assessment teams that focus on
5 providing age-appropriate interventions, identifying behaviors that suggest a pupil may be
6 struggling with mental health challenges, providing treatment and support of the pupil, and
7 using disciplinary interventions and the criminal justice system as methods of last resort;
8 and the intermediate district may also use the funds under this section to provide
9 evidence-based trainings that support student mental health.

10 (8) If funding awarded to an intermediate district under this section remains
11 unspent, or if the intermediate district submits an application requesting a lower
12 allocation than the maximum amount permitted, the department, in conjunction with the
13 intermediate district, may reallocate the funds to another intermediate district or other
14 intermediate districts capable of expending the funds before the funding deadline in
15 accordance with this section as if those funds were originally allocated to the
16 intermediate district or intermediate districts to which the funds are being reallocated.

17 (9) A district requesting funds under this section from the intermediate district in
18 which it is located shall submit an application for funding for the provision of mental
19 health and support services to general education pupils. A district receiving funding from
20 the application process described in this subsection shall provide services to nonpublic
21 students upon request. An intermediate district shall not discriminate against an
22 application submitted by a public school academy simply on the basis of the applicant being
23 a public school academy. The department shall approve grant applications based on the
24 following criteria:

25 (a) The district's commitment to maintain mental health and support services
26 delivered by licensed providers into future fiscal years.

27 (b) The district's commitment to work with its intermediate district to use funding
28 it receives under this section that is spent by the district for general education pupils
29 toward participation in federal Medicaid match methodologies. A district must provide a
30 local match of at least 20% of the funding allocated to the district under section 31n.

31 (c) The district's commitment to adhere to any local funding requirements determined
32 by the department and the department of health and human services.

1 (d) The extent of the district's existing partnerships with community health care
2 providers or the ability of the district to establish such partnerships.

3 (e) The district's documentation of need, including gaps in current mental health and
4 support services for the general education population.

5 (f) The district's submission of a formal plan of action identifying the number of
6 schools and students to be served.

7 (g) Whether the district will participate in ongoing trainings.

8 (h) Whether the district will submit an annual report to the state.

9 (i) Whether the district demonstrates a willingness to work with the state to
10 establish program and service delivery benchmarks.

11 (j) Whether the district has developed a school safety plan or is in the process of
12 developing a school safety plan.

13 (k) Any other requirements determined by the department or the department of health
14 and human services.

15 (10) Funding under this section, including any federal Medicaid funds that are
16 generated, must not be used to supplant existing services.

17 (11) Both of the following are allocated to the department of health and human
18 services from the general fund money allocated under subsection (1):

19 (a) For ~~2023-2024~~, **2024-2025**, an amount not to exceed \$1,000,000.00 for the purpose
20 of upgrading technology and systems infrastructure and other administrative requirements to
21 support the programs funded under this section.

22 (b) For ~~2023-2024~~, **2024-2025** an amount not to exceed \$300,000.00 for the purpose of
23 administering the programs under this section and working on generating additional Medicaid
24 funds as a result of programs funded under this section.

25 (12) From the state school aid fund money allocated under subsection (1), there is
26 allocated for ~~2023-2024~~ **2024-2025** an amount not to exceed \$5,000,000.00 to intermediate
27 districts on an equal per intermediate district basis for the purpose of administering
28 programs funded under this section. Recipients of the funds under this subsection shall
29 continue to seek federal Medicaid match funding for all eligible mental health and support
30 services and participate in all learning collaboratives about C4S required by the
31 department and department of health and human services.

32 (13) The department and the department of health and human services shall work with

1 the advisory council to develop proposed measurements of outcomes and performance. Those
2 measurements must include, at a minimum, the number of pupils served, the number of schools
3 served, and where those pupils and schools were located. The department and the department
4 of health and human services shall compile data necessary to measure outcomes and
5 performance, and districts and intermediate districts receiving funding under this section
6 shall provide data requested by the department and department of health and human services
7 for the measurement of outcomes and performance. The department and department of health
8 and human services shall provide an annual report not later than December 1 of each year to
9 the house and senate appropriations subcommittees on school aid and health and human
10 services, to the house and senate fiscal agencies, and to the state budget director. At a
11 minimum, the report must include measurements of outcomes and performance, proposals to
12 increase efficacy and usefulness, proposals to increase performance, and proposals to
13 expand coverage.

14 (14) A district or intermediate district that receives funding directly or indirectly
15 under this section may carry over any unexpended funds received under this section for up
16 to 2 fiscal years beyond the fiscal year in which the funds were received.

17 Sec. 31p. (1) From the ~~federal funding~~ **state school aid fund money** appropriated under
18 section 11, there is allocated for ~~2022-2023-2024-2025~~ only an amount not to exceed
19 ~~\$50,000,000.00 from the federal funding awarded to this state from the coronavirus state~~
20 ~~fiscal recovery fund under the American rescue plan act of 2021, title IX, subtitle M of~~
21 ~~Public Law 117-2, \$12,500,000.00~~ for grants to intermediate districts to implement a TRAILS
22 program as described in subsection (2).

23 (2) The TRAILS program described in this subsection must improve youth access to
24 evidence-based mental health services by training school mental health professionals in
25 effective practices, such as cognitive behavioral therapy and mindfulness. **It is intended**
26 **that a TRAILS program receiving federal funding under this section in a prior fiscal year**
27 **allocated from the American rescue plan act of 2021, title IX, subtitle M of Public Law**
28 **117-2, first expend those dollars before spending dollars allocated from state school aid**
29 **fund money received from intermediate districts under this section.**

30 (3) The department shall establish a grant process to distribute funds under this
31 section.

32 ~~(4) The department shall award, in an equal amount, grants under this section to each~~

~~intermediate district that has an approved grant application for funding under this section. Intermediate districts must forward to the TRAILS program described in subsection (2) an amount equal to the amount awarded to the intermediate district under this subsection to contract with the TRAILS program. The TRAILS program must use funding received from intermediate districts to satisfy the terms of the contracts with the intermediate districts on a statewide basis.~~

(4) ~~(5)~~ Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

(5) ~~(6)~~ The funds allocated under this section for ~~2022-2023-2024-2025~~ are a work project appropriation, and any unexpended funds for ~~2022-2023-2024-2025~~ are carried forward into ~~2023-2024-2024-2025~~. The purpose of the work project is to continue support for the TRAILS program. The estimated completion date of the work project is December 31, ~~2026-2028~~.

~~(7) The federal funding allocated under this section is intended to respond to the COVID-19 public health emergency and its negative impacts.~~

Sec. 31aa. (1) From the state school aid fund money appropriated in section 11, there is allocated ~~\$310,000,000.00~~ **\$300,000,000.00** for ~~2023-2024 only~~ and from the general fund money appropriated in section 11, there is allocated ~~\$18,000,000.00~~ for ~~2023-2024 only~~ **2024-2025** to provide payments to districts, intermediate districts, ~~nonpublic schools,~~ and the Michigan Schools for the Deaf and Blind, for activities to improve student mental health and improve student safety. **It is intended that, for 2025-2026, the allocation from the state school aid fund money appropriated in section 11 for purposes described in this section will be \$150,000,000.00.** ~~It is the intent of the legislature that recipients will use at least 50% of the funds on activities related to improving student mental health. The~~ **Subject to subsection (6),** allowable expenditures of funds under this section include, but are not limited to, the following:

(a) Hiring or contracting for support staff for student mental health needs, including, but not limited to, school psychologists, social workers, counselors, and school nurses.

(b) Purchasing and implementing mental health screening tools.

(c) Providing school-based mental health personnel access to consultation with behavioral health clinicians to respond to complex student mental health needs.

1 (d) Any other **evidence-based or emerging best practice** mental health service or
2 product necessary to improve or maintain the mental health of students and staff.

3 (e) Coordination with local law enforcement.

4 (f) Training for school staff on threat assessment.

5 (g) Training for school staff and students on threat response.

6 (h) Training for school staff on crisis communication.

7 (i) Safety infrastructure, including, but not limited to, cameras, door blocks,
8 hardened vestibules, window screening, and technology necessary to operate buzzer systems.
9 This may also include firearm detection software that integrates to existing security
10 cameras to detect and alert school personnel and first responders to visible firearms on
11 school property. ~~The software described in the immediately preceding sentence must be~~
12 ~~organically developed and proprietary to the company it is purchased from and should not~~
13 ~~include any third-party or open-source data.~~

14 (j) Age-appropriate training for students and families on responsible ~~gun~~-**firearm**
15 ownership, **safe handling, and safe storage.**

16 (k) School resource officers.

17 (l) Any other **evidence-based or emerging best practice** school safety service or
18 product necessary to improve or maintain security in buildings.

19 (m) Student Safety Management System, the information technology platform and related
20 services to improve student safety by mitigating cyberbullying, school violence, human
21 trafficking, and self-harm that supports students from grades K to 12.

22 (n) A secure platform, administered by the department of state police, for school
23 officials, emergency responders, and emergency management coordinators to house all school
24 safety-related items, including, but not limited to, EOP templates, EOP guidance, reference
25 documents, and security assessments. The platform should use existing password-protected
26 access control methods schools currently utilize and, to the extent possible, be capable of
27 integrating with existing platforms or technologies used by districts for school safety.
28 Through permissions-based access control, the platform should be able to relay information
29 clearly and in real time to each person or entity necessary to provide a unified response
30 to a safety incident, or to take appropriate action in response to an anticipated
31 disruption to the normal functions of the surrounding community.

32 (o) **Emergency infrastructure needs to respond to an immediate threat to the health or**

1 safety of students and staff in the district or intermediate district. A district or
2 intermediate district may not expend funds for this purpose without first obtaining
3 approval from the department. In making a determination of approval, the department must,
4 at a minimum, assess whether the district or intermediate district is responding to an
5 immediate threat to the health of safety of students and staff, and whether the district or
6 intermediate district has other sources of funding that should be utilized first.

7 (2) ~~From the state school aid fund money allocated in subsection (1), the~~ **The**
8 department shall make payments to districts and intermediate districts in an equal amount
9 per pupil based on the total number of pupils in membership in each district. ~~From the~~
10 ~~general fund money allocated in subsection (1), the department shall make payments to~~
11 ~~nonpublic schools in an equal amount per pupil, using pupil counts determined by the~~
12 ~~department. The department shall ensure that the amount per pupil paid to nonpublic schools~~
13 ~~does not exceed the amount per pupil paid to districts and intermediate districts.~~

14 (3) If funding remains after the **initial** distribution of funds as described in
15 subsection (2), the department may provide additional per-pupil allocations to allocate
16 remaining dollars. ~~, using for those calculations the same requirements described in~~
17 ~~subsection (2).~~

18 (4) Except as otherwise provided in this section, to receive funding under this
19 section, districts, intermediate districts, ~~and nonpublic schools~~ **and the Michigan Schools**
20 **for the Deaf and Blind** must apply for funding under this section in a form and manner
21 prescribed by the department. In its application described in this subsection, a district,
22 intermediate district, ~~or nonpublic school,~~ **or the Michigan School for the Deaf and Blind,**
23 as applicable, shall document how it or, if an intermediate district is applying on behalf
24 of a constituent district, its constituent district, will ~~use~~ **conduct a thorough needs**
25 **assessment that includes** community input **and resource mapping** to guide the expenditure of
26 the funds it or the constituent district will receive under this section and it shall
27 pledge to host, or shall pledge on behalf of its constituent district that the constituent
28 district will host, at least 1 community conversation about student mental health and
29 school safety. With consent of its constituent districts, an intermediate district may
30 apply for funding under this section on behalf of its constituent districts. As used in
31 this section, "constituent district" means that term as defined in section 3 of the revised
32 school code, MCL 380.3.

(5) Districts receiving funds under this section must coordinate with intermediate school districts to avoid duplication of services and to streamline delivery of services to students.

(6) Recipients of funding under this section must use those dollars on evidence-based or emerging best practices related to improving student mental health and student safety based on a thorough needs assessment that includes community input and resources mapping. Expenditures related to improving student mental health must help support statewide efforts to build a comprehensive school mental health system, as determined by the department. Expenditures related to improving student safety must prioritize needs identified by the district on the district's most recent school safety risk assessment.

(7) ~~(6)~~ Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

Sec. 32d. (1) From the state school aid fund money appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs an amount not to exceed ~~\$369,120,000.00~~ **\$684,561,000.00** for ~~2022-2023~~ and an amount not to exceed ~~\$524,720,000.00~~ for ~~2023-2024~~. In addition, ~~from the federal funding appropriated in section 11, there is allocated for 2022-2023 an amount not to exceed \$83,000,000.00 from the federal funding awarded to this state from the coronavirus state fiscal recovery fund under the American rescue plan act of 2021, title IX, subtitle M of Public Law 117-2, to eligible intermediate districts and consortia of intermediate districts for great start readiness programs. 2024-2025.~~ An intermediate district or consortium shall use funds allocated under this section for great start readiness programs to provide part-day, school-day, GSRP extended programs, or GSRP/Head Start blended comprehensive free compensatory classroom programs designed to improve the readiness and subsequent achievement of ~~educationally disadvantaged~~ children who meet the participant eligibility and prioritization guidelines as defined by the department. For a child to be eligible to participate in a program under this section, the child must be at least 4, but less than 5, years of age as of September 1 of the school year in which the program is offered and must meet those eligibility and prioritization guidelines. A child who is not 4 years of age as of September 1, but who will be 4 years of age not later than December 1, is eligible to participate if the child's parent or legal guardian seeks a waiver from the September 1 eligibility date by submitting a request for enrollment in a

1 program to the responsible intermediate district, ~~if the program has capacity on or after~~
2 ~~September 1 of the school year, and~~ **may be enrolled after eligible children who will be 4**
3 **as of September 1** if the child meets eligibility and prioritization guidelines.

4 (2) From the state school aid fund money allocated under subsection (1), an amount
5 not to exceed ~~\$367,120,000.00 for 2022-2023 and \$522,720,000.00~~ **\$628,961,000.00** for ~~2023-~~
6 ~~2024, and from the federal funds allocated under subsection (1), an amount not to exceed~~
7 ~~\$83,000,000.00 for 2022-2023,~~ **2024-2025** is allocated to intermediate districts or consortia
8 of intermediate districts based on the formula in section 39. An intermediate district or
9 consortium of intermediate districts receiving funding under this section shall act as the
10 fiduciary for the great start readiness programs. An intermediate district or consortium of
11 intermediate districts receiving funding under this section may collaborate with local
12 governments to identify children eligible for programs funded under this section and may
13 contract with local governments to provide services. In order to be eligible to receive
14 funds allocated under this subsection from an intermediate district or consortium of
15 intermediate districts, a district, a consortium of districts, a local government, or a
16 public or private for-profit or nonprofit legal entity or agency must comply with this
17 section and section 39. If, due to the number of GSRP extended program slots awarded, the
18 amount allocated in this subsection is not sufficient to award at least the same number of
19 part-day program and school-day program slots as awarded in the immediately preceding
20 fiscal year, there is appropriated from the great start readiness program reserve fund the
21 amount necessary to fully award the same number of part-day program and full-day program
22 slots as awarded in the immediately preceding fiscal year.

23 (3) In addition to the allocation under subsection (1), from the general fund money
24 appropriated under section 11, there is allocated an amount not to exceed ~~\$500,000.00 for~~
25 ~~2022-2023 and \$600,000.00 for 2023-2024~~ **2024-2025** for a competitive grant to continue a
26 longitudinal evaluation of children who have participated in great start readiness
27 programs.

28 (4) **Except as otherwise provided under subsection (5), to** ~~be~~ eligible for funding
29 under this section, a program must prepare children for success in school through
30 comprehensive part-day, school-day, GSRP extended programs, or GSRP/Head Start blended
31 programs that contain all of the following program components, as determined by the
32 department:

1 (a) Participation in a collaborative recruitment and enrollment process to assure
2 that each child is enrolled in the program most appropriate to the child's needs and to
3 maximize the use of federal, state, and local funds.

4 (b) An age-appropriate educational curriculum that is in compliance with the early
5 childhood standards of quality for prekindergarten children adopted by the state board,
6 including, at least, the Connect4Learning curriculum.

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

9 (d) Physical and dental health and developmental screening services for all program
10 participants.

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

13 (f) Active and continuous involvement of the parents or guardians of the program
14 participants.

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

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

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

26 (j) Participation in this state's great start to quality process with a rating of at
27 least, ~~for 2022-2023, 3 stars, and, for 2023-2024,~~ enhancing quality level.

28 **(5) To help expand access to great start readiness programs, the department may waive**
29 **the requirements under subsection (4) and a program may be eligible for funding under this**
30 **section if the program demonstrates to the satisfaction of the department that the program**
31 **meets all of the following:**

32 **(a) Is a licensed child care provider.**

(b) Provides the minimum instructional time as required by the department.

(c) Participates in the state's quality rating system at a level determined by the department.

(d) Implements a Professional Educator Preparation Plan (PEPP), as defined by the department, for educators not meeting teacher credentialing standards described in subsection (6).

(e) Uses a developmentally appropriate curriculum, as determined by the department.

(f) Conducts developmental screening and referral process, as determined by the department.

(g) Commits to participating in program financial review and monitoring, as determined by the department.

(h) Provides a plan to implement an approved GSRP curriculum and meet additional GSRP standards, as determined by the department.

(6) ~~(5)~~ An application for funding under this section must provide for the following, in a form and manner determined by the department:

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

~~(b) Except as otherwise provided in this subdivision, ensure that at least 85% of the children participating in an eligible great start readiness program for whom the intermediate district is receiving funds under this section are children who live with families with a household income that is equal to or less than, for 2022-2023, 250%, and, for 2023-2024, 300% of the federal poverty guidelines. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list who live with families with a household income that is equal to or less than, for 2022-2023, 250%, and, for 2023-2024, 300% of the federal poverty guidelines, the intermediate district may then enroll children who live with families with a household income that is equal to or less than, for 2022-2023, 300%, and, for 2023-2024, 400% of the federal poverty guidelines. The enrollment process must consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education programs recommending placement in an inclusive preschool setting are considered to live with families with household income equal to or less than, for 2022-2023, 250%, and, for 2023-~~

1 ~~2024, 300% 350% of the federal poverty guidelines regardless of actual family income and~~
2 ~~are prioritized for enrollment within the lowest quintile.~~

3 (a) ~~(c) Ensure~~ **Except as otherwise provided in subsection (5), ensure** that the
4 applicant only uses qualified personnel for this program, as follows:

5 (i) Teachers possessing proper training. A lead teacher must have a valid Michigan
6 teaching certificate with an early childhood or lower elementary endorsement or a
7 bachelor's or higher degree in child development or early childhood education with
8 specialization in preschool teaching. However, except as otherwise provided in this
9 subparagraph, if an applicant demonstrates to the department that it is unable to fully
10 comply with this subparagraph after making reasonable efforts to comply, teachers or
11 paraprofessionals with at least 5 years of experience as a paraprofessional in a great
12 start readiness program, Head Start, or licensed child care center classroom who have
13 significant but incomplete training in early childhood education or child development may
14 be used if the applicant provides to the department, and the department approves, a plan
15 for each teacher to come into compliance with the standards in this subparagraph. ~~Beginning~~
16 ~~in 2023-2024, individuals~~ **Individuals** may qualify with at least 3 years of experience and
17 significant training in early childhood education or child development, based on the
18 recommendation of the intermediate district after a classroom observation. A teacher's
19 compliance plan must be completed within 3 years of the date of employment. Progress toward
20 completion of the compliance plan consists of at least 2 courses per calendar year.

21 (ii) Paraprofessionals possessing proper training in early childhood education,
22 including an associate degree in early childhood education or child development or the
23 equivalent, or a child development associate (CDA) credential. However, if an applicant
24 demonstrates to the department that it is unable to fully comply with this subparagraph
25 after making reasonable efforts to comply, the applicant may use paraprofessionals who have
26 completed at least 1 course that earns college credit in early childhood education or child
27 development or, ~~beginning in 2023-2024,~~ enrolls in a child development associate credential
28 with at least 6 months of verified experience in early education and care, if the applicant
29 provides to the department, and the department approves, a plan for each paraprofessional
30 to come into compliance with the standards in this subparagraph. A paraprofessional's
31 compliance plan must be completed within 3 years of the date of employment. Progress toward
32 completion of the compliance plan consists of at least 2 courses, 60 clock hours, or an

1 equivalent of training per calendar year.

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

10 (7) ~~(6)~~ For a grant recipient that enrolls pupils in a school-day program or GSRP
11 extended program funded under this section, each child enrolled in the school-day program
12 or GSRP extended program is counted as described in section 39 for purposes of determining
13 the amount of the grant award.

14 (8) ~~(7)~~ For a grant recipient that enrolls pupils in a GSRP/Head Start blended
15 program, the grant recipient shall ensure that all Head Start and GSRP policies and
16 regulations are applied to the blended slots, with adherence to the highest standard from
17 either program, to the extent allowable under federal law. A grant recipient may request a
18 waiver from the department to align GSRP policies and regulations with Head Start national
19 standards for quality, including ratios, and the department may approve the waiver. Not
20 later than March 1 of each year, the department will report to the legislature and post on
21 a publicly available website a list by intermediate district or consortium with the number
22 and type of each waiver requested and approved.

23 (9) ~~(8)~~ An intermediate district or consortium of intermediate districts receiving a
24 grant under this section shall designate an early childhood coordinator, and may provide
25 services directly or may contract with 1 or more districts or public or private for-profit
26 or nonprofit providers that meet all requirements of subsections (4), ~~and~~ (5), and (6).

27 (10) ~~(9)~~ An intermediate district or consortium of intermediate districts may retain
28 for administrative services provided by the intermediate district or consortium of
29 intermediate districts an amount not to exceed 4% of the grant amount. Expenses incurred by
30 subrecipients engaged by the intermediate district or consortium of intermediate districts
31 for directly running portions of the program are considered program costs or a contracted
32 program fee for service. Subrecipients operating with a federally approved indirect rate

1 for other early childhood programs may include indirect costs, not to exceed the federal
2 10% de minimis.

3 (11) ~~(10)~~—An intermediate district or consortium of intermediate districts may expend
4 not more than 2% of the total grant amount for outreach, recruiting, and public awareness
5 of the program, if the intermediate district or consortium of intermediate districts also
6 participates in related statewide marketing and outreach efforts.

7 (12) ~~(11)~~—Each grant recipient shall ~~enroll~~ **prioritize enrollment of children living**
8 **in low income households, as determined by the department with input from a workgroup of**
9 **grant recipients** ~~identified under subsection (5) (b) according to how far the child's~~
10 ~~household income is below, for 2022-2023, 250%, and, for 2023-2024, 300% of the federal~~
11 ~~poverty guidelines by ranking each applicant child's household income from lowest to~~
12 ~~highest and dividing the applicant children into quintiles based on how far the child's~~
13 ~~household income is below, for 2022-2023, 250%, and, for 2023-2024, 300% of the federal~~
14 ~~poverty guidelines, and then enrolling children in the quintile with the lowest household~~
15 ~~income before enrolling children in the quintile with the next lowest household income~~
16 ~~until slots are completely filled. If the grant recipient determines that all eligible~~
17 ~~children are being served and that there are no children on the waiting list who live with~~
18 ~~families with a household income that is equal to or less than, for 2022-2023, 250%, and,~~
19 ~~for 2023-2024, 300% of the federal poverty guidelines, the grant recipient may then enroll~~
20 ~~children who live with families with a household income that is equal to or less than, for~~
21 ~~2022-2023, 300%, and, for 2023-2024, 400% of the federal poverty guidelines. The enrollment~~
22 ~~process must consider income and risk factors, such that children determined with higher~~
23 ~~need are enrolled before children with lesser need. For purposes of this subsection, all~~
24 ~~age-eligible children served in foster care or who are experiencing homelessness or who~~
25 ~~have individualized education programs recommending placement in an inclusive preschool~~
26 ~~setting are considered to live with families with household income equal to or less than,~~
27 ~~for 2022-2023, 250%, and, for 2023-2024, 300% of the federal poverty guidelines regardless~~
28 ~~of actual family income and are prioritized for enrollment within the lowest quintile.~~

29 (13) ~~(12)~~—An intermediate district or consortium of intermediate districts receiving
30 a grant under this section shall allow parents of eligible children who are residents of
31 the intermediate district or within the consortium to choose a program operated by or
32 contracted with another intermediate district or consortium of intermediate districts and

1 shall enter into a written agreement regarding payment, in a manner prescribed by the
2 department.

3 **(14)** ~~(13)~~—An intermediate district or consortium of intermediate districts receiving
4 a grant under this section shall conduct a local process to contract with interested and
5 eligible public and private for-profit and nonprofit community-based providers that meet
6 all requirements of subsection (4) for at least 30% of its total allocation. For the
7 purposes of this 30% allocation, an intermediate district or consortium of intermediate
8 districts may count children served by a Head Start grantee or delegate in a blended Head
9 Start, GSRP extended program, and great start readiness school-day program. Children served
10 in a program funded only through Head Start are not counted toward this 30% allocation. The
11 intermediate district or consortium shall report to the department, in a manner prescribed
12 by the department, a detailed list of community-based providers by provider type, including
13 private for-profit, private nonprofit, community college or university, Head Start grantee
14 or delegate, and district or intermediate district, and the number and proportion of its
15 total allocation allocated to each provider as subrecipient. If the intermediate district
16 or consortium is not able to contract for at least 30% of its total allocation, the grant
17 recipient shall notify the department and, if the department verifies that the intermediate
18 district or consortium attempted to contract for at least 30% of its total allocation and
19 was not able to do so, then the intermediate district or consortium may retain and use all
20 of its allocation as provided under this section. To be able to use this exemption, the
21 intermediate district or consortium shall demonstrate to the department that the
22 intermediate district or consortium increased the percentage of its total allocation for
23 which it contracts with a community-based provider and the intermediate district or
24 consortium shall submit evidence satisfactory to the department, and the department must be
25 able to verify this evidence, demonstrating that the intermediate district or consortium
26 took measures to contract for at least 30% of its total allocation as required under this
27 subsection, including, but not limited to, at least all of the following measures:

28 (a) The intermediate district or consortium notified each nonparticipating licensed
29 child care center located in the service area of the intermediate district or consortium
30 regarding the center's eligibility to participate, in a manner prescribed by the
31 department.

32 (b) The intermediate district or consortium provided to each nonparticipating

1 licensed child care center located in the service area of the intermediate district or
2 consortium information regarding great start readiness program requirements and a
3 description of the application and selection process for community-based providers.

4 (c) The intermediate district or consortium provided to the public and to
5 participating families a list of community-based great start readiness program
6 subrecipients with a great start to quality rating of at least, ~~for 2022-2023, 3 stars,~~
7 ~~and, for 2023-2024,~~ enhancing quality level.

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

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

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

22 (b) Provide, or ensure that an organization with which the department contracts
23 provides, a community-based provider with a validated great start to quality rating within
24 90 days of the provider's having submitted a request and self-assessment.

25 (c) Ensure that all intermediate district, district, community college or university,
26 Head Start grantee or delegate, private for-profit, and private nonprofit providers are
27 subject to a single great start to quality rating system. The rating system must ensure
28 that regulators process all prospective providers at the same pace on a first-come, first-
29 served basis and must not allow 1 type of provider to receive a great start to quality
30 rating ahead of any other type of provider.

31 (d) Not later than March 1 of each year, compile the results of the information
32 reported by each intermediate district or consortium under subsection (13) and report to

1 the legislature and post on a publicly available website a list by intermediate district or
2 consortium with the number and percentage of each intermediate district's or consortium's
3 total allocation allocated to community-based providers by provider type, including private
4 for-profit, private nonprofit, community college or university, Head Start grantee or
5 delegate, and district or intermediate district.

6 (e) Allow intermediate districts and consortia and eligible community-based providers
7 to utilize materials and supplies purchased for great start readiness programs within their
8 facilities for other early care and education activities, in the following order of
9 priority:

10 (i) Early care and education activities under a federal award.

11 (ii) Early care and education activities under other state awards.

12 (iii) Early care and education activities under local or regional awards.

13 (17) ~~(16)~~ A recipient of funds under this section shall report to the center in a
14 form and manner prescribed by the center the information necessary to derive the number of
15 children participating in the program ~~who meet the program eligibility criteria under~~
16 ~~subsection (5) (b)~~, the number of eligible children not participating in the program and on
17 a waitlist, and the total number of children participating in the program by various
18 demographic groups and eligibility factors necessary to analyze equitable and priority
19 access to services for the purposes of subsection (3).

20 (18) ~~(17)~~ As used in this section:

21 (a) **"Department" means the department of lifelong education, advancement, and**
22 **potential.**

23 (b) ~~(a)~~ "GSRP/Head Start blended program" means a part-day program funded under this
24 section and a Head Start program, which are combined for a school-day program.

25 (c) ~~(b)~~ "GSRP extended program" means a program that operates for at least the same
26 length of day as a district's first grade program for a minimum of 5 days per week, 36
27 weeks per year.

28 (d) ~~(c)~~ "Federal poverty guidelines" means the guidelines published annually in the
29 Federal Register by the United States Department of Health and Human Services under its
30 authority to revise the poverty line under 42 USC 9902.

31 (e) ~~(d)~~ "Part-day program" means a program that operates at least 4 days per week, 30
32 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer

1 hours of teacher-child contact time per day than a school-day program.

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

6 ~~(18) An intermediate district or consortium of intermediate districts receiving funds~~
7 ~~under this section shall establish and charge tuition according to a sliding scale of~~
8 ~~tuition rates based upon household income for children participating in an eligible great~~
9 ~~start readiness program who live with families with a household income that is more than,~~
10 ~~for 2022-2023, 250%, and, for 2023-2024, 300% of the federal poverty guidelines to be used~~
11 ~~by all of its providers, as approved by the department.~~

12 (19) From the amount allocated in subsection (2), there is allocated for ~~2022-2023~~
13 ~~and 2023-2024~~ **2024-2025** an amount not to exceed \$10,000,000.00 and, from the great start
14 readiness program reserve fund appropriated in section 11, there is allocated for ~~2023-2024~~
15 **2024-2025** an amount not to exceed \$18,000,000.00 for reimbursement of transportation costs
16 for children attending great start readiness programs funded under this section. To receive
17 reimbursement under this subsection, not later than November 1 of each year, a program
18 funded under this section that provides transportation shall submit to the intermediate
19 district that is the fiscal agent for the program a projected transportation budget. The
20 amount of the reimbursement for transportation under this subsection is no more than the
21 projected transportation budget or, ~~for 2022-2023, \$300.00, and, for 2023-2024, \$500.00~~
22 multiplied by the number of children funded for the program under this section. If the
23 amount allocated under this subsection is insufficient to fully reimburse the
24 transportation costs for all programs that provide transportation and submit the required
25 information, the department shall prorate the reimbursement in an equal amount per child
26 funded. The department shall make payments to the intermediate district that is the fiscal
27 agent for each program, and the intermediate district shall then reimburse the program
28 provider for transportation costs as prescribed under this subsection.

29 (20) Subject to, and from the funds allocated under, subsection (19), the department
30 shall reimburse a program for transportation costs related to parent- or guardian-
31 accompanied transportation provided by transportation service companies, buses, or other
32 public transportation services. To be eligible for reimbursement under this subsection, a

1 program must submit to the intermediate district or consortia of intermediate districts all
2 of the following:

3 (a) The names of families provided with transportation support along with a
4 documented reason for the need for transportation support and the type of transportation
5 provided.

6 (b) Financial documentation of actual transportation costs incurred by the program,
7 including, but not limited to, receipts and mileage reports, as determined by the
8 department.

9 (c) Any other documentation or information determined necessary by the department.

10 (21) The department shall implement a process to review and approve age-appropriate
11 comprehensive classroom level quality assessments for GSRP grantees that support the early
12 childhood standards of quality for prekindergarten children adopted by the state board. The
13 department shall make available to intermediate districts at least 2 classroom level
14 quality assessments that were approved in 2018.

15 (22) An intermediate district that is a GSRP grantee may approve the use of a
16 supplemental curriculum that aligns with and enhances the age-appropriate educational
17 curriculum in the classroom. If the department objects to the use of a supplemental
18 curriculum approved by an intermediate district, the superintendent shall establish a
19 review committee independent of the department. The review committee shall meet within 60
20 days of the department registering its objection in writing and provide a final
21 determination on the validity of the objection within 60 days of the review committee's
22 first meeting.

23 (23) The department shall implement a process to evaluate and approve age-appropriate
24 educational curricula that are in compliance with the early childhood standards of quality
25 for prekindergarten children adopted by the state board.

26 (24) From the funds allocated under subsection (1), there is allocated for ~~2022-2023~~
27 ~~an amount not to exceed \$2,000,000.00 and there is allocated for 2023-2024-2024-2025~~ an
28 amount not to exceed \$2,000,000.00 for payments to intermediate districts or consortia of
29 intermediate districts for professional development and training materials for educators in
30 programs implementing new curricula or child assessment tools approved for use in the great
31 start readiness program.

32 (25) A great start readiness program or a GSRP/Head Start blended program funded

under this section is permitted to utilize AmeriCorps Pre-K Reading Corps members in classrooms implementing research-based early literacy intervention strategies.

(26) In addition to the allocation under subsection (1), from the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed \$35,000,000.00 for ~~2022-2023~~**-2024-2025** only for classroom start up grants to intermediate districts and consortia of intermediate districts for new or expanding great start readiness classrooms. All of the following apply to funding allocated under this subsection:

(a) To receive funding under this subsection, intermediate districts and consortia of intermediate districts must apply for the funding in a form and manner prescribed by the department.

(b) The department shall pay an amount not to exceed \$25,000.00 for each new or expanded classroom. If funding is not sufficient to fully fund all eligible applicants, the department must prorate the per-classroom amount on an equal basis. If the allocation is not fully paid in the current fiscal year, the department may award any remaining funding during fiscal year ~~2023-2024~~**-2025-2026** for each new or expanded classroom at an equal amount per classroom, based on remaining available funds, not to exceed \$25,000.00 per classroom.

(c) Funds received under this subsection by intermediate districts and consortia of intermediate districts must be paid in full to the entity operating the classroom and may be used for any of the following purposes:

(i) Costs associated with attracting, recruiting, retaining, and licensing required classroom education personnel to staff new or expanded classrooms.

(ii) Supporting facility improvements or purchasing facility space necessary to provide a safe, high-quality learning environment for children in each new or expanded classroom.

(iii) Outreach material necessary for public awareness that the great start readiness program has openings in the area and for costs associated with enrolling eligible children in new or expanded classrooms.

(iv) Supporting costs in each new or expanded classroom associated with improving a provider's great start to quality rating.

(d) The funds allocated under this subsection for ~~2022-2023~~**-2024-2025** are a work

project appropriation, and any unexpended funds for ~~2022-2023~~ **2024-2025** do not lapse to the state school aid fund and are carried forward into ~~2023-2024~~, **2025-2026**. The purpose of the work project is to continue support for new or expanded great start readiness classrooms. The estimated completion date of the work project is September 30, ~~2024~~, **2026**.

~~(27) In addition to the funds allocated in subsection (1), there is allocated from the state school aid fund money appropriated under section 11 for 2022-2023 only an amount not to exceed \$5,000,000.00 for a consortium of intermediate districts to partner with the department and community-based organizations to implement a multiyear statewide campaign to raise awareness about the availability of services through the great start readiness program and to develop systems to identify and reach out to eligible families. All of the following apply to funding under this subsection:~~

~~(a) Funding under this subsection must be used for the following purposes:~~

~~(i) Implementing a statewide outreach campaign to make families aware of the availability of the great start readiness program.~~

~~(ii) Organizing community events and outreach activities to inform parents about the availability of the great start readiness program, the positive impacts of early childhood education, and additional early childhood programs available to families.~~

~~(iii) Developing and implementing a statewide website that allows providers to advertise available great start readiness slots and allows families to connect with providers to fill open slots. The website must include information about additional early childhood programs for families, including, but not limited to, the child development and care program and Head Start.~~

~~(b) The funds allocated under this subsection for 2022-2023 are a work project appropriation, and any unexpended funds for 2022-2023 are carried forward into 2023-2024. The purpose of the work project is to raise awareness of and participation in great start readiness programming. The estimated completion date of the work project is September 30, 2027.~~

~~(c) Notwithstanding section 17b, the department shall make payments under this subsection on a schedule determined by the department.~~

Sec. 32n. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2023-2024~~ only **2024-2025** an amount not to exceed \$50,000,000.00 to Clinton County RESA, to collaborate with the department, for the purposes of this section. The

1 department shall develop a competitive grant program to distribute this funding to eligible
2 entities, as described in subsection (2), as prescribed under this section.

3 (2) The department shall establish competitive grant criteria for the grant program
4 described in subsection (1) for eligible applicants to expand access to quality, affordable
5 programming before and after the school day or during the summer for young people. To be
6 eligible for a grant under this section, the applicant must meet, at a minimum, all of the
7 following criteria:

8 (a) Serve children in any of grades K to 12.

9 (b) Be a community-based organization that is exempt from federal income tax under
10 section 501(c)(3) of the internal revenue code, 26 USC 501, an institution of higher
11 education, a community or adult education program, a public library, a local government, or
12 an intermediate district.

13 (c) Provide before-school, after-school, before-and-after-school, or summer school
14 programming to children described in subdivision (a). These programs must be used to
15 support expanded learning opportunities, including, but not limited to, mentoring,
16 leadership, community engagement, agriculture, art, music, literacy, science, technology,
17 engineering, mathematics, health, and recreation programming.

18 (d) Address measurable goals, including, but not limited to, improved school
19 attendance, academic outcomes, positive behaviors, and skill acquisition, and include
20 activities linked to research or quality practices.

21 (3) The department shall establish a competitive grant process for awarding funding
22 under this section. The department shall develop the form and manner for applying for the
23 grants. The application must include a request for information on the applicant's outreach
24 to children, youth, and families who are eligible for free or reduced-price meals under the
25 Richard B. Russell national school lunch act, 42 USC 1751 to 1769j. The application must be
26 open for not less than 30 calendar days. At least 30 days before the application is opened,
27 the department must publish on its public website the criteria that will be used in
28 evaluating the application that must include, but are not limited to, priorities under
29 subsection (5).

30 (4) Subject to subsection (8), in determining award amounts under this subsection,
31 the department shall, to the extent practicable, ensure that eligible entities in all
32 geographic regions of this state are represented in the distribution of grant funding under

1 this section.

2 (5) Subject to subsection (8), the department shall prioritize the distribution of
3 grant funding under this section based on, at a minimum, the following:

4 (a) An applicant's demonstrated need.

5 (b) The percentage of low-income families in the geographic area being served.
6 Prioritization must be determined by the average percentage of pupils in the district who
7 are eligible for free and reduced-priced meals as determined under the Richard B. Russell
8 national school lunch act, 42 USC 1751 to 1769j, where eligible entities will provide
9 before-and-after-school or summer school programs.

10 (c) Whether the application provides services for the full school year.

11 (d) The applicant's track record for providing quality, affordable before-and-after-
12 school or summer school services.

13 (e) Whether an applicant serving children in any of grades K through 8 is licensed or
14 is in the process of becoming licensed or has implemented the Michigan Out-of-School Time
15 Standards of Quality issued by the state board of education. This does not preclude a
16 nonlicensed entity from applying for funding under this section and being funded under this
17 section.

18 (6) Subject to subsection (7), an eligible entity that receives grant funding under
19 this section shall use the funding only to provide before-school, after-school, before-and-
20 after-school, or summer school programming to children described in subsection (2) (a). The
21 programming offered under this subsection must meet all of the following:

22 (a) Be provided to children in a manner in which the children are physically present
23 at a building or location designated by the eligible entity.

24 (b) Provide educational programming in core subject areas, including, but not limited
25 to, mathematics, reading, and science.

26 (c) Provide data to evaluate the program in a form and manner as prescribed by the
27 department.

28 (7) Subject to subsections (2), (4), and (5), up to 2% of funding allocated under
29 this section must be allocated to a nonprofit entity with experience serving youth-serving
30 organizations to provide start-up grants and capacity building, professional development,
31 and technical assistance for implementation of high-quality, evidence-based out-of-school
32 time learning opportunities.

1 (8) The department shall award no less than 60% of the funding under this section to
2 community-based organizations.

3 (9) Notwithstanding section 17b, the department shall make payments under this
4 section in full upon grant award. Grantees that do not comply with reporting requirements,
5 fail to provide the services proposed in their grant application, or close during the grant
6 period may be required to repay the funding they received under this section to the
7 department.

8 (10) The department, in collaboration with the Michigan Afterschool Partnership,
9 shall convene an advisory committee to review the program components listed within this
10 section and make recommendations to the department for changes on the program described in
11 this section. The advisory committee shall meet at a schedule set by the department, or at
12 least quarterly. The advisory committee shall provide for the involvement of, but not
13 limited to, community-based organizations, regional intermediaries, district
14 administrators, youth, parents, and representatives from the business and philanthropic
15 communities, as appropriate.

16 **(11) As used in this section, "department" means the department of lifelong**
17 **education, advancement, and potential.**

18 Sec. 32p. (1) From the state school aid fund money appropriated in section 11, there
19 is allocated an amount not to exceed ~~\$19,400,000.00~~ **\$20,400,000.00** to intermediate
20 districts for ~~2023-2024~~ **2024-2025** for the purpose of providing early childhood funding to
21 intermediate districts to support the goals and outcomes under subsections (2) and (4), and
22 to provide supports for early childhood programs for children from birth through age 8. The
23 funding provided to each intermediate district under this section is determined by the
24 distribution formula established by the department's office of great start to provide
25 equitable funding statewide. ~~In order to~~ **To** receive funding under this section, each
26 intermediate district must provide an application to the office of great start not later
27 than September 15 of the immediately preceding fiscal year indicating the strategies
28 planned to be provided.

29 (2) Each intermediate district or consortium of intermediate districts that receives
30 funding under this section shall convene a local great start collaborative and a family
31 coalition that includes an active partnership with at least 1 community-based organization.
32 The goal of each great start collaborative and family coalition is to ensure the

1 coordination and expansion of local early childhood systems and programs that allow every
2 child in the community to achieve the following outcomes:

3 (a) Children born healthy.

4 (b) Children healthy, thriving, and developmentally on track from birth to grade 3.

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

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

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

12 (a) Physical and social-emotional health.

13 (b) Family supports, including, but not limited to, the provision of basic needs and
14 economic self-sufficiency.

15 (c) Parent leadership and family engagement.

16 (d) Early education, including the child's development of skills linked to success in
17 foundational literacy, and care.

18 (e) Community infrastructure.

19 (4) From the funds allocated in subsection (1), at least ~~\$3,500,000.00~~ **\$4,500,000.00**
20 must be used for the purpose of providing home visits to at-risk children and their
21 families. The home visits must be conducted as part of a locally coordinated, family-
22 centered, evidence-based, data-driven home visit strategic plan that is approved by the
23 department. The goals of the home visits funded under this subsection are to improve school
24 readiness using evidence-based methods, including a focus on developmentally appropriate
25 outcomes for early literacy, to improve positive parenting practices, and to improve family
26 economic self-sufficiency while reducing the impact of high-risk factors through community
27 resources and referrals. The department shall coordinate the goals of the home visit
28 strategic plans approved under this subsection with other state agency home visit programs
29 in a way that strengthens Michigan's home visiting infrastructure and maximizes federal
30 funds available for the purposes of at-risk family home visits. The coordination among
31 departments and agencies is intended to avoid duplication of state services and spending,
32 and should emphasize efficient service delivery of home visiting programs.

1 (5) Not later than December 1 of each year, each intermediate district shall provide
2 a report to the department detailing the strategies actually implemented during the
3 immediately preceding school year and the families and children actually served. At a
4 minimum, the report must include an evaluation of the services provided with additional
5 funding under subsection (4) for home visits, using the goals identified in subsection (4)
6 as the basis for the evaluation, including the degree to which school readiness was
7 improved, the degree to which positive parenting practices were improved, the degree to
8 which there was improved family economic self-sufficiency, and the degree to which
9 community resources and referrals were utilized. The department shall compile and summarize
10 these reports and submit its summary to the house and senate appropriations subcommittees
11 on school aid and to the house and senate fiscal agencies not later than February 15 of
12 each year.

13 (6) In addition to the funds allocated in subsection (1), from the state school aid
14 fund money appropriated in section 11, there is allocated an amount not to exceed
15 \$4,000,000.00 for ~~2023-2024~~ **2024-2025** only for the purpose of improving access to books and
16 other literacy materials for children from birth to age 5. The formula described in
17 subsection (1) must be used to allocate funds to intermediate districts under this
18 subsection. An intermediate district may use the funding to support programs, including,
19 but not limited to, the Dolly Parton Imagination Library, Reach Out and Read Michigan, or
20 any other program that provides books and literacy materials to children from birth to age
21 5. If funding under this subsection is not sufficient to enroll all interested families in
22 the service, each intermediate district must prioritize enrollment to those families with
23 the highest levels of economic need. If an intermediate district will not fully utilize
24 funding under this subsection, those funds must be returned to the department for
25 redistribution for the purposes under this subsection.

26 (7) An intermediate district or consortium of intermediate districts that receives
27 funding under this section may carry over any unexpended funds received under this section
28 into the next fiscal year and may expend those unused funds through June 30 of the next
29 fiscal year. However, an intermediate district or consortium of intermediate districts that
30 receives funding for the purposes described in subsection (2) in the current fiscal year
31 shall not carry over into the next fiscal year any amount exceeding 15% of the amount
32 awarded to the intermediate district or consortium in the current fiscal year. A recipient

1 of a grant shall return any unexpended grant funds to the department in the manner
2 prescribed by the department not later than September 30 of the next fiscal year after the
3 fiscal year in which the funds are received.

4 **(7) As used in this section "department" means the department of lifelong education,**
5 **advancement, and potential.**

6 Sec. 35a. (1) From the appropriations in section 11, there is allocated for ~~2023-2024~~
7 ~~2024-2025~~ for the purposes of this section an amount not to exceed ~~\$77,900,000.00~~
8 ~~\$86,150,000.00~~ from the state school aid fund. ~~and there is allocated for 2023-2024 for the~~
9 ~~purposes of subsection (8) an amount not to exceed \$5,000,000.00 from the general fund.~~

10 Excluding staff or contracted employees funded under subsection (8), the superintendent
11 shall designate staff or contracted employees funded under this section as critical
12 shortage. ~~Programs funded under this section are intended to ensure that this state will be~~
13 ~~a top 10 state in grade 4 reading proficiency by 2025 according to the National Assessment~~
14 ~~of Educational Progress (NAEP).~~ By December 31 of each fiscal year in which funding is
15 allocated under this section, the superintendent of public instruction shall do both of the
16 following:

17 (a) Report in person to the house and senate appropriations subcommittees on school
18 aid regarding progress on the goal described in this subsection and be available for
19 questioning as prescribed through a process developed by the chairs of the house and senate
20 appropriations subcommittees on school aid.

21 (b) Submit a written report to the house and senate appropriations subcommittees on
22 school aid regarding progress on the goal described in this subsection.

23 (2) A district that receives funds under subsection (5) may spend up to 5% of those
24 funds for professional development for educators in a department-approved research-based
25 training program related to current state literacy standards for pupils in grades pre-K to
26 3. The professional development must also include training in the use of screening and
27 diagnostic tools, progress monitoring, and intervention methods used to address barriers to
28 learning and delays in learning that are diagnosed through the use of these tools.

29 (3) A district that receives funds under subsection (5) may use up to 5% of those
30 funds to administer department-approved screening and diagnostic tools to monitor the
31 development of early literacy and early reading skills, and risk factors for word-level
32 reading difficulties of pupils in grades pre-K to 3 and to support evidence-based

professional learning described in subsection (11) for educators in administering and using screening, progress monitoring, and diagnostic assessment data to inform instruction through prevention and intervention in a multi-tiered system of supports framework. A department-approved screening and diagnostic tool administered by a district using funding under this section must include all of the following components: phonemic awareness, phonics, fluency, rapid automatized naming (RAN), and comprehension. Further, all of the following sub-skills must be assessed within each of these components:

(a) Phonemic awareness - segmentation, blending, and sound manipulation (deletion and substitution).

(b) Phonics - decoding (reading) and encoding (spelling).

(c) Fluency.

(d) Comprehension - making meaning of text.

(4) From the allocation under subsection (1), there is allocated an amount not to exceed ~~\$42,000,000.00~~ **\$45,250,000.00** for ~~2023-2024~~ **2024-2025** for the purpose of providing early literacy coaches at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades pre-K to 3 so that pupils are reading at grade level by the end of grade 3. All of the following apply to funding under this subsection:

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

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

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

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

(b) From the allocation under this subsection, the department shall award grants to intermediate districts for the support of early literacy coaches. The department shall provide this funding in the following manner:

1 (i) The department shall award each intermediate district grant funding to support
2 the cost of 2 early literacy coaches in an equal amount per early literacy coach, not to
3 exceed \$125,000.00.

4 (ii) After distribution of the grant funding under subparagraph (i), the department
5 shall distribute the remainder of grant funding for additional early literacy coaches in an
6 amount not to exceed \$125,000.00 per early literacy coach. The number of funded early
7 literacy coaches for each intermediate district is based on the percentage of the total
8 statewide number of pupils in grades K to 3 who meet the income eligibility standards for
9 the federal free and reduced-price lunch programs who are enrolled in districts in the
10 intermediate district. **The department must ensure that each intermediate district is**
11 **eligible to receive support for at least 1 early literacy coach under this subparagraph.**

12 (iii) **When awarding grant funding under subparagraphs (i) and (ii), the department must**
13 **ensure that each intermediate district is eligible to receive support for at least 3 early**
14 **literacy coaches.**

15 (c) If an intermediate district that receives funding under this subsection uses an
16 assessment tool that screens for characteristics of dyslexia, the intermediate district
17 shall use the assessment results from that assessment tool to identify pupils who
18 demonstrate characteristics of dyslexia.

19 (d) All literacy coaches funded under this subsection must have already received, or
20 be making progress toward receiving, professional learning by the approved provider
21 described in subsection (11).

22 (e) **To be eligible to receive funding under this subsection, an intermediate district**
23 **must provide the department a list by September 1 of each year containing contact**
24 **information for all literacy coaches funded under this subsection, in a form and manner**
25 **determined by the department. An intermediate district must communicate any personnel**
26 **changes and changes to contact information for literacy coaches funded under this**
27 **subsection to the department within 30 days of the personnel change or change in contact**
28 **information.**

29 (5) From the allocation under subsection (1), there is allocated an amount not to
30 exceed \$19,900,000.00 for ~~2023-2024~~ **2024-2025** to districts that provide additional
31 instructional time to those pupils in grades pre-K to 5 who have been identified by using
32 department-approved screening and diagnostic tools as needing additional supports and

1 interventions in order to be reading at grade level by the end of grade 3. Additional
2 instructional time may be provided before, during, and after regular school hours or as
3 part of a year-round balanced school calendar. All of the following apply to funding under
4 this subsection:

5 (a) In order to be eligible to receive funding, a district must demonstrate to the
6 satisfaction of the department that the district has done all of the following:

7 (i) Implemented a multi-tiered system of supports instructional delivery model that
8 is an evidence-based model that uses data-driven problem solving to integrate academic and
9 behavioral instruction and that uses intervention delivered to all pupils in varying
10 intensities based on pupil needs. The multi-tiered system of supports must provide at least
11 all of the following essential components:

12 (A) Team-based leadership.

13 (B) A tiered delivery system.

14 (C) Selection and implementation of instruction, interventions, and supports.

15 (D) A comprehensive screening and assessment system.

16 (E) Continuous data-based decision making.

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

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

22 (iv) Provided teachers of pupils in grades pre-K to 5 with research-based
23 professional development in diagnostic data interpretation.

24 (v) Complied with the requirements under section 1280f of the revised school code,
25 MCL 380.1280f.

26 (b) The department shall distribute funding allocated under this subsection to
27 eligible districts on an equal per-first-grade-pupil basis.

28 (c) If the funds allocated under this subsection are insufficient to fully fund the
29 payments under this subsection, payments under this subsection are prorated on an equal
30 per-pupil basis based on grade 1 pupils.

31 (6) Not later than September 1 of each year, a district that receives funding under
32 subsection (5) in conjunction with the Michigan student data system, if possible, shall

1 provide to the department a report that includes at least both of the following, in a form
2 and manner prescribed by the department:

3 (a) For pupils in grades pre-K to 3, the teachers, pupils, schools, and grades served
4 with funds under this section and the categories of services provided.

5 (b) For pupils in grades pre-K to 3, pupil proficiency and growth data that allows
6 analysis both in the aggregate and by each of the following subgroups, as applicable:

7 (i) School.

8 (ii) Grade level.

9 (iii) Gender.

10 (iv) Race.

11 (v) Ethnicity.

12 (vi) Economically disadvantaged status.

13 (vii) Disability.

14 (viii) Pupils identified as having reading deficiencies.

15 (7) From the allocation under subsection (1), there is allocated an amount not to
16 exceed \$6,000,000.00 for ~~2023-2024~~ **2024-2025** to an intermediate district in which the
17 combined total number of pupils in membership of all of its constituent districts is the
18 fewest among all intermediate districts. All of the following apply to the funding under
19 this subsection:

20 (a) Funding under this subsection must be used by the intermediate district, in
21 partnership with an association that represents intermediate district administrators in
22 this state, to implement all of the following:

23 (i) Literacy essentials teacher and principal training modules.

24 (ii) Face-to-face and online professional learning of literacy essentials teacher and
25 principal training modules for literacy coaches, principals, and teachers.

26 (iii) The placement of regional lead literacy coaches to facilitate professional
27 learning for early literacy coaches. These regional lead literacy coaches shall provide
28 support for new literacy coaches, building teachers, and administrators and shall
29 facilitate regional data collection to evaluate the effectiveness of statewide literacy
30 coaches funded under this section.

31 (iv) Provide \$500,000.00 from this subsection for literacy training, modeling,
32 coaching, and feedback for district principals or chief administrators, as applicable. The

1 training described in this subparagraph must use the pre-K and K to 3 essential
2 instructional practices in literacy created by the general education leadership network as
3 the framework for all training provided under this subparagraph.

4 (v) Job-embedded professional learning opportunities for mathematics teachers through
5 mathematics instructional coaching. Funding must be used for professional learning for
6 coaches, professional developers, administrators, and teachers; coaching for early
7 mathematics educators; the development of statewide and regional professional learning
8 networks in mathematics instructions; and the development and support of digital
9 professional learning modules.

10 (b) Not later than September 1 of each year, the intermediate district described in
11 this subsection, in consultation with grant recipients, shall submit a report to the chairs
12 of the senate and house appropriations subcommittees on school aid, the chairs of the
13 senate and house standing committees responsible for education legislation, the house and
14 senate fiscal agencies, and the state budget director. The report described under this
15 subdivision must include student achievement results in English language arts and
16 mathematics and survey results with feedback from parents and teachers regarding the
17 initiatives implemented under this subsection.

18 (c) Up to 2% of funds allocated under this subsection may be used by the association
19 representing intermediate district administrators that is in partnership with the
20 intermediate district specified in this subsection to administer this subsection.

21 (8) From the ~~general fund money allocated in~~ **allocation under** subsection (1), the
22 department shall allocate the amount of \$5,000,000.00 for ~~2023-2024 only~~ **2024-2025 to an**
23 **intermediate district or a consortium of intermediate districts to partner with the**
24 Michigan Education Corps for the PreK Reading Corps, the K3 Reading Corps, and the Math
25 Corps. **An intermediate district or a consortium of intermediate districts receiving funding**
26 **under this subsection must forward the amount received under this subsection to the**
27 **Michigan Education Corps for statewide services. As conditions of receiving funding from an**
28 **intermediate district or a consortium of intermediate districts, all** ~~All~~ **of the following**
29 **apply to funding received by the Michigan Education Corps** under this subsection:

30 (a) By September 1 of the current fiscal year, the Michigan Education Corps shall
31 provide a report concerning its use of the funding to the senate and house appropriations
32 subcommittees on school aid, the senate and house fiscal agencies, and the senate and house

caucus policy offices on outcomes and performance measures of the Michigan Education Corps, including, but not limited to, the degree to which the Michigan Education Corps' replication of the PreK Reading Corps, the K3 Reading Corps, and the Math Corps programs is demonstrating sufficient efficacy and impact. The report must include data pertaining to at least all of the following:

(i) The current impact of the programs on this state in terms of numbers of children and schools receiving support. This portion of the report must specify the number of children tutored, including dosage and completion, and the demographics of those children.

(ii) Whether the assessments and interventions are implemented with fidelity. This portion of the report must include details on the total number of assessments and interventions completed and the range, mean, and standard deviation.

(iii) Whether the literacy or math improvement of children participating in the programs is consistent with expectations. This portion of the report must detail at least all of the following:

(A) Growth rate by grade or age level, in comparison to targeted growth rate.

(B) Average linear growth rates.

(C) Exit rates.

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

(iv) The impact of the programs on organizations and stakeholders, including, but not limited to, school administrators, internal coaches, and AmeriCorps members.

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

(c) ~~The department~~ **An intermediate district or a consortium of intermediate districts** may not reserve any portion of the allocation provided under this subsection for an evaluation of the Michigan Education Corps, the Michigan Education Corps' funding, or the Michigan Education Corps' programming unless agreed to in writing by the Michigan Education Corps. ~~The department~~ **An intermediate district or a consortium of intermediate districts** shall ~~award~~ **award-forward** the entire amount allocated under this subsection to the Michigan Education Corps and shall not condition the ~~awarding~~ **forwarding** of this funding on the implementation of an independent evaluation.

(9) If a district or intermediate district expends any funding received under

subsection (4) or (5) for professional development in research-based effective reading instruction, the district or intermediate district shall select a professional development program from the list described under subdivision (a). All of the following apply to the requirement under this subsection:

(a) The department shall issue a request for proposals for professional development programs in research-based effective reading instruction to develop an initial approved list of professional development programs in research-based effective reading instruction. The department shall make the initial approved list public and shall determine if it will, on a rolling basis, approve any new proposals submitted for addition to its initial approved list.

(b) To be included as an approved professional development program in research-based effective reading instruction under subdivision (a), an applicant must demonstrate to the department in writing the program's competency in all of the following topics:

(i) Understanding of phonemic awareness, phonics, fluency, vocabulary, and comprehension.

(ii) Appropriate use of assessments and differentiated instruction.

(iii) Selection of appropriate instructional materials.

(iv) Application of research-based instructional practices.

(c) As used in this subsection, "effective reading instruction" means reading instruction scientifically proven to result in improvement in pupil reading skills.

(10) From the allocation under subsection (1), there is allocated an amount not to exceed \$10,000,000.00 for ~~2023-2024~~ **2024-2025** only for the provision of professional learning by the approved provider described in subsection (11), first to educators in pre-K, kindergarten, and grade 1 next to educators in grade 2 and grade 3; and then to additional elementary school educators and pre-K to grade 12 certificated special education personnel with endorsements in learning disabilities, emotional impairments, or speech and language impairments. For purposes of this subsection, the department must establish and manage professional learning opportunities that are open to all school personnel described in this subsection as follows:

(a) The department must first open voluntary enrollment for any pre-K through grade 3 teacher on a first-come, first-served basis, with voluntary enrollment prioritized for pre-K, kindergarten, and grade 1 teachers. The department shall then open voluntary enrollment

1 for the remaining school personnel described in this subsection.

2 (b) The department must maintain open enrollment until all funds are expended.

3 (11) For the provision of professional learning to the school personnel described in
4 subsection (10), **the department shall determine a list of eligible approved providers. The**
5 ~~the~~ department ~~shall~~**may** approve LETRS as ~~the~~**an** approved provider of professional
6 learning, if LETRS continues to meet all of the following:

7 (a) Be offered through a system of training that provides educators with the
8 knowledge base to effectively implement any class-wide, supplemental, or intervention
9 reading approach and to determine why some students struggle with reading, writing,
10 spelling, and language.

11 (b) Provide training activities that direct educators to implement effective reading
12 and spelling instruction supported by scientifically based research and foster a direct
13 explicit instructional sequence that uses techniques to support teachers' independence in
14 using their newly-learned skills with students in the classroom.

15 (c) Include integrated components for educators and administrators in pre-K to grade
16 3 with embedded evaluation or assessment of knowledge. Evaluation or assessment of
17 knowledge under this subdivision must incorporate evaluations of learning throughout each
18 unit and include a summative assessment that must be completed to demonstrate successful
19 course completion.

20 (d) Build teacher content knowledge and pedagogical knowledge of the critical
21 components of literacy including how the brain learns to read, phonological and phonemic
22 awareness; letter knowledge; phonics; advanced phonics; vocabulary and oral language;
23 fluency; comprehension; spelling and writing; and the organization of language.

24 (e) Support educators in understanding how to effectively use screening, progress
25 monitoring, and diagnostic assessment data to improve literacy outcomes through prevention
26 and intervention for reading difficulties in a multi-tiered system of supports. The multi-
27 tiered system of supports must include at least all of the following essential components:

28 (i) Team-based leadership.

29 (ii) A tiered delivery system.

30 (iii) Selection and implementation of instruction, interventions, and supports.

31 (iv) A comprehensive screening and assessment system.

32 (v) Continuous data-based decision making.

(12) Notwithstanding section 17b, the department shall make payments made under subsections (7) and (8) on a schedule determined by the department.

(13) As used in this section:

(a) "Dyslexia" means both of the following:

(i) A specific learning disorder that is neurobiological in origin and characterized by difficulties with accurate or fluent word recognition and by poor spelling and decoding abilities that typically result from a deficit in the phonological component of language that is often unexpected in relation to other cognitive abilities and the provision of effective classroom instruction.

(ii) A specific learning disorder that may include secondary consequences, such as problems in reading comprehension and a reduced reading experience that can impede the growth of vocabulary and background knowledge and lead to social, emotional, and behavioral difficulties.

(b) "Evidence-based" means an activity, program, process, service, strategy, or intervention that demonstrates statistically significant effects on improving pupil outcomes or other relevant outcomes and that meets at least both of the following:

(i) At least 1 of the following:

(A) Is based on strong evidence from at least 1 well-designed and well-implemented experimental study.

(B) Is based on moderate evidence from at least 1 well-designed and well-implemented quasi-experimental study.

(C) Is based on promising evidence from at least 1 well-designed and well-implemented correlational study with statistical controls for selection bias.

(D) Demonstrates a rationale based on high-quality research findings or positive evaluation that the activity, program, process, service, strategy, or intervention is likely to improve pupil outcomes or other relevant outcomes.

(ii) Includes ongoing efforts to examine the effects of the activity, program, process, service, strategy, or intervention.

(c) "Explicit" means direct and deliberate instruction through continuous pupil-teacher interaction that includes teacher modeling, guided practice, and independent practice.

(d) "Fluency" means the ability to read with speed, accuracy, and proper expression.

(e) "Multi-tiered system of supports" means a comprehensive framework that includes 3 distinct tiers of instructional support and is composed of a collection of evidence-based 2 strategies designed to meet the individual needs and assets of a whole pupil at all 3 achievement levels. 4

(f) "Phonemic awareness" means the conscious awareness of all of the following: 5

(i) Individual speech sounds, including, but not limited to, consonants and vowels, 6 in spoken syllables. 7

(ii) The ability to consciously manipulate through, including, but not limited to, 8 matching, blending, segmenting, deleting, or substituting, individual speech sounds 9 described in subparagraph (i). 10

(iii) All levels of the speech sound system, including, but not limited to, word 11 boundaries, rhyme recognition, stress patterns, syllables, onset-rime units, and phonemes. 12

(g) "Phonological" means relating to the system of contrastive relationships among 13 the speech sounds that constitute the fundamental components of a language. 14

(h) "Progress monitoring" means the assessing of students' academic performance, 15 quantifying students' rates of improvement or progress toward goals, and determining how 16 students are responding to instruction. 17

(i) "Rapid automatized naming (RAN)" means a task that measures how quickly 18 individuals can name objects; pictures; colors; or symbols, including letters and digits, 19 aloud, which can predict later reading abilities for preliterate children. 20

Sec. 35m. (1) From the state school aid fund money appropriated in section 11, there 21 is allocated for 2024-2025 only an amount not to exceed \$155,000,000.00 for payments to 22 improve educational outcomes in literacy. 23

(2) There is created the committee for literacy achievement. The department shall 24 work with state public institutions of higher education identify and form a group of 25 experts with backgrounds in literacy instruction and research to be appointed as members of 26 the committee. The department must develop a process to identify and assemble experts for 27 the committee. The primary focus of the committee is to recommend tools and strategies with 28 the goal of increasing student academic outcomes in the area of literacy. The committee is 29 encouraged to collaborate with the Michigan Education Research Institute or other entities 30 with a similar expertise on the subject of literacy. The department shall determine the 31 size, timeline, and benchmarks of the committee. The committee must do all of the 32

1 following:

2 (a) Critically evaluate literacy curriculum available to districts. The committee
3 shall evaluate with research-based outcomes, utilizing their expertise in the field.
4 Curricula must be graded in tiers based on their likelihood to increase student literacy
5 outcomes. Priority must be given to curricula which already have a demonstrated history of
6 increasing student outcomes.

7 (b) Critically evaluate literacy professional development available to districts. The
8 committee shall evaluate with research-based outcomes, utilizing their expertise in the
9 field. Professional development shall be graded in tiers based on their likelihood to
10 increase student literacy outcomes. Priority shall be given to professional development
11 which already have a demonstrated history of increasing student outcomes.

12 (c) Critically evaluate other applicable literacy tools or services the committee
13 determines to have a high likelihood or demonstrated history of increasing student literacy
14 outcomes.

15 (d) Create and maintain a rankings list with all literacy curricula, tools,
16 professional development, and other items the committee has evaluated. Denote on the list
17 whether major changes have been made to the item since it was evaluated by the committee
18 but has yet to be evaluated since.

19 (e) An individual on the committee shall recuse themselves from evaluating literacy
20 curricula, tools, professional development, and other items they themselves helped create,
21 would benefit financially from, or for which the individual has any other conflict of
22 interest.

23 (3) From the funding allocated in subsection (1) the department of education shall
24 make payments to districts and intermediate districts in an amount and on a schedule
25 determined by the department. The department must use the rankings list described in
26 subsection (2) as the basis for how funding allocated in subsection (1) shall be allocated
27 to districts and intermediate districts. Districts utilizing higher tier literacy tools
28 that are proven to increase student outcomes must receive more funding than districts
29 utilizing lower tier literacy tool in both the base award and the per-pupil awards
30 described in this subsection. The department may determine that some districts and
31 intermediate districts receive no funding from this section based of the effectiveness of
32 the literacy curricula, tools, professional development, or other items being utilized by

1 the district or intermediate district. The department must award funding under this section
2 using the following methodology:

3 (a) A base award equal to the amount necessary for the district or intermediate
4 district to implement the chosen literacy curricula, tool, professional development, or
5 other item. The department may place a cap on the total award per district; intermediate
6 district; or literacy curricula, tool, professional development, or other item and may
7 choose to award no funding if the literacy curricula, tool, professional development, or
8 other item is determined to be not effective or is determined to be less effective than
9 other choices.

10 (b) A per-pupil award based on the number of pupils in membership at the district and
11 intermediate district. The per-pupil amount must be larger for districts and intermediate
12 districts utilizing higher tier literacy curricula, tools, professional development, or
13 other items. The department may choose to award no funding if the literacy curricula, tool,
14 professional development, or other item is determined to be not effective or is determined
15 to be less effective than other choices.

16 (4) From the funding allocated in subsection (1) the department may pay members of
17 the committee for literacy achievement up to an \$8,000.00 annual stipend. A stipend must be
18 commensurate with the member's contribution to the committee during the fiscal year.
19 Funding must be paid to the public institution of higher education where the committee
20 member is employed, and the institution must then use funding received to award the stipend
21 directly to the individual.

22 (5) To be eligible for this funding, a district or intermediate district must apply
23 in a form and manner determined by the department. As a condition of receiving the funding,
24 the district or intermediate district must agree to provide to the department and to the
25 department of education information on the literacy curricula, tools, professional
26 development, and other items utilized for the previous and current school year and to
27 provide this information twice a year, on or before March 31 and August 1.

28 (6) Except as otherwise provided in this subsection and notwithstanding section 17b,
29 the department shall make payments under this section on a schedule determined by the
30 department of lifelong education, achievement, and potential.

31 (7) Funds allocated under this section for 2024-2025 are a work project
32 appropriation, and any unexpended funds for 2024-2025 are carried forward into 2025-2026.

1 The purpose of the work project is to improve literacy instructional practices. The
2 estimated completion date of the work project is September 30, 2028.

3 (8) As used in this section "department" means the department of lifelong education,
4 advancement, and potential.

5 Sec. 35n. (1) From the state school aid fund money appropriated in section 11, there
6 is allocated for 2024-2025 only an amount not to exceed \$10,000,000.00 for the reading
7 excellence and advancing district (READ) innovation competition. The READ innovation
8 competition must provide startup money to eligible districts to develop and deploy
9 innovative literacy initiatives that make a positive impact on student literacy rates and
10 must provide incentive money to districts determined to have demonstrated the greatest
11 impact. Funds allocated under this section are intended to foster district-led innovations
12 in literacy instruction grounded in the science of reading, provide the state with insights
13 into successful practices that could be scaled statewide, and improve student outcomes in
14 literacy.

15 (2) The department, in collaboration with the literacy commission, shall establish
16 the structure of the READ innovation competition, including the length of the competition,
17 eligible categories in which districts may compete, the methods and timelines by which
18 districts must collect and report data, the number of rounds of competition, the number of
19 districts eligible to advance to subsequent rounds, and the amount of incentive payments
20 provided per round per district.

21 (3) To be eligible to receive funding under this section, a district or intermediate
22 district must apply in a form and manner determined by the department. The application must
23 include, at a minimum, all of the following:

24 (a) The competition category in which the district will compete.

25 (b) A description of the innovative literacy initiative the district intends to
26 deploy during the competition, including its goals, strategies, target student population,
27 impacted student count, and intended outcomes.

28 (c) A description of how the district will measure student literacy outcomes during
29 the timeframe of the competition in a reliable, periodic, and standardized way; including
30 methods by which student progress in the applicant district can be benchmarked against
31 student progress in other districts, and an agreement to provide data necessary for the
32 department to evaluate student growth.

1 (d) The amount of funding required by the district to implement the innovative
2 literacy initiative.

3 (4) Applications received by the department under this section must be evaluated by
4 the literacy commission. A member of the literacy commission shall abstain from evaluating
5 an application and making funding decisions under this section for any district in which
6 the member has a conflict of interest. This evaluation must be based on, at a minimum, all
7 the following:

8 (a) The quality of innovation being proposed, the alignment with the selected
9 competition category, and the likelihood that it will result in the outcomes included in
10 the district's application.

11 (b) The percentage of students district-wide that will be impacted by the proposed
12 program during the timeframe of the competition.

13 (c) The level to which student literacy growth in the applicant district can be
14 benchmarked against student literacy growth in other districts.

15 (d) The likelihood that the proposed initiative, if successful, could be expanded
16 statewide.

17 (5) The department shall award startup funding to a selection of the highest scoring
18 applicants for each category, based on the evaluation of applicants by the literacy
19 commission. The department may determine a maximum number of eligible districts per
20 competition category. A district is only eligible to compete in one competition category.
21 The department may determine a maximum amount of startup money that may be received by any
22 district. Recipients of funding under this subsection must use that funding to implement
23 their proposed innovative literacy initiatives.

24 (6) On a periodic basis determined by the department, for each eligible category in
25 which a district may compete, the eligible districts must measure and report to the
26 department, in a form and manner determined by the department, growth in student literacy
27 scores amongst students targeted by the innovative literacy initiative. The districts
28 demonstrating the highest levels of student literacy growth advance to the next round of
29 the competition and are eligible for additional incentive money to further implement their
30 innovative literacy initiatives. The department must repeat the process described in this
31 subsection until a selection of three finalist districts for each competition category are
32 determined.

(7) The finalist districts for each competition category must prepare a presentation for the literacy commission a summary of the district's innovative literacy initiative, including evidence of student growth, specific implementation strategies that led to success, a description of implementation obstacles and methods utilized by the district to overcome these obstacles, and ways the program could be scaled for statewide implementation. Based on this summary and the overall demonstrated success of the program, the literacy commission must select one winning district from each competition category. The winning district from each competition category must be awarded by the department \$500,000.00 to continue to support literacy initiatives and other academic needs of the district.

(8) At the conclusion of the competition described in this section, the literacy commission must provide a report to the governor, the house and senate school aid subcommittees, the house and senate fiscal agencies, and the state budget director on winning literacy initiatives that could be scaled statewide to improve student literacy.

(9) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

(10) Notwithstanding section 18a, funds allocated under this section may be available for expenditure until September 30, 2028. A recipient of funding under this section must return any unexpended funds to the department in the manner prescribed by the department by not later than October 30, 2028.

(11) The funds allocated under this section for 2024-2025 are a work project appropriation, and any unexpended funds for 2024-2025 are carried forward into 2025-2026. The purpose of the work project is to continue to implement the READ innovation competition and provide payments to districts implementing innovative literacy initiatives. The estimated completion date of the work project is September 30, 2027.

(12) As used in this section:

(a) "Department" means the department of lifelong education, advancement, and potential.

(b) "Literacy commission" means the Michigan preK-12 literacy commission, created by executive order 2016-18, and transferred to the department by executive order 2023-6.

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

department in the immediately preceding fiscal year. An eligible applicant is not required to amend the applicant's current accounting cycle or adopt this state's fiscal year accounting cycle in accounting for financial transactions under this section. The application must include all of the following:

(a) The estimated total number of children in the community who meet the criteria of section 32d and the total number of age-eligible children in the community, as provided to the applicant by the department utilizing the most recent population data available from the American Community Survey conducted by the United States Census Bureau. The department shall ensure that it provides updated American Community Survey population data at least once every 3 years.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served exclusively by Head Start programs operating in the community.

(c) The number of children whom the applicant has the capacity to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

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

(3) The initial allocation to each eligible applicant under section 32d is the lesser of the following:

(a) The sum of the number of children served in a school-day program in the preceding school year multiplied by ~~\$9,608.00~~, **\$10,342.00**, the number of children served in a GSRP extended program in the preceding school year multiplied by ~~\$11,530.00~~, **\$12,107.00** and the number of children served in a GSRP/Head Start blended program or a part-day program in the preceding school year multiplied by ~~\$4,804.00~~, **\$5,171.00**

(b) The sum of the number of children the applicant has the capacity to serve in the current school year in a school-day program multiplied by ~~\$9,608.00~~, **\$10,342.00** the number of children served in a GSRP extended program the applicant has the capacity to serve in the current school year multiplied by ~~\$11,530.00~~, **\$12,107.00** and the number of children

1 served in a GSRP/Head Start blended program or a part-day program the applicant has the
2 capacity to serve in the current school year multiplied by ~~\$4,804.00~~ **\$5,171.00**

3 (4) If funds remain after the allocations under subsection (3), the department shall
4 distribute the remaining funds to each intermediate district or consortium of intermediate
5 districts that serves less than the state percentage benchmark determined under subsection
6 (5). The department shall distribute these remaining funds to each eligible applicant based
7 upon each applicant's proportionate share of the remaining unserved children necessary to
8 meet the statewide percentage benchmark in intermediate districts or consortia of
9 intermediate districts serving less than the statewide percentage benchmark. When all
10 applicants have been given the opportunity to reach the statewide percentage benchmark, the
11 statewide percentage benchmark may be reset, as determined by the department, until greater
12 equity of opportunity to serve eligible children across all intermediate school districts
13 has been achieved.

14 (5) For the purposes of subsection (4), the department shall calculate a percentage
15 of children served by each intermediate district or consortium of intermediate districts by
16 adding the number of children served in the immediately preceding year by that intermediate
17 district or consortium with the number of eligible children under section 32d served
18 exclusively by Head Start, as reported in a form and manner prescribed by the department,
19 within the intermediate district or consortia service area and dividing that total by the
20 total number of children within the intermediate district or consortium of intermediate
21 districts who meet the criteria of section 32d as determined by the department utilizing
22 the most recent population data available from the American Community Survey conducted by
23 the United States Census Bureau. The department shall compare the resulting percentage of
24 eligible children served to a statewide percentage benchmark to determine if the
25 intermediate district or consortium is eligible for additional funds under subsection (4).
26 The statewide percentage benchmark is 100%.

27 (6) If, taking into account the total amount to be allocated to the applicant as
28 calculated under this section, an applicant determines that it is able to include
29 additional eligible children in the great start readiness program without additional funds
30 under section 32d, the applicant may include additional eligible children but does not
31 receive additional funding under section 32d for those children.

32 (7) The department shall review the program components under section 32d and under

1 this section at least biennially. The department also shall convene a committee of internal
2 and external stakeholders at least once every 5 years to ensure that the funding structure
3 under this section reflects current system needs under section 32d.

4 (8) As used in this section:

5 (a) **"Department" means the department of lifelong education, advancement, and**
6 **potential.**

7 (b) "GSRP/Head Start blended program", "GSRP extended program", "part-day program",
8 and "school-day program" mean those terms as defined in section 32d.

9 Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated
10 for ~~2022-2023 to districts, intermediate districts, and other eligible entities all~~
11 ~~available federal funding, estimated at \$782,600,000.00, and there is allocated for 2023-~~
12 ~~2024-2024-2025~~ to districts, intermediate districts, and other eligible entities all
13 available federal funding, estimated at \$754,700,000.00, for the federal programs under the
14 no child left behind act of 2001, Public Law 107-110, or the every student succeeds act,
15 Public Law 114-95. These funds are allocated as follows:

16 (a) An amount estimated at \$1,200,000.00 for ~~2022-2023 and \$1,200,000.00 for 2023-~~
17 ~~2024-2024-2025~~ to provide students with drug- and violence-prevention programs and to
18 implement strategies to improve school safety, funded from DED-OESE, drug-free schools and
19 communities funds.

20 (b) An amount estimated at \$100,000,000.00 for ~~2022-2023 and \$100,000,000.00 for~~
21 ~~2023-2024-2024-2025~~ for the purpose of preparing, training, and recruiting high-quality
22 teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

23 (c) An amount estimated at \$13,000,000.00 for ~~2022-2023 and \$13,000,000.00 for 2023-~~
24 ~~2024-2024-2025~~ for programs to teach English to limited English proficient (LEP) children,
25 funded from DED-OESE, language acquisition state grant funds.

26 (d) An amount estimated at \$2,800,000.00 for ~~2022-2023 and \$2,800,000.00 for 2023-~~
27 ~~2024-2024-2025~~ for rural and low-income schools, funded from DED-OESE, rural and low income
28 school funds.

29 (e) An amount estimated at \$535,000,000.00 for ~~2022-2023 and \$535,000,000.00 for~~
30 ~~2023-2024-2024-2025~~ to provide supplemental programs to enable educationally disadvantaged
31 children to meet challenging academic standards, funded from DED-OESE, title I,
32 disadvantaged children funds.

(f) An amount estimated at \$9,200,000.00 for ~~2022-2023 and \$9,200,000.00 for 2023-~~
~~2024-2024-2025~~ for the purpose of identifying and serving migrant children, funded from
DED-OESE, title I, migrant education funds.

(g) An amount estimated at \$40,400,000.00 for ~~2022-2023 and \$40,400,000.00 for 2023-~~
~~2024-2024-2025~~ for the purpose of providing high-quality extended learning opportunities,
after school and during the summer, for children in low-performing schools, funded from
DED-OESE, twenty-first century community learning center funds.

(h) An amount estimated at \$14,000,000.00 for ~~2022-2023 and \$14,000,000.00 for 2023-~~
~~2024-2024-2025~~ to help support local school improvement efforts, funded from DED-OESE,
title I, local school improvement grants.

(i) An amount estimated at \$35,000,000.00 for ~~2022-2023 and \$35,000,000.00 for 2023-~~
~~2024-2024-2025~~ to improve the academic achievement of students, funded from DED-OESE, title
IV, student support and academic enrichment grants.

(j) An amount estimated at \$3,100,000.00 for ~~2022-2023 and \$3,100,000.00 for 2023-~~
~~2024-2024-2025~~ for literacy programs that advance literacy skills for students from birth
through grade 12, including, but not limited to, English-proficient students and students
with disabilities, funded from DED-OESE, striving readers comprehensive literacy program.

~~(k) An amount estimated at \$27,900,000.00 for 2022-2023 only to establish safer and
healthier learning environments, and to prevent and respond to acts of bullying, violence,
and hate that impact school communities at individual and systemic levels, funded from DED-
OESE, stronger connections grant program.~~

~~(k)~~ ~~(l)~~ An amount estimated at \$1,000,000.00 for ~~2022-2023 and an amount estimated at~~
~~\$1,000,000.00 for 2023-2024-2024-2025~~ for grants to support and demonstrate innovative
partnerships to train school-based mental health service providers, funded from DED-OESE,
mental health service professional demonstration grant program.

(2) From the federal funds appropriated in section 11, there is allocated to
districts, intermediate districts, and other eligible entities all available federal
funding, estimated at \$60,500,000.00 for ~~2022-2023 and estimated at \$60,500,000.00 for~~
~~2023-2024-2024-2025~~ for the following programs that are funded by federal grants:

(a) An amount estimated at \$3,000,000.00 for ~~2022-2023 and \$3,000,000.00 for 2023-~~
~~2024-2024-2025~~ to provide services to homeless children and youth, funded from DED-OVAE,
homeless children and youth funds.

(b) An amount estimated at \$24,000,000.00 for ~~2022-2023 and \$24,000,000.00 for 2023-~~
~~2024-2024-2025~~ for providing career and technical education services to pupils, funded from
DED-OVAE, basic grants to states.

(c) An amount estimated at \$14,000,000.00 for ~~2022-2023 and \$14,000,000.00 for 2023-~~
~~2024-2024-2025~~ for the Michigan charter school subgrant program, funded from DED-OII, public
charter schools program funds.

(d) An amount estimated at \$18,000,000.00 for ~~2022-2023 and \$18,000,000.00 for 2023-~~
~~2024-2024-2025~~ for the purpose of promoting and expanding high-quality preschool services,
funded from HHS-OCC, preschool development funds.

(e) An amount estimated at \$1,500,000.00 for ~~2022-2023 and \$1,500,000.00 for 2023-~~
~~2024-2024-2025~~ for the purpose of addressing priority substance abuse treatment,
prevention, and mental health needs, funded from HHS-SAMHSA.

(3) The department shall distribute all federal funds allocated under this section in
accordance with federal law and with flexibility provisions outlined in Public Law 107-116,
and in the education flexibility partnership act of 1999, Public Law 106-25.
Notwithstanding section 17b, the department shall make payments of federal funds to
districts, intermediate districts, and other eligible entities under this section on a
schedule determined by the department.

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

(5) For the purposes of funding federal title I grants under this article, in
addition to any other federal grants for which the strict discipline academy is eligible,
the department shall allocate to a strict discipline academy out of title I, part A an
amount equal to what the strict discipline academy would have received if included and
calculated under title I, part D, or what it would receive under the formula allocation
under title I, part A, whichever is greater.

(6) As used in this section:

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

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

(c) "DED-OII" means the DED Office of Innovation and Improvement.

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

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

(f) "HHS-OCC" means the HHS Office of Child Care.

(g) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services Project.

Sec. 41. (1) For a district to be eligible to receive funding under this section, the district must administer to English language learners the English language proficiency assessment known as the "WIDA ACCESS for English language learners" or the "WIDA Alternate ACCESS". From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed ~~\$39,766,500.00~~ **\$42,813,500.00** for ~~2023-2024~~ **2024-2025** for payments to eligible districts for services for English language learners who have been administered the WIDA ACCESS for English language learners.

(2) The department shall distribute funding allocated under subsection (1) to eligible districts based on the number of full-time equivalent English language learners as follows:

(a) ~~\$1,476.00~~ **\$1,589.00** per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 1.0 and 1.9, or less, as applicable to each assessment. It is the intent of the legislature to increase this amount until it reaches 75% of the target foundation allowance.

(b) ~~\$1,019.00~~ **\$1,097.00** per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 2.0 and 2.9, or less, as applicable to each assessment. It is the intent of the legislature to increase this amount until it reaches 50% of the target foundation allowance.

(c) ~~\$167.00~~ **\$180.00** per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 3.0 and 3.9, or less, as applicable to each assessment. It is the intent of the legislature to increase this amount until it reaches 35% of the target foundation allowance.

(3) If funds allocated under subsection (1) are insufficient to fully fund the payments as prescribed under subsection (2), the department shall prorate payments on an equal percentage basis, with the same percentage proration applied to all funding

1 categories.

2 (4) By October 15 of the fiscal year following the receipt of funding under
3 subsection (1), each district receiving funds under subsection (1) shall submit to the
4 department a report, not to exceed 10 pages, on the usage by the district of funds under
5 subsection (1) in a form and manner determined by the department, including a brief
6 description of each program conducted or services performed by the district using funds
7 under subsection (1) and the amount of funds under subsection (1) allocated to each of
8 those programs or services. If a district does not comply with this subsection, the
9 department shall withhold an amount equal to the December payment due under this section
10 until the district complies with this subsection. If the district does not comply with this
11 subsection by the end of the fiscal year, the withheld funds are forfeited to the state
12 school aid fund.

13 (5) In order to receive funds under subsection (1), a district must allow access for
14 the department or the department's designee to audit all records related to the program for
15 which it receives those funds. The district shall reimburse this state for all
16 disallowances found in the audit.

17 (6) Beginning July 1, 2020, and every 3 years thereafter, the department shall review
18 the per-pupil distribution under subsection (2), to ensure that funding levels are
19 appropriate and make recommendations for adjustments to the members of the senate and house
20 subcommittees on K to 12 school aid appropriations.

21 **(7) By March 1, 2025, the department must establish English learner program models**
22 **that establish a minimum number of minutes per week in which districts must provide direct**
23 **English language development instruction for students according to the student's**
24 **proficiency levels. These models must be compliant with federal requirements related to**
25 **English learner program services. In order to be considered an eligible recipient of**
26 **funding under this section, a district must agree to meet or exceed the minimum number of**
27 **minutes per week, as determined by the department, for which the entity provides direct**
28 **English language development instruction.**

29 Sec. 51a. (1) From the state school aid fund money in section 11, there is allocated
30 an amount not to exceed ~~\$1,593,296,100.00~~ **\$2,127,196,100.00** for ~~2022-2023~~ and there is
31 ~~allocated an amount not to exceed \$1,694,646,100.00 for 2023-2024~~ **2024-2025** from state
32 sources and all available federal funding under sections 1411 to 1419 of part B of the

1 individuals with disabilities education act, 20 USC 1411 to 1419, estimated at
2 ~~\$390,000,000.00~~ **\$450,000,000.00** for 2022-2023 and ~~\$390,000,000.00~~ for 2023-2024, ~~2024-2025~~,
3 plus any carryover federal funds from previous year appropriations. ~~In addition, from the~~
4 ~~state school aid fund money in section 11, there is allocated an amount not to exceed~~
5 ~~\$76,150,000.00 for 2023-2024 only to supplement the allocations in this section.~~ The
6 allocations under this subsection are for the purpose of reimbursing districts and
7 intermediate districts for special education programs, services, and special education
8 personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1761;
9 net tuition payments made by intermediate districts to the Michigan Schools for the Deaf
10 and Blind; and special education programs and services for pupils who are eligible for
11 special education programs and services according to statute or rule. For meeting the costs
12 of special education programs and services not reimbursed under this article, a district or
13 intermediate district may use money in general funds or special education funds, not
14 otherwise restricted, or contributions from districts to intermediate districts, tuition
15 payments, gifts and contributions from individuals or other entities, or federal funds that
16 may be available for this purpose, as determined by the intermediate district plan prepared
17 under article 3 of the revised school code, MCL 380.1701 to 380.1761. Notwithstanding
18 section 17b, the department shall make payments of federal funds to districts, intermediate
19 districts, and other eligible entities under this section on a schedule determined by the
20 department.

21 (2) From the funds allocated under subsection (1), there is allocated the amount
22 necessary, estimated at ~~\$357,400,000.00~~ **\$457,100,000.00** for ~~2022-2023~~ and estimated at
23 ~~\$368,000,000.00 for 2023-2024, 2024-2025~~, for payments toward reimbursing districts and
24 intermediate districts for 28.6138% of total approved costs of special education, excluding
25 costs reimbursed under section 53a, and 70.4165% of total approved costs of special
26 education transportation. ~~Allocations under this subsection are made as follows:~~

27 ~~(a) For 2022-2023, the department shall calculate the initial amount allocated to a~~
28 ~~district under this subsection toward fulfilling the specified percentages by multiplying~~
29 ~~the district's special education pupil membership, excluding pupils described in subsection~~
30 ~~(11), times 25% of the foundation allowance under section 20 of the pupil's district of~~
31 ~~residence, plus 25% of the amount of the district's per-pupil allocation under section 20m,~~
32 ~~not to exceed 25% of the target foundation allowance for the current fiscal year, or, for a~~

~~special education pupil in membership in a district that is a public school academy, times an amount equal to 25% of the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages is an amount per special education membership pupil, excluding pupils described in subsection (11), and is calculated in the same manner as for a district, using 25% of the foundation allowance under section 20 of the pupil's district of residence, not to exceed 25% of the target foundation allowance for the current fiscal year, and that district's per-pupil allocation under section 20m.~~

~~(b) For 2022-2023, after the allocation under subdivision (a), the department shall pay a district or intermediate district for which the payments calculated under subdivision (a) do not fulfill the specified percentages the amount necessary to achieve the specified percentages for the district or intermediate district.~~

~~(c) Beginning in 2023-2024, subdivisions (a) and (b) no longer apply.~~

(3) From the funds allocated under subsection (1), there is allocated for ~~2022-2023~~ an amount not to exceed \$1,000,000.00 and there is allocated for ~~2023-2024~~ **2024-2025** an amount not to exceed \$1,000,000.00 to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for the fiscal year under subsection (2) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. The department shall make adjustments for reductions in special education program operations or services in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2) is not sufficient to fulfill the specified percentages in subsection (2), the department shall pay the shortfall to the district or intermediate district during the fiscal year beginning on the October 1

1 following the determination and shall adjust payments under subsection (3) as necessary. If
2 the department determines that the sum of the amounts allocated for a fiscal year to a
3 district or intermediate district under subsection (2) exceeds the sum of the amount
4 necessary to fulfill the specified percentages in subsection (2), the department shall
5 deduct the amount of the excess from the district's or intermediate district's payments
6 under this article for the fiscal year beginning on the October 1 following the
7 determination and shall adjust payments under subsection (3) as necessary. ~~For 2022-2023,~~
8 ~~if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to~~
9 ~~fulfill the specified percentages in subsection (2), there is no deduction under this~~
10 ~~subsection.~~

11 (5) State funds are allocated on a total approved cost basis. Federal funds are
12 allocated under applicable federal requirements.

13 (6) From the amount allocated in subsection (1), there is allocated an amount not to
14 exceed \$2,200,000.00 for ~~2022-2023 and there is allocated an amount not to exceed~~
15 ~~\$2,200,000.00 for 2023-2024~~ **2024-2025** to reimburse 100% of the net increase in necessary
16 costs incurred by a district or intermediate district in implementing the revisions in the
17 administrative rules for special education that became effective on July 1, 1987. As used
18 in this subsection, "net increase in necessary costs" means the necessary additional costs
19 incurred solely because of new or revised requirements in the administrative rules minus
20 cost savings permitted in implementing the revised rules. The department shall determine
21 net increase in necessary costs in a manner specified by the department.

22 (7) For purposes of this section and sections 51b to 58, ~~all of the following apply:~~

23 ~~(a) "Total"~~ **"total"** approved costs of special education" are determined in a manner
24 specified by the department and may include indirect costs, but must not exceed 115% of
25 approved direct costs for section 52 and section 53a programs. The total approved costs
26 include salary and other compensation for all approved special education personnel for the
27 program, including payments for Social Security and Medicare and public school employee
28 retirement system contributions. The total approved costs do not include salaries or other
29 compensation paid to administrative personnel who are not special education personnel as
30 that term is defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed
31 by federal funds, other than those federal funds included in the allocation made under this
32 article, are not included. Special education approved personnel not utilized full time in

1 the evaluation of students or in the delivery of special education programs, ancillary, and
2 other related services are reimbursed under this section only for that portion of time
3 actually spent providing these programs and services, with the exception of special
4 education programs and services provided to youth placed in child caring institutions or
5 juvenile detention programs approved by the department to provide an on-grounds education
6 program.

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

17 ~~(c) If the department determines before bookclosing for a fiscal year that the~~
18 ~~amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and~~
19 ~~sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections~~
20 ~~(2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate~~
21 ~~district whose reimbursement for that fiscal year would otherwise be affected by~~
22 ~~subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for~~
23 ~~that district or intermediate district and the department shall calculate reimbursement for~~
24 ~~that district or intermediate district in the same manner as it was for 2003-2004. If the~~
25 ~~amount of the excess allocations under subsections (2), (3), (6), and (11) and sections~~
26 ~~53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those~~
27 ~~districts and intermediate districts under this subdivision, then the department shall~~
28 ~~prorate calculations and resulting reimbursement under this subdivision on an equal~~
29 ~~percentage basis. The amount of reimbursement under this subdivision for a fiscal year must~~
30 ~~not exceed \$2,000,000.00 for any district or intermediate district.~~

31 ~~(c) (d)~~ Reimbursement for ancillary and other related services, as that term is
32 defined by R 340.1701c of the Michigan Administrative Code, is not provided when those

1 services are covered by and available through private group health insurance carriers or
2 federal reimbursed program sources unless the department and district or intermediate
3 district agree otherwise and that agreement is approved by the state budget director.
4 Expenses, other than the incidental expense of filing, must not be borne by the parent. In
5 addition, the filing of claims must not delay the education of a pupil. A district or
6 intermediate district is responsible for payment of a deductible amount and for an advance
7 payment required until the time a claim is paid.

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

18 (8) A pupil who is enrolled in a full-time special education program conducted or
19 administered by an intermediate district or a pupil who is enrolled in the Michigan Schools
20 for the Deaf and Blind is not included in the membership count of a district, but is
21 counted in membership in the intermediate district of residence.

22 (9) Special education personnel transferred from 1 district to another to implement
23 the revised school code are entitled to the rights, benefits, and tenure to which the
24 individual would otherwise be entitled had that individual been employed by the receiving
25 district originally.

26 (10) If a district or intermediate district uses money received under this section
27 for a purpose other than the purpose or purposes for which the money is allocated, the
28 department may require the district or intermediate district to refund the amount of money
29 received. The department shall deposit money that is refunded in the state treasury to the
30 credit of the state school aid fund.

31 (11) From the funds allocated in subsection (1), there is allocated the amount
32 necessary, estimated at ~~\$2,000,000.00~~ **\$1,600,000.00** for ~~2022-2023 and estimated at~~

1 ~~\$2,000,000.00 for 2023-2024, 2024-2025~~, to pay the foundation allowances for pupils
2 described in this subsection. The department shall calculate the allocation to a district
3 under this subsection by multiplying the number of pupils described in this subsection who
4 are counted in membership in the district times the sum of the foundation allowance under
5 section 20 of the pupil's district of residence, plus the amount of the district's per-
6 pupil allocation under section 20m, not to exceed the target foundation allowance for the
7 current fiscal year, or, for a pupil described in this subsection who is counted in
8 membership in a district that is a public school academy, times an amount equal to the
9 amount per membership pupil under section 20(6). The department shall calculate the
10 allocation to an intermediate district under this subsection in the same manner as for a
11 district, using the foundation allowance under section 20 of the pupil's district of
12 residence not to exceed the target foundation allowance for the current fiscal year and
13 that district's per-pupil allocation under section 20m. This subsection applies to all of
14 the following pupils:

15 (a) Pupils described in section 53a.

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

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

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

27 (a) One hundred percent of the reimbursement required under section 53a.

28 (b) One hundred percent of the reimbursement required under subsection (6).

29 (c) One hundred percent of the payment required under section 54.

30 (d) One hundred percent of the payment required under subsection (3).

31 (e) One hundred percent of the payments under section 56.

32 (13) The allocations under subsections (2), (3), and (11) are allocations to

1 intermediate districts only and are not allocations to districts, but instead are
2 calculations used only to determine the state payments under section 22b.

3 (14) If a public school academy that is not a cyber school, as that term is defined
4 in section 551 of the revised school code, MCL 380.551, enrolls under this section a pupil
5 who resides outside of the intermediate district in which the public school academy is
6 located and who is eligible for special education programs and services according to
7 statute or rule, or who is a child with a disability, as that term is defined under the
8 individuals with disabilities education act, Public Law 108-446, the intermediate district
9 in which the public school academy is located and the public school academy shall enter
10 into a written agreement with the intermediate district in which the pupil resides for the
11 purpose of providing the pupil with a free appropriate public education, and the written
12 agreement must include at least an agreement on the responsibility for the payment of the
13 added costs of special education programs and services for the pupil. If the public school
14 academy that enrolls the pupil does not enter into an agreement under this subsection, the
15 public school academy shall not charge the pupil's resident intermediate district or the
16 intermediate district in which the public school academy is located the added costs of
17 special education programs and services for the pupil, and the public school academy is not
18 eligible for any payouts based on the funding formula outlined in the resident or
19 nonresident intermediate district's plan. If a pupil is not enrolled in a public school
20 academy under this subsection, the provision of special education programs and services and
21 the payment of the added costs of special education programs and services for a pupil
22 described in this subsection are the responsibility of the district and intermediate
23 district in which the pupil resides.

24 (15) For the purpose of receiving its federal allocation under part B of the
25 individuals with disabilities education act, Public Law 108-446, a public school academy
26 that is a cyber school, as that term is defined in section 551 of the revised school code,
27 MCL 380.551, and is in compliance with section 553a of the revised school code, MCL
28 380.553a, directly receives the federal allocation under part B of the individuals with
29 disabilities education act, Public Law 108-446, from the intermediate district in which the
30 cyber school is located, as the subrecipient. If the intermediate district does not
31 distribute the funds described in this subsection to the cyber school by the part B
32 application due date of July 1, the department may distribute the funds described in this

subsection directly to the cyber school according to the formula prescribed in 34 CFR 300.705 and 34 CFR 300.816. Beginning July 1, 2021, this subsection is subject to section 8c. It is the intent of the legislature that the immediately preceding sentence apply retroactively and is effective July 1, 2021.

(16) For a public school academy that is a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, that enrolls a pupil under this section, the intermediate district in which the cyber school is located shall ensure that the cyber school complies with sections 1701a, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable rules; and the individuals with disabilities education act, Public Law 108-446. Beginning July 1, 2021, this subsection is subject to section 8c. It is the intent of the legislature that the immediately preceding sentence apply retroactively and is effective July 1, 2021.

(17) For the purposes of this section, the department or the center shall only require a district or intermediate district to report information that is not already available from the financial information database maintained by the center.

Sec. 51c. As required by the court in the consolidated cases known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the allocation under section 51a(1), there is allocated for ~~2022-2023 and for 2023-2024, 2024-2025~~, the amount necessary, estimated at ~~\$793,400,000.00 for 2022-2023 and \$820,000,000.00 for 2023-2024, \$1,014,500,000.00~~, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b to fully fund those allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for ~~2023-2024-2024-2025~~ all available federal funding, estimated at ~~\$71,000,000.00,~~ **\$83,000,000.00**, for special education programs and services that are funded by federal grants. The department shall distribute all federal funds allocated under this section in accordance with federal law. Notwithstanding section 17b, the department shall make

1 payments of federal funds to districts, intermediate districts, and other eligible entities
2 under this section on a schedule determined by the department.

3 (2) From the federal funds allocated under subsection (1), the following amounts are
4 allocated:

5 (a) For ~~2023-2024, 2024-2025~~ an amount estimated at \$14,000,000.00 for handicapped
6 infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

7 (b) For ~~2023-2024, 2024-2025~~ an amount estimated at \$14,000,000.00 for preschool
8 grants under Public Law 94-142, funded from DED-OSERS, handicapped preschool incentive
9 funds.

10 (c) For ~~2023-2024, 2024-2025~~ an amount estimated at ~~\$43,000,000.00~~ **\$55,000,000.00** for
11 special education programs funded by DED-OSERS, handicapped program, individuals with
12 disabilities act funds.

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

15 Sec. 51e. (1) From the allocation under section 51a(1), there is allocated for ~~2022-~~
16 ~~2023 the amount necessary, estimated at \$350,900,000.00 for 2022-2023, for payments to~~
17 ~~districts and intermediate districts for 75% of foundation allowance costs associated with~~
18 ~~special education pupils, and there is allocated for 2023-2024-2024-2025 the amount~~
19 necessary, estimated at ~~\$491,200,000.00 for 2023-2024,~~ **\$514,400,000.00**, for payments to
20 districts and intermediate districts for 100% of foundation allowance costs associated with
21 special education pupils.

22 ~~(2) For 2022-2023, the department shall calculate the amount allocated to a district~~
23 ~~under this section by multiplying the district's special education pupil membership,~~
24 ~~excluding pupils described in section 51a(11), times 75% of the foundation allowance under~~
25 ~~section 20 of the pupil's district of residence, plus 75% of the amount of the district's~~
26 ~~per pupil allocation under section 20m, not to exceed 75% of the target foundation~~
27 ~~allowance for the current fiscal year, or, for a special education pupil in membership in a~~
28 ~~district that is a public school academy, times an amount equal to 75% of the amount per~~
29 ~~membership pupil calculated under section 20(6). For an intermediate district, the amount~~
30 ~~allocated under this subsection is an amount per special education membership pupil,~~
31 ~~excluding pupils described in section 51a(11), and is calculated in the same manner as for~~
32 ~~a district, using 75% of the foundation allowance under section 20 of the pupil's district~~

1 ~~of residence, not to exceed 75% of the target foundation allowance for the current fiscal~~
2 ~~year, and 75% of that district's per-pupil allocation under section 20m.~~

3 (2) ~~(3) Beginning in 2023-2024, the~~ The department shall calculate the amount
4 allocated to a district under this section by multiplying the district's special education
5 pupil membership, excluding pupils described in section 51a(11), times 100% of the
6 foundation allowance under section 20 of the pupil's district of residence, plus 100% of
7 the amount of the district's per-pupil allocation under section 20m, not to exceed 100% of
8 the target foundation allowance for the current fiscal year, or, for a special education
9 pupil in membership in a district that is a public school academy, times an amount equal to
10 100% of the amount per membership pupil calculated under section 20(6). For an intermediate
11 district, the amount allocated under this subsection is an amount per special education
12 membership pupil, excluding pupils described in section 51a(11), and is calculated in the
13 same manner as for a district, using 100% of the foundation allowance under section 20 of
14 the pupil's district of residence, not to exceed 100% of the target foundation allowance
15 for the current fiscal year, and 100% of that district's per-pupil allocation under section
16 20m.

17 Sec. 51g. From the general fund money appropriated in section 11, \$3,000,000.00 is
18 allocated for ~~2023-2024-2024-2025~~ to an association for administrators of special education
19 services to develop content for use by special education students, teachers, and others.
20 Any content that is developed as described in this section must be accessible throughout
21 this state. Funds received by an association under this section may be used to support the
22 development of assessment tools to measure the needs of students with special education
23 needs in remote learning environments and the effectiveness of various educational methods
24 and tools, in collaboration with the department. Funds under this section may also be
25 utilized to identify any available federal funds for research related to special education
26 in remote learning.

27 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) is
28 100% of the total approved costs of operating special education programs and services
29 approved by the department and included in the intermediate district plan adopted under
30 article 3 of the revised school code, MCL 380.1701 to 380.1761, minus the district's
31 foundation allowance calculated under section 20 and minus the district's per-pupil
32 allocation under section 20m. For intermediate districts, the department shall calculate

1 reimbursement for pupils described in subsection (2) in the same manner as for a district,
2 using the foundation allowance under section 20 of the pupil's district of residence, not
3 to exceed the target foundation allowance under section 20 for the current fiscal year plus
4 the amount of the district's per-pupil allocation under section 20m.

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

6 (a) Pupils assigned to a district or intermediate district through the community
7 placement program of the courts or a state agency, if the pupil was a resident of another
8 intermediate district at the time the pupil came under the jurisdiction of the court or a
9 state agency.

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

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

15 (d) Pupils enrolled in a department-approved on-grounds educational program longer
16 than 180 days, but not longer than 233 days, at a residential child care institution, if
17 the child care institution offered in 1991-92 an on-grounds educational program longer than
18 180 days but not longer than 233 days.

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

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

26 (4) The costs of transportation are funded under this section and are not reimbursed
27 under section 58.

28 (5) The department shall not allocate more than \$10,500,000.00 of the allocation for
29 ~~2023-2024-2024-2025~~ in section 51a(1) under this section.

30 Sec. 54. Each intermediate district receives an amount per pupil for each pupil in
31 attendance at the Michigan Schools for the Deaf and Blind. The amount is proportionate to
32 the total instructional cost at each school. The department shall not allocate more than

1 \$1,688,000.00 of the allocation for ~~2023-2024-2024-2025~~ in section 51a(1) under this
2 section.

3 Sec. 54b. (1) From the general fund money appropriated in section 11, there is
4 allocated an amount not to exceed \$1,600,000.00 for ~~2023-2024-2024-2025~~ to continue the
5 implementation of the ~~recommendations of the special education reform task force published~~
6 ~~in January 2016.~~ **MiMTSS Center.**

7 (2) The department shall use funds allocated under this section for the purpose of
8 piloting statewide implementation of the MiMTSS Center, a nationally recognized program
9 that includes positive behavioral intervention and supports and provides a statewide
10 structure to support local initiatives for an integrated behavior and reading program. With
11 the assistance of the intermediate districts involved in the MiMTSS Center, the department
12 shall identify a number of intermediate districts to participate in the pilot that is
13 sufficient to ensure that the MiMTSS Center can be implemented statewide with fidelity and
14 sustainability. In addition, the department shall identify an intermediate district to act
15 as a fiscal agent for these funds.

16 (3) As used in this section, "MiMTSS Center" means the Michigan Multi-Tiered System
17 of Supports Center.

18 Sec. 54d. (1) From the state school aid fund money appropriated in section 11, there
19 is allocated an amount not to exceed ~~\$22,313,000.00~~ **\$23,313,000.00** for ~~2023-2024-2024-2025~~
20 to intermediate districts for the purpose of providing state early on services programs for
21 children from birth to 3 years of age with a developmental delay or a disability, or both,
22 and their families, as described in the early on Michigan state plan, as approved by the
23 department.

24 (2) To be eligible to receive grant funding under this section, each intermediate
25 district must apply in a form and manner determined by the department.

26 (3) The grant funding allocated under this section must be used to increase early on
27 services and resources available to children that demonstrate developmental delays to help
28 prepare them for success as they enter school. State early on services include evaluating
29 and providing early intervention services for eligible infants and toddlers and their
30 families to address developmental delays, including those affecting physical, cognitive,
31 communication, adaptive, social, or emotional development. Grant funds must not be used to
32 supplant existing services that are currently being provided.

1 (4) The department shall distribute the funds allocated under subsection (1) to
2 intermediate districts according to the department's early on funding formula utilized to
3 distribute the federal award to Michigan under part C of the individuals with disabilities
4 education act, Public Law 108-446. Funds received under this section must not supplant
5 existing funds or resources allocated for early on early intervention services. An
6 intermediate district receiving funds under this section shall maximize the capture of
7 Medicaid funds to support early on early intervention services to the extent possible.

8 (5) Each intermediate district that receives funds under this section shall report
9 data and other information to the department in a form, manner, and frequency prescribed by
10 the department to allow for monitoring and evaluation of the program and to ensure that the
11 children described in subsection (1) received appropriate levels and types of services
12 delivered by qualified personnel, based on the individual needs of the children and their
13 families.

14 (6) Notwithstanding section 17b, the department shall make payments under this
15 section on a schedule determined by the department.

16 (7) Grant funds awarded and allocated to an intermediate district under this section
17 must be expended by the grant recipient before June 30 of the fiscal year immediately
18 following the fiscal year in which the funds were received.

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

20 (a) ~~"Membership" means for a particular fiscal year the total membership of the~~
21 ~~intermediate district and the districts constituent to the intermediate district, except~~
22 ~~that if a district has elected not to come under part 30 of the revised school code, MCL~~
23 ~~380.1711 to 380.1741, membership of the district is not included in the membership of the~~
24 ~~intermediate district.~~ **"Local cost cap" means, except as adjusted under subsection (4),**
25 **24%.**

26 (b) **"Local special education revenue share" means an amount equal to the amount**
27 **generated by levying the lesser of 3 mills or the maximum allowable millage on the taxable**
28 **value of the intermediate district.**

29 (c) **"Locally subsidized special education costs" means the difference between the**
30 **total special education cost and the total special education resources for an intermediate**
31 **district.**

32 (d) **"Maximum allowable millage" means the highest number of special education mills**

1 an intermediate district may levy for special education purposes as permitted in section
2 1724a of the revised school code, MCL 380.1724a.

3 (e) ~~(b)~~ "Millage levied" means the millage levied in the immediately preceding fiscal
4 year for special education under part 30 of the revised school code, MCL 380.1711 to
5 380.1741, including a levy for debt service obligations.

6 (f) ~~(c)~~ "Taxable value" means the total taxable value of the districts constituent to
7 an intermediate district in the immediately preceding fiscal year, except that if a
8 district has elected not to come under part 30 of the revised school code, MCL 380.1711 to
9 380.1741, taxable value of the district is not included in the taxable value of the
10 intermediate district.

11 (g) "Total special education cost" means the sum of the total approved costs of
12 special education plus the sum of the total approve costs of special education
13 transportation, as those terms are utilized in section 51a and section 51c, for the
14 intermediate district and districts constituent to the intermediate district in the
15 immediately preceding fiscal year.

16 (h) "Total special education resources" means the sum of the local special education
17 revenue share plus the sum of revenue received from all of the following sections for the
18 intermediate district and districts constituent to the intermediate district in the
19 immediately preceding fiscal year: amounts received under section 26d attributable to
20 special education millages, amounts received and attributable to special education millages
21 for reimbursement of personal property exemption loss under the local community
22 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, section 51a(2), section
23 51c, and section 51e.

24 (2) From the allocation under section 51a(1), there is allocated an amount not to
25 exceed ~~\$40,008,100.00 for 2022-2023 and 2023-2024 to reimburse~~ **\$124,208,100.00 for 2024-**
26 **2025 for payments to** intermediate districts levying millages for special education under
27 part 30 of the revised school code, MCL 380.1711 to 380.1741. **Funding allocated under this**
28 **section must be used to offset costs of special education services in intermediate**
29 **districts or constituents districts of the intermediate district receiving funding or both.**
30 ~~The purpose, use, and expenditure of the reimbursement are limited as if the funds were~~
31 ~~generated by these millages and governed by the intermediate district plan adopted under~~
32 ~~article 3 of the revised school code, MCL 380.1701 to 380.1761. As a condition of receiving~~

1 funds under this section, an intermediate district distributing any portion of special
2 education millage funds to its constituent districts must submit for departmental approval
3 and implement a distribution plan.

4 (3) The amount allocated to each intermediate district under this section must be
5 calculated as follows:

6 (a) The department must calculate for each intermediate district an amount equal to
7 the total special education cost multiplied by the local cost cap.

8 (b) Payments to each intermediate district must equal the locally subsidized special
9 education costs minus the amount calculated under subdivision (a). If the calculation under
10 this subdivision results in an amount below zero, there is no payment under this
11 subdivision. The department shall ensure that the amount paid to a single intermediate
12 district under this subsection does not exceed 40.00% of the total amount allocated under
13 subsection (2).

14 (4) The department shall adjust the local cost cap in the following ways:

15 (a) If total payments calculated under subsection (3) exceed the amount allocated in
16 subsection (2), the department must adjust the local cost cap to a level where the
17 calculated amount does not exceed the allocated amount.

18 (b) If total payments calculated under subsection (3) are less than the amount
19 allocated in subsection (2), the department must adjust the local cost cap to a level where
20 the full allocation is utilized.

21 ~~(3) Except as otherwise provided in this subsection, reimbursement for those millages~~
22 ~~levied in 2021-2022 is made in 2022-2023 at an amount per 2021-2022 membership pupil~~
23 ~~computed by subtracting from \$229,600.00 the 2021-2022 taxable value behind each membership~~
24 ~~pupil and multiplying the resulting difference by the 2021-2022 millage levied, and then~~
25 ~~subtracting from that amount the 2021-2022 local community stabilization share revenue for~~
26 ~~special education purposes and 2021-2022 tax increment revenues captured by a brownfield~~
27 ~~redevelopment authority created under the brownfield redevelopment financing act, 1996 PA~~
28 ~~381, MCL 125.2651 to 125.2670, behind each membership pupil for reimbursement of personal~~
29 ~~property exemption loss under the local community stabilization authority act, 2014 PA 86,~~
30 ~~MCL 123.1341 to 123.1362, and reimbursements paid under section 26d for tax increment~~
31 ~~revenues captured by a brownfield redevelopment authority under the brownfield~~
32 ~~redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. For the purposes of the~~

1 ~~calculation described in the previous sentence only, for an intermediate district receiving~~
2 ~~funds under this section and section 62, reimbursements paid under section 26d must be~~
3 ~~multiplied by the ratio of special education millage levied, as defined in this section,~~
4 ~~and the sum of special education millage levied and vocational-technical education millage~~
5 ~~levied, as defined in section 62. Reimbursement in 2022-2023 for an intermediate district~~
6 ~~whose 2017-2018 allocation was affected by the operation of subsection (5) is an amount~~
7 ~~equal to 102.5% of the 2017-2018 allocation to that intermediate district.~~

8 ~~(4) Except as otherwise provided in this subsection, reimbursement for those millages~~
9 ~~levied in 2022-2023 is made in 2023-2024 at an amount per 2022-2023 membership pupil~~
10 ~~computed by subtracting from \$238,800.00 the 2022-2023 taxable value behind each membership~~
11 ~~pupil and multiplying the resulting difference by the 2022-2023 millage levied, and then~~
12 ~~subtracting from that amount the 2022-2023 local community stabilization share revenue for~~
13 ~~special education purposes and 2022-2023 tax increment revenues captured by a brownfield~~
14 ~~redevelopment authority created under the brownfield redevelopment financing act, 1996 PA~~
15 ~~381, MCL 125.2651 to 125.2670, behind each membership pupil for reimbursement of personal~~
16 ~~property exemption loss under the local community stabilization authority act, 2014 PA 86,~~
17 ~~MCL 123.1341 to 123.1362, and reimbursements paid under section 26d for tax increment~~
18 ~~revenues captured by a brownfield redevelopment authority under the brownfield~~
19 ~~redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. For the purposes of the~~
20 ~~calculation described in the previous sentence only, for an intermediate district receiving~~
21 ~~funds under this section and section 62, reimbursements paid under section 26d must be~~
22 ~~multiplied by the ratio of special education millage levied, as defined in this section,~~
23 ~~and the sum of special education millage levied and vocational-technical education millage~~
24 ~~levied, as defined in section 62. Reimbursement in 2023-2024 for an intermediate district~~
25 ~~whose 2017-2018 allocation was affected by the operation of subsection (5) is an amount~~
26 ~~equal to 102.5% of the 2017-2018 allocation to that intermediate district.~~

27 ~~(5) The department shall ensure that the amount paid to a single intermediate~~
28 ~~district under subsection (2) does not exceed 62.9% of the total amount allocated under~~
29 ~~subsection (2).~~

30 ~~(6) The department shall ensure that the amount paid to a single intermediate~~
31 ~~district under subsection (2) is not less than 75% of the amount allocated to the~~
32 ~~intermediate district under subsection (2) for the immediately preceding fiscal year.~~

~~(7) From the allocation under section 51a(1), there is allocated an amount not to exceed \$34,200,000.00 for 2022-2023 and 2023-2024 to provide payments to intermediate districts levying millages for special education under part 30 of the revised school code, MCL 380.1711 to 380.1741. The purpose, use, and expenditure of the payments under this subsection are limited as if the funds were generated by these millages and governed by the intermediate district plan adopted under article 3 of the revised school code, MCL 380.1701 to 380.1761. The department shall provide a payment under this subsection to each intermediate district described in this subsection as follows:~~

~~(a) For 2022-2023 and 2023-2024, except as otherwise provided in this subsection, for an intermediate district with a 3-year average special education millage revenue per pupil in the immediately preceding fiscal year that is less than \$251.00 and that is levying at least 46.2% but less than 60.0% of its maximum millage rate allowed under section 1724a of the revised school code, MCL 380.1724a, an amount computed by subtracting from \$251.00 the 3-year average special education millage revenue per pupil in the immediately preceding fiscal year and, only if the millage levied by the intermediate district is less than 1, multiplying that amount by the number of mills levied divided by 1, and then multiplying that amount by the 3-year average membership in the immediately preceding fiscal year, and then subtracting from that amount the amount allocated under subsection (2) for the current fiscal year. If the calculation under this subdivision results in an amount below zero, there is no payment under this subdivision.~~

~~(b) For 2022-2023 and 2023-2024, except as otherwise provided in this subsection, for an intermediate district with a 3-year average special education millage revenue per pupil in the immediately preceding fiscal year that is less than \$296.00 and that is levying at least 60.0% of its maximum millage rate allowed under section 1724a of the revised school code, MCL 380.1724a, an amount computed by subtracting from \$296.00 the 3-year average special education millage revenue per pupil in the immediately preceding fiscal year, and, only if the millage levied by the intermediate district is less than 1, multiplying that amount by the number of mills levied divided by 1, and then multiplying that amount by the 3-year average membership in the immediately preceding fiscal year, and then subtracting from that amount the amount allocated under subsection (2) for the current fiscal year. If the calculation under this subdivision results in an amount below zero, there is no payment under this subdivision.~~

1 ~~(8) After making allocations to eligible intermediate districts under subsections~~
2 ~~(3), (4), and (7), if funds remain unallocated from the allocations under subsections (2)~~
3 ~~and (7), the department must allocate remaining funds to intermediate districts~~
4 ~~proportional to the amounts allocated to intermediate districts under subsections (3) and~~
5 ~~(4).~~

6 ~~(9) As used in subsection (7):~~

7 ~~(a) "3-year average membership" means the 3-year average pupil membership for each of~~
8 ~~the 3 most recent fiscal years.~~

9 ~~(b) "3-year average special education millage revenue per pupil" means the 3-year~~
10 ~~average taxable value per mill levied behind each membership pupil for each of the 3 most~~
11 ~~recent fiscal years multiplied by the millage levied in the most recent fiscal year.~~

12 Sec. 61a. (1) From the state school aid fund money appropriated in section 11, there
13 is allocated an amount not to exceed ~~\$48,011,300.00~~ **\$52,052,300.00** for ~~2023-2024 only~~ **2024-**
14 **2025** to reimburse on an added cost basis districts, except for a district that served as
15 the fiscal agent for a vocational education consortium in the 1993-94 school year and that
16 has a foundation allowance as calculated under section 20 greater than the target
17 foundation allowance under that section, and secondary area vocational-technical education
18 centers for secondary-level career and technical education programs according to rules
19 approved by the superintendent. ~~It is the intent of the legislature that, for 2024-2025,~~
20 ~~the allocation from the state school aid fund money appropriated in section 11 for purposes~~
21 ~~described in this subsection will be \$37,611,300.00.~~ Applications for participation in the
22 programs must be submitted in the form prescribed by the department. The department shall
23 determine the added cost for each career and technical education program area. The
24 department shall prioritize the allocation of added cost funds based on the capital and
25 program expenditures needed to operate the career and technical education programs
26 provided; the number of pupils enrolled; the advancement of pupils through the
27 instructional program; the existence of an articulation agreement with at least 1
28 postsecondary institution that provides pupils with opportunities to earn postsecondary
29 credit during the pupil's participation in the career and technical education program and
30 transfers those credits to the postsecondary institution upon completion of the career and
31 technical education program; and the program rank in student placement, job openings, and
32 wages, and shall ensure that the allocation does not exceed 75% of the added cost of any

1 program. Notwithstanding any rule or department determination to the contrary, when
2 determining a district's allocation or the formula for making allocations under this
3 section, the department shall include the participation of pupils in grade 9 in all of
4 those determinations and in all portions of the formula. With the approval of the
5 department, the board of a district maintaining a secondary career and technical education
6 program may offer the program for the period from the close of the school year until
7 September 1. The program shall use existing facilities and must be operated as prescribed
8 by rules promulgated by the superintendent.

9 (2) Except for a district that served as the fiscal agent for a vocational education
10 consortium in the 1993-94 school year, the department shall reimburse districts and
11 intermediate districts for local career and technical education administration, shared time
12 career and technical education administration, and career education planning district
13 career and technical education administration. The superintendent shall adopt guidelines
14 for the definition of what constitutes administration and shall make reimbursement pursuant
15 to those guidelines. The department shall not distribute more than \$800,000.00 of the
16 allocation in subsection (1) under this subsection.

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

21 Sec. 61b. (1) From the state school aid fund money appropriated under section 11,
22 there is allocated for ~~2023-2024~~ **2024-2025** an amount not to exceed \$8,000,000.00 for CTE
23 early middle college and CTE dual enrollment programs authorized under this section and for
24 planning grants for the development or expansion of CTE early middle college programs. The
25 purpose of these programs is to increase the number of Michigan residents with high-quality
26 degrees or credentials, and to increase the number of students who are college and career
27 ready upon high school graduation.

28 (2) From the funds allocated under subsection (1), the department shall allocate an
29 amount as determined under this subsection to each intermediate district serving as a
30 fiscal agent for state-approved CTE early middle college and CTE dual enrollment programs
31 in each of the career education planning districts identified by the department. An
32 intermediate district shall not use more than 5% of the funds allocated under this

subsection for administrative costs for serving as the fiscal agent.

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

(a) Distribute funds to eligible CTE early middle college and CTE dual enrollment programs in a career education planning district as described in this section.

(b) Collaborate with the career and educational advisory council in the workforce development board service delivery area to develop 1 regional strategic plan under subsection (4) that aligns CTE programs and services into an efficient and effective delivery system for high school students. The department will align career education planning districts, workforce development board service delivery areas, and intermediate districts for the purpose of creating 1 regional strategic plan for each workforce development board service delivery area.

(c) Implement a regional process to rank career clusters in the workforce development board service delivery area as described under subsection (4). Regional processes must be approved by the department before the ranking of career clusters.

(d) Report CTE early middle college and CTE dual enrollment program and student data and information as prescribed by the department and the center.

(e) The local education agency responsible for student reporting in the Michigan student data system (MSDS) will report the total number of college credits the student earned, at the time of high school graduation, as determined by the department and the center.

(f) The local education agency will report each award outcome in the Michigan student data system (MSDS) that the CTE early middle college student attained. For purposes of this subsection, an on-track CTE early middle college graduate is a graduate who obtained their high school diploma and at least 1 of the following:

(i) An associate degree.

(ii) 60 transferable college credits.

(iii) Professional certification.

(iv) A Michigan Early Middle College Association certificate.

(v) Participation in a registered apprenticeship.

(4) A regional strategic plan must be approved by the career and educational advisory council before submission to the department. A regional strategic plan must include, but is

1 not limited to, the following:

2 (a) An identification of regional employer need based on a ranking of all career
3 clusters in the workforce development board service delivery area ranked by 10-year
4 projections of annual job openings and median wage for each standard occupational code in
5 each career cluster as obtained from the United States Bureau of Labor Statistics. Standard
6 occupational codes within high-ranking clusters also may be further ranked by median wage
7 and annual job openings. The career and educational advisory council located in the
8 workforce development board service delivery area shall review the rankings and modify them
9 if necessary to accurately reflect employer demand for talent in the workforce development
10 board service delivery area. A career and educational advisory council shall document that
11 it has conducted this review and certify that it is accurate. These career cluster rankings
12 must be determined and updated once every 4 years.

13 (b) An identification of educational entities in the workforce development board
14 service delivery area that will provide eligible CTE early middle college and CTE dual
15 enrollment programs including districts, intermediate districts, postsecondary
16 institutions, and noncredit occupational training programs leading to an industry-
17 recognized credential.

18 (c) A strategy to inform parents and students of CTE early middle college and CTE
19 dual enrollment programs in the workforce development board service delivery area.

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

21 (5) An eligible CTE program is a program that meets all of the following:

22 (a) Has been identified in the highest 5 career cluster rankings in any of the 16
23 workforce development board service delivery area strategic plans jointly approved by the
24 department of labor and economic opportunity and the department.

25 (b) Has a coherent sequence of courses in a specific career cluster that will allow a
26 student to earn a high school diploma and achieve at least 1 of the following:

27 (i) For CTE early middle college, outcomes as defined in subsection (3)(f).

28 (ii) For CTE dual enrollment, 1 of the following:

29 (A) An associate degree.

30 (B) An industry-recognized technical certification approved by the department of
31 labor and economic opportunity.

32 (C) Up to 60 transferable college credits.

(D) Participation in a registered apprenticeship, pre-apprenticeship, or apprentice readiness program.

(c) Is aligned with the Michigan merit curriculum.

(d) Has an articulation or a college credit agreement with at least 1 postsecondary institution that provides students with opportunities to receive postsecondary credits during the student's participation in the CTE early middle college or CTE dual enrollment program and transfers those credits to the postsecondary institution upon completion of the CTE early middle college or CTE dual enrollment program.

(e) Provides instruction that is supervised, directed, or coordinated by an appropriately certificated CTE teacher or, for concurrent enrollment courses, a postsecondary faculty member.

(f) Provides for highly integrated student support services that include at least the following:

(i) Teachers as academic advisors.

(ii) Supervised course selection.

(iii) Monitoring of student progress and completion.

(iv) Career planning services provided by a local one-stop service center as described in the Michigan works one-stop service center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a high school counselor or advisor.

(g) Has courses that are taught on a college campus, are college courses offered at the high school and taught by college faculty, or are courses taught in combination with online instruction.

(6) The department shall distribute funds to eligible CTE early middle college and CTE dual enrollment programs as follows:

(a) The department shall determine statewide average CTE costs per pupil for each CIP code program by calculating statewide average costs for each CIP code program for the 3 most recent fiscal years.

(b) The distribution to each eligible CTE early middle college or CTE dual enrollment program is the product of 50% of CTE costs per pupil times the pupil enrollment of each eligible CTE early middle college or CTE dual enrollment program in the immediately preceding school year.

(7) In order to receive funds under this section, a CTE early middle college or CTE

1 dual enrollment program shall furnish to the intermediate district that is the fiscal agent
2 identified in subsection (2), in a form and manner determined by the department, all
3 information needed to administer this program and meet federal reporting requirements;
4 shall allow the department or the department's designee to review all records related to
5 the program for which it receives funds; and shall reimburse the state for all
6 disallowances found in the review, as determined by the department.

7 (8) There is allocated for ~~2023-2024~~**2024-2025** from the funds under subsection (1) an
8 amount not to exceed \$500,000.00 from the state school aid fund allocation for grants to
9 intermediate districts or consortia of intermediate districts for the purpose of planning
10 for new or expanded early middle college programs. Applications for grants must be
11 submitted in a form and manner determined by the department. The amount of a grant under
12 this subsection must not exceed \$50,000.00. To be eligible for a grant under this
13 subsection, an intermediate district or consortia of intermediate districts must provide
14 matching funds equal to the grant received under this subsection. Notwithstanding section
15 17b, the department shall make payments under this subsection in the manner determined by
16 the department.

17 (9) Funds distributed under this section may be used to fund program expenditures
18 that would otherwise be paid from foundation allowances. A program receiving funding under
19 section 61a may receive funding under this section for allowable costs that exceed the
20 reimbursement the program received under section 61a. The combined payments received by a
21 program under section 61a and this section must not exceed the total allowable costs of the
22 program. A program provider shall not use more than 5% of the funds allocated under this
23 section to the program for administrative costs.

24 (10) If the allocation under subsection (1) is insufficient to fully fund payments as
25 otherwise calculated under this section, the department shall prorate payments under this
26 section on an equal percentage basis.

27 (11) If pupils enrolled in a career cluster in an eligible CTE early middle college
28 or CTE dual enrollment program qualify to be reimbursed under this section, those pupils
29 continue to qualify for reimbursement until graduation, even if the career cluster is no
30 longer identified as being in the highest 5 career cluster rankings.

31 (12) As used in this section:

32 (a) "Allowable costs" means those costs directly attributable to the program as

1 jointly determined by the department of labor and economic opportunity and the department.

2 (b) "Career and educational advisory council" means an advisory council to the local
3 workforce development boards located in a workforce development board service delivery area
4 consisting of educational, employer, labor, and parent representatives.

5 (c) "CIP" means classification of instructional programs.

6 (d) "CTE" means career and technical education programs.

7 (e) "CTE dual enrollment program" means a 4-year high school program of postsecondary
8 courses offered by eligible postsecondary educational institutions that leads to an
9 industry-recognized certification or degree.

10 (f) "Early middle college program" means a 5-year high school program.

11 (g) "Eligible postsecondary educational institution" means that term as defined in
12 section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

13 Sec. 61c. (1) From the state school aid fund money appropriated in section 11, there
14 is allocated for ~~2023-2024~~**2024-2025** only an amount not to exceed \$15,000,000.00 to
15 eligible career education planning districts (CEPDs) for the purposes described in this
16 section.

17 (2) To be eligible to receive funding in the first round of grants under this
18 section, at least 50% of the area served by a CEPD must be located in an intermediate
19 district that did not levy a vocational education millage in ~~2023~~**2024**. Each eligible CEPD
20 must apply in a form and manner prescribed by the department. An application must include
21 the funding amount requested by the CEPD. Funding to an eligible CEPD must be equal to the
22 quotient of the allocation under subsection (1) and the number of eligible CEPDs applying
23 for funding in the first round of grants, or the individual CEPD's requested funding
24 amount, whichever is less.

25 (3) If funding remains after the first round of grants under subsection (2), the
26 department may administer a second round of grants under this section. To be eligible to
27 receive funding in the second round of grants, a CEPD must not have been eligible for
28 funding in the first round of grants. Each eligible CEPD must apply in a form and manner
29 prescribed by the department. An application must include the funding amount requested by
30 the CEPD. Funding to each eligible CEPD must be equal to the quotient of the funds
31 remaining after the first round of grants and the number of CEPDs applying for funding in
32 the second round of grants.

(4) At least 50% of the funding allocated to each eligible CEPD must be used to update equipment in current state-approved CTE programs that have been identified in the highest 5 career cluster rankings in any of the prosperity regions in the most recent CEPD regional strategic plans approved by the department; for training on new equipment; for professional development relating to computer science or coding or new equipment purchases; for the replacement of old or outdated equipment or new equipment in existing state-approved CTE programs that align with new technology used in industries; or for new and emerging certified state-approved CTE programs to allow CEPD administrators to provide programming in communities that will enhance economic development. The funding for equipment should be used to support and enhance community areas that have sustained job growth, and act as a commitment to build a more qualified and skilled workforce. In addition, each CEPD is encouraged to explore the option of leasing equipment from local private industry to encourage the use of the most advanced equipment.

(5) The allocation of funds under this section at the local level must be determined by CEPD administrators using data from the state, region, and local sources to make well-informed decisions on program equipment improvements. Grants awarded by CEPD administrators for capital infrastructure costs related to the purchase of new equipment must be used to ensure that state-approved CTE programs can deliver educational programs in high-wage, high-skill, and high-demand occupations. Each CEPD shall continue to ensure that program advisory boards make recommendations on needed improvements for equipment that support job growth and job skill development and retention for both the present and the future.

(6) Not later than December 15 of each fiscal year, each CEPD receiving funding shall annually report to the department, the senate and house appropriations subcommittees on school aid, the senate and house fiscal agencies, and the legislature on equipment purchased under subsection (1). In addition, the report must identify growth data on program involvement, retention, and development of student skills.

(7) As used in this section:

(a) "CEPD" means a career education planning district described in this section.

(b) "CTE" means career and technical education.

Sec. 61d. (1) From the appropriation in section 11, there is allocated for ~~2023-2024~~ **2024-2025** an amount not to exceed \$5,000,000.00 from the state school aid fund for additional payments to districts for career and technical education programs for the

1 purpose of increasing the number of Michigan residents with high-quality degrees or
2 credentials, and to increase the number of pupils who are college- and career-ready upon
3 high school graduation.

4 (2) The department shall calculate payments to districts under this section in the
5 following manner:

6 (a) A payment of \$35.00 multiplied by the number of pupils in grades 9 to 12 who are
7 counted in membership in the district and are enrolled in at least 1 career and technical
8 education program.

9 (b) An additional payment of \$35.00 multiplied by the number of pupils in grades 9 to
10 12 who are counted in membership in the district and are enrolled in at least 1 career and
11 technical education program that provides instruction in critical skills and high-demand
12 career fields.

13 (3) If the allocation under subsection (1) is insufficient to fully fund payments
14 under subsection (2), the department shall prorate payments under this section on an equal
15 per-pupil basis.

16 (4) As used in this section:

17 (a) "Career and technical education program" means a state-approved career and
18 technical education program, as determined by the department.

19 (b) "Career and technical education program that provides instruction in critical
20 skills and high-demand career field" means a career and technical education program
21 classified under any of the following 2-digit classification of instructional programs
22 (CIP) codes:

23 (i) 01, which refers to "agriculture, agriculture operations, and related sciences".

24 (ii) 03, which refers to "natural resources and conservation".

25 (iii) 10 through 11, which refers to "communications technologies/technicians and
26 support services" and "computer and information sciences and support services".

27 (iv) 14 through 15, which refers to "engineering" and "engineering technologies and
28 engineering-related fields".

29 (v) 26, which refers to "biological and biomedical sciences".

30 (vi) 46 through 48, which refers to "construction trades", "mechanic and repair
31 technologies/technicians", and "precision production".

32 (vii) 51, which refers to "health professions and related programs".

1 Sec. 61v. (1) From the state school aid fund money appropriated in section 11, there
2 is allocated for 2024-2025 only an amount not to exceed \$20,000,000.00 for competitive
3 grants to eligible career education planning districts (CEPDs) to foster partnerships with
4 key industries, facilitate paid structured apprenticeship programs for high school seniors,
5 support local employment efforts, and improve the career readiness for students.

6 (2) To be eligible to receive funding under this section, a CEPD must apply in a form
7 and manner prescribed by the department. The department must open the application for
8 funding under this section no later than November 15, 2024. An application for funding must
9 include, at a minimum, all of the following:

10 (a) An identification of the key industries within the geographic area served by the
11 CEPD, including information on how these sectors impact the local labor market, and an
12 assessment of projected job growth and demand in these sectors.

13 (b) An assessment of the current and future unmet labor needs in these key industries
14 and the ability of the local labor market to fill these needs.

15 (c) The identification of local partner businesses and trade associations that are
16 part of these key industries. As part of the application process, the local partner
17 businesses and trade associations must include letters of intent expressing a willingness
18 to actively participate in programs under this section. These letters must include at least
19 all of the following:

20 (i) The number of students the local partner business or trade association intends to
21 work with.

22 (ii) A description of a structured apprenticeship program that will be provided by the
23 local partner business or trade association. The program must provide students with hands-
24 on experiences in the day-to-day operations of the key industry to support or lead to
25 certification or credentialing in the key industry. The program must provide a wage to the
26 student commensurate with the skill level of the student and the number of hours working or
27 receiving training. The program must be at least 9 months in length.

28 (iii) The identification of potential mentors and trainers who will work with
29 students.

30 (iv) The identification of periodic performance benchmarks or knowledge benchmarks
31 throughout the year and a method to assess how well the student is achieving these
32 benchmarks.

1 (v) As applicable to the industry, a description of the process required to receive
2 certification or credentials within the key industry and the feasibility for the student to
3 obtain these certifications or credentials within the timespan of the apprenticeship
4 program.

5 (vi) The number of students the local partner business or trade association could
6 hire for full-time work at the conclusion of the apprenticeship program if the student
7 demonstrates the ability to perform the job to a satisfactory level.

8 (vii) An agreement to remit to the applicant CEPD payments received for students who
9 do not complete the entire structured apprenticeship program, with the amount remitted
10 determined by the CEPD in subsection (5).

11 (d) A description of how the CEPD will partner with state-approved CTE programs in
12 districts to identify interested students and to follow applicable state laws regarding
13 vocational education programs.

14 (e) Other information necessary for the department to award grants under this
15 section.

16 (3) The department shall award grants to eligible applicant CEPDs to pilot paid
17 apprenticeship programs for high school seniors in key industries. The department must
18 ensure that grants awarded under this section represent geographically diverse areas of the
19 state and a variety of key industries. As part of this award process, the department must
20 take into consideration, at least all of the following:

21 (a) How well the application aligns to the local workforce needs.

22 (b) The likelihood of future employment in, and ongoing local workforce needs, in key
23 sectors identified.

24 (c) The quality of the apprenticeship program intended to be offered by the local
25 partner businesses and trade associations and the likelihood that the program will lead to
26 a credential or certification in the key industry and future employment.

27 (d) The quality of the partnership with the state-approved CTE programs, including
28 whether the state-approved CTE programs can help offset student transportation costs
29 related to getting to the structured apprenticeship program.

30 (4) A CEPD receiving funding under this section must use that funding to provide
31 payments to the local partner business or trade association to implement the structured
32 apprenticeship program described in the application and to offset the hourly wage of the

1 student. The payment per student to a local partner business or trade association must not
2 exceed \$5,000.00 per school year. A student may not participate in more than one paid
3 apprenticeship program per school year.

4 (5) If a student does not complete the entire structured apprenticeship program, as
5 determined by the state-approved CTE program, the local partner business or trade
6 association must remit to the CEPD an amount, as determined by the CEPD, received for that
7 student under this section proportionate to the amount of time the student did not attend
8 the structured apprenticeship program.

9 (6) As used in this section:

10 (a) "CEPD" means a career education planning district described in this section.

11 (b) "CTE" means career and technical education.

12 (7) Notwithstanding section 18a, funds allocated under this section may be available
13 for expenditure until September 30, 2028. A recipient of funding under this section must
14 return any unexpended funds to the department in the manner prescribed by the department by
15 not later than October 30, 2028.

16 Sec. 62. (1) For the purposes of this section:

17 (a) "Membership" means for a particular fiscal year the total membership of the
18 intermediate district and the districts constituent to the intermediate district or the
19 total membership of the area vocational-technical program, except that if a district has
20 elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to
21 380.690, the membership of that district are not included in the membership of the
22 intermediate district. However, the membership of a district that has elected not to come
23 under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, is included
24 in the membership of the intermediate district if the district meets both of the following:

25 (i) The district operates the area vocational-technical education program pursuant to
26 a contract with the intermediate district.

27 (ii) The district contributes an annual amount to the operation of the program that is
28 commensurate with the revenue that would have been raised for operation of the program if
29 millage were levied in the district for the program under sections 681 to 690 of the
30 revised school code, MCL 380.681 to 380.690.

31 (b) "Millage levied" means the millage levied for area vocational-technical education
32 under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a

1 levy for debt service obligations incurred as the result of borrowing for capital outlay
2 projects and in meeting capital projects fund requirements of area vocational-technical
3 education.

4 (c) "Taxable value" means the total taxable value of the districts constituent to an
5 intermediate district or area vocational-technical education program, except that if a
6 district has elected not to come under sections 681 to 690 of the revised school code, MCL
7 380.681 to 380.690, the taxable value of that district is not included in the taxable value
8 of the intermediate district. However, the taxable value of a district that has elected not
9 to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, is
10 included in the taxable value of the intermediate district if the district meets both of
11 the following:

12 (i) The district operates the area vocational-technical education program pursuant to
13 a contract with the intermediate district.

14 (ii) The district contributes an annual amount to the operation of the program that is
15 commensurate with the revenue that would have been raised for operation of the program if
16 millage were levied in the district for the program under sections 681 to 690 of the
17 revised school code, MCL 380.681 to 380.690.

18 (2) From the appropriation in section 11, there is allocated an amount not to exceed
19 \$9,190,000.00 each fiscal year for ~~2022-2023 and for 2023-2024~~ **2024-2025** to reimburse
20 intermediate districts and area vocational-technical education programs established under
21 section 690(3) of the revised school code, MCL 380.690, levying millages for area
22 vocational-technical education under sections 681 to 690 of the revised school code, MCL
23 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement are limited as
24 if the funds were generated by those millages.

25 ~~(3) Reimbursement for those millages levied in 2021-2022 is made in 2022-2023 at an~~
26 ~~amount per 2021-2022 membership pupil computed by subtracting from \$237,500.00 the 2021-~~
27 ~~2022 taxable value behind each membership pupil and multiplying the resulting difference by~~
28 ~~the 2021-2022 millage levied, and then subtracting from that amount the 2021-2022 local~~
29 ~~community stabilization share revenue for area vocational technical education and 2021-2022~~
30 ~~tax increment revenues captured by a brownfield redevelopment authority created under the~~
31 ~~brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, behind each~~
32 ~~membership pupil for reimbursement of personal property exemption loss under the local~~

~~community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and reimbursements paid under section 26d for tax increment revenues captured by a brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. For the purposes of the calculation described in the previous sentence only, for an intermediate district receiving funds under this section and section 56, reimbursements paid under section 26d must be multiplied by the ratio of vocational-technical education millage levied, as defined in this section, and the sum of vocational-technical education millage levied and special education millage levied, as defined in section 56.~~

(3) ~~(4)~~ Reimbursement for those millages levied in ~~2022-2023-2023-2024~~ is made in ~~2023-2024-2024-2025~~ at an amount per ~~2022-2023-2023-2024~~ membership pupil computed by subtracting from ~~\$248,800.00~~ **\$266,700.00** the ~~2022-2023-2023-2024~~ taxable value behind each membership pupil and multiplying the resulting difference by the ~~2022-2023-2023-2024~~ millage levied, and then subtracting from that amount the ~~2022-2023-2023-2024~~ local community stabilization share revenue for area vocational technical education and ~~2022-2023-2023-2024~~ tax increment revenues captured by a brownfield redevelopment authority created under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and reimbursements paid under section 26d for tax increment revenues captured by a brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. For the purposes of the calculation described in the previous sentence only, for an intermediate district receiving funds under this section and section 56, reimbursements paid under section 26d must be multiplied by the ratio of vocational-technical education millage levied, as defined in this section, and the sum of vocational-technical education millage levied and special education millage levied, as defined in section 56.

(4) ~~(5)~~ The department shall ensure that the amount paid to a single intermediate district under this section does not exceed 38.4% of the total amount allocated under subsection (2).

(5) ~~(6)~~ The department shall ensure that the amount paid to a single intermediate district under this section is not less than 75% of the amount allocated to the

intermediate district under this section for the immediately preceding fiscal year.

Sec. 65. (1) From the appropriation under section 11, there is allocated an amount not to exceed \$900,000.00 for ~~2023-2024~~ **2024-2025** for a pre-college engineering K to 12 educational program that is focused on the development of a diverse future Michigan workforce, that serves multiple communities within southeast Michigan, that enrolls pupils from multiple districts, and that received funds appropriated for this purpose in the appropriations act that provided the Michigan strategic fund budget for 2014-2015.

(2) To be eligible for funding under this section, a program must have the ability to expose pupils to, and motivate and prepare pupils for, science, technology, engineering, and mathematics careers and postsecondary education with special attention given to groups of pupils who are at-risk and underrepresented in technical professions and careers.

Sec. 67. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed ~~\$5,000,000.00~~ **\$4,000,000.00** for ~~2023-2024~~ **2024-2025** for college access programs. It is the intent of the legislature that, for ~~2024-2025~~, **2025-2026** the allocation from the general fund money appropriated in section 11 for purposes described in this section will be \$3,000,000.00. The programs funded under this section are intended to inform students of college and career options, ~~and to~~ provide resources intended to increase the number of pupils who are adequately prepared with the information needed to make informed decisions on college and career, **support adult learners, support college completion, and support workforce and employer engagement**. The funds appropriated under this section are intended to be used to increase the number of Michigan residents with high-quality degrees or credentials. Funds appropriated under this section must not be used to supplant funding for counselors already funded by districts.

(2) The department of ~~labor and economic opportunity~~ **lifelong education, advancement, and potential** shall administer funds allocated under this section in collaboration with the Michigan college access network. These funds may be used for any of the following purposes:

(a) Michigan college access network operations, programming, and services to local college access networks.

(b) Local college access networks, which are community-based college access/success partnerships committed to increasing the college participation and completion rates within geographically defined communities through a coordinated strategy.

(c) The Michigan college advising program, a program intended to place trained,

recently graduated college advisors in high schools that serve significant numbers of low-income and first-generation college-going pupils. State funds used for this purpose may not exceed 33% of the total funds available under this subsection.

(d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools that establish a college access team and implement specific strategies to create a college-going culture in a high school in a form and manner approved by the Michigan college access network and the department of labor and economic opportunity.

(e) The Michigan college access portal, an online one-stop portal to help pupils and families plan and apply for college.

(f) Public awareness and outreach campaigns to encourage low-income and first-generation college-going pupils to take necessary steps toward college and to assist pupils and families in completing a timely and accurate free application for federal student aid.

(g) Subgrants to postsecondary institutions to recruit, hire, and train college student mentors and college advisors to assist high school pupils in navigating the postsecondary planning and enrollment process.

(3) For the purposes of this section, "college" means any postsecondary educational opportunity that leads to a career, including, but not limited to, a postsecondary degree, industry-recognized technical certification, or registered apprenticeship.

Sec. 67f. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2023-2024-2024-2025~~ only an amount not to exceed ~~\$10,000,000.00~~ **\$40,000,000.00** for the FAFSA completion challenge. Funds allocated under this section must be distributed to districts to improve FAFSA completion rates.

(2) To be eligible to receive funding under this section, each district must apply in a form and manner determined by the department. As part of the application, the district must demonstrate to the department that each high school from the applying district receiving funds under this section has a data use agreement on file with the department of treasury naming at least 1 data receiver designee to access student-level data regarding FAFSA completion.

(3) No later than November 30, ~~2023~~, **of each year payments are made with funding allocated under this section**, the department must pay each eligible district an amount not to exceed \$50.00 multiplied by the number of students enrolled and attending grade 12 in the district. The receiving district must use funds received under this subsection for

1 participation in and implementation of activities that are known to drive FAFSA completion,
2 as determined by the department, in collaboration with the Michigan college access network.

3 (4) No later than September 30, ~~2024~~, **of each year payments are made with funding**
4 **allocated under this section**, the department must pay each eligible district an amount not
5 to exceed \$50.00 multiplied by the number of students enrolled and attending grade 12 in
6 the district who submitted a FAFSA prior to June 30, ~~2024~~, **of the year in which payments**
7 **are made with funding allocated under this section**. Funds received under this subsection
8 may be used for discretionary purposes, as determined by the districts, though districts
9 are encouraged to use funds received under this subsection to continue work to improve
10 FAFSA completion rates.

11 (5) The department must collaborate with the department of ~~treasury-lifelong~~
12 **education, advancement, and potential** to verify eligible FAFSA completion counts for the
13 purposes of calculating payments under subsection (4). By not later than July 15, **of each**
14 **year payments are made with funding allocated under this section**, the department of
15 ~~treasury-lifelong education, advancement, and potential~~ must provide the department FAFSA
16 completion information necessary for calculating payments under this section.

17 (6) Notwithstanding section 17b, the department shall make payments under this
18 section on a schedule determined by the department. **It is the intent of the legislature**
19 **that no more than \$10,000,000.00 be expended each year**.

20 (7) As used in the section, "FAFSA" means the free application for federal student
21 aid form.

22 (8) **The funds allocated under this section for 2024-2025 are a work project**
23 **appropriation, and any unexpended funds for 2024-2025 are carried forward into 2025-2026.**
24 **The purpose of the work project is to continue efforts to increase the number of students**
25 **completing a FAFSA. The estimated completion date of the work project is September 30,**
26 **2029.**

27 Sec. 74. (1) From the state school aid fund money appropriated in section 11, there
28 is allocated an amount not to exceed ~~\$3,842,700.00~~ **\$3,913,500.00** for ~~2023-2024~~ **2024-2025**
29 for the purposes of this section.

30 (2) From the allocation in subsection (1), there is allocated for ~~2023-2024~~ **2024-2025**
31 the amount necessary for payments to state supported colleges or universities and
32 intermediate districts providing school bus driver safety instruction under section 51 of

1 the pupil transportation act, 1990 PA 187, MCL 257.1851. The department shall make payments
2 in an amount determined by the department not to exceed the actual cost of instruction and
3 driver compensation for each public or nonpublic school bus driver attending a course of
4 instruction. For the purpose of computing compensation, the hourly rate allowed each school
5 bus driver must not exceed the hourly rate received for driving a school bus. The
6 department shall make reimbursement compensating the driver during the course of
7 instruction to the college or university or intermediate district providing the course of
8 instruction.

9 (3) From the allocation in subsection (1), there is allocated for ~~2023-2024-2024-2025~~
10 the amount necessary to pay the reasonable costs of nonspecial education auxiliary services
11 transportation provided under section 1323 of the revised school code, MCL 380.1323.
12 Districts funded under this subsection do not receive funding under any other section of
13 this article for nonspecial education auxiliary services transportation.

14 (4) From the funds allocated in subsection (1), there is allocated an amount not to
15 exceed ~~\$1,817,700.00~~ **\$1,888,500.00** for ~~2023-2024-2024-2025~~ for reimbursement to districts
16 and intermediate districts for costs associated with the inspection of school buses and
17 pupil transportation vehicles by the department of state police as required under section
18 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
19 transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare
20 a statement of costs attributable to each district for which bus inspections are provided
21 and submit it to the department and to an intermediate district serving as fiduciary in a
22 time and manner determined jointly by the department and the department of state police.
23 Upon review and approval of the statement of cost, the department shall forward to the
24 designated intermediate district serving as fiduciary the amount of the reimbursement on
25 behalf of each district and intermediate district for costs detailed on the statement
26 within 45 days after receipt of the statement. The designated intermediate district shall
27 make payment in the amount specified on the statement to the department of state police
28 within 45 days after receipt of the statement. The total reimbursement of costs under this
29 subsection must not exceed the amount allocated under this subsection. Notwithstanding
30 section 17b, the department shall make payments to eligible entities under this subsection
31 on a schedule prescribed by the department.

32 Sec. 81. (1) From the state school aid fund money appropriated in section 11, there

1 is allocated for ~~2023-2024~~**2024-2025** to the intermediate districts the sum necessary, but
2 not to exceed ~~\$79,424,700.00~~**\$81,408,700.00** to provide state aid to intermediate districts
3 under this section.

4 (2) The amount allocated under this section for ~~2023-2024~~**2024-2025** to each
5 intermediate district is an amount equal to ~~105.0%~~**102.5%** of the amount allocated to the
6 intermediate district under this section for ~~2022-2023~~**2023-2024**. An intermediate district
7 shall use funding provided under this section to comply with requirements of this article
8 and the revised school code that are applicable to intermediate districts, and for which
9 funding is not provided elsewhere in this article, and to provide technical assistance to
10 districts as authorized by the intermediate school board.

11 (3) Intermediate districts receiving funds under this section shall collaborate with
12 the department to develop expanded professional development opportunities for teachers to
13 update and expand their knowledge and skills needed to support the Michigan merit
14 curriculum.

15 (4) From the allocation in subsection (1), there is allocated to an intermediate
16 district, formed by the consolidation or annexation of 2 or more intermediate districts or
17 the attachment of a total intermediate district to another intermediate district or the
18 annexation of all of the constituent K to 12 districts of a previously existing
19 intermediate district which has disorganized, an additional allotment of \$3,500.00 each
20 fiscal year for each intermediate district included in the new intermediate district for 3
21 years following consolidation, annexation, or attachment.

22 (5) In order to receive funding under this section, an intermediate district shall do
23 all of the following:

24 (a) Demonstrate to the satisfaction of the department that the intermediate district
25 employs at least 1 person who is trained in pupil accounting and auditing procedures,
26 rules, and regulations.

27 (b) Demonstrate to the satisfaction of the department that the intermediate district
28 employs at least 1 person who is trained in rules, regulations, and district reporting
29 procedures for the individual-level student data that serves as the basis for the
30 calculation of the district and high school graduation and dropout rates.

31 (c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a
32 and 380.1278b.

1 (d) Furnish data and other information required by state and federal law to the
2 center and the department in the form and manner specified by the center or the department,
3 as applicable.

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

5 Sec. 94. (1) From the general fund money appropriated in section 11, there is
6 allocated to the department for ~~2023-2024~~ **2024-2025** an amount not to exceed \$1,200,000.00
7 for efforts to increase the number of pupils who participate and succeed in advanced
8 placement and international baccalaureate programs, and to support the college-level
9 examination program (CLEP).

10 (2) From the funds allocated under this section, the department shall award funds to
11 cover all or part of the costs of advanced placement test fees or international
12 baccalaureate test fees and international baccalaureate registration fees for low-income
13 pupils who take an advanced placement or an international baccalaureate test and CLEP fees
14 for low-income pupils who take a CLEP test.

15 (3) The department shall only award funds under this section if the department
16 determines that all of the following criteria are met:

17 (a) Each pupil for whom payment is made meets eligibility requirements of the federal
18 advanced placement test fee program under the no child left behind act of 2001, Public Law
19 107-110, or the every student succeeds act, Public Law 114-95, as applicable.

20 (b) The tests are administered by the college board, the international baccalaureate
21 organization, or another test provider approved by the department.

22 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of each
23 test for which payment is made.

24 (4) If funds remain after the awards granted in subsection (2), the department shall
25 award funds to reimburse a portion of the costs associated with the provision of advanced
26 placement (AP), international baccalaureate (IB), or college-level examination program
27 (CLEP) exams for students whose family income exceeds low-income status as determined by
28 the department.

29 (5) The department shall establish procedures for awarding funds under this section.

30 (6) Notwithstanding section 17b, the department shall make payments under this
31 section on a schedule determined by the department.

32 Sec. 94a. (1) There is created within the state budget office in the department of

1 technology, management, and budget the center for educational performance and information.

2 The center shall do all of the following:

3 (a) Coordinate the collection of all data required by state and federal law from
4 districts, intermediate districts, and postsecondary institutions.

5 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and
6 ensure that it meets the requirements of subsection (4).

7 (c) Collect data in the most efficient manner possible in order to reduce the
8 administrative burden on reporting entities, including, but not limited to, electronic
9 transcript services.

10 (d) Create, maintain, and enhance this state's web-based educational portal to
11 provide information to school leaders, teachers, researchers, and the public in compliance
12 with all federal and state privacy laws. Data must include, but are not limited to, all of
13 the following:

14 (i) Data sets that link teachers to student information, allowing districts to assess
15 individual teacher impact on student performance and consider student growth factors in
16 teacher and principal evaluation systems.

17 (ii) Data access or, if practical, data sets, provided for regional data hubs that, in
18 combination with local data, can improve teaching and learning in the classroom.

19 (iii) Research-ready data sets for researchers to perform research that advances this
20 state's educational performance.

21 (e) Provide data in a useful manner to allow state and local policymakers to make
22 informed policy decisions.

23 (f) Provide public reports to the residents of this state to allow them to assess
24 allocation of resources and the return on their investment in the education system of this
25 state.

26 (g) Other functions as assigned by the state budget director.

27 (2) Each state department, officer, or agency that collects information from
28 districts, intermediate districts, or postsecondary institutions as required under state or
29 federal law shall make arrangements with the center to ensure that the state department,
30 officer, or agency is in compliance with subsection (1). This subsection does not apply to
31 information collected by the department of treasury under the uniform budgeting and
32 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001

PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The center may enter into any interlocal agreements necessary to fulfill its functions.

(4) The center shall ensure that the P-20 longitudinal data system required under subsection (1)(b) meets all of the following:

(a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.

(b) Supports interoperability by using standard data structures, data formats, and data definitions to ensure linkage and connectivity in a manner that facilitates the exchange of data among agencies and institutions within the state and between states.

(c) Enables the matching of individual teacher and student records so that an individual student may be matched with those teachers providing instruction to that student.

(d) Enables the matching of individual teachers with information about their certification and the institutions that prepared and recommended those teachers for state certification.

(e) Enables data to be easily generated for continuous improvement and decision-making, including timely reporting to parents, teachers, and school leaders on student achievement.

(f) Ensures the reasonable quality, validity, and reliability of data contained in the system.

(g) Provides this state with the ability to meet federal and state reporting requirements.

(h) For data elements related to preschool through grade 12 and postsecondary, meets all of the following:

(i) Contains a unique statewide student identifier that does not permit a student to be individually identified by users of the system, except as allowed by federal and state law.

(ii) Contains student-level enrollment, demographic, and program participation information, including data associated with students who have been identified as having an

1 affiliation to 1 or more federally recognized Indian tribes and student participation in
2 federal programs funded under 20 USC 7401 to 7546 and participation in federal programs
3 funded under the Johnson-O'Malley Supplemental Indian Education Program Modernization Act,
4 Public Law 115-404.

5 (iii) Contains student-level information about the points at which students exit,
6 transfer in, transfer out, drop out, or complete education programs.

7 (iv) Has the capacity to communicate with higher education data systems.

8 (i) For data elements related to preschool through grade 12 only, meets all of the
9 following:

10 (i) Contains yearly test records of individual students for assessments approved by
11 DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary
12 education act of 1965, 20 USC 6311, including information on individual students not
13 tested, by grade and subject.

14 (ii) Contains student-level transcript information, including information on courses
15 completed and grades earned.

16 (iii) Contains student-level college readiness test scores.

17 (j) For data elements related to postsecondary education only:

18 (i) Contains data that provide information regarding the extent to which individual
19 students transition successfully from secondary school to postsecondary education,
20 including, but not limited to, all of the following:

21 (A) Enrollment in remedial coursework.

22 (B) Completion of 1 year's worth of college credit applicable to a degree within 2
23 years of enrollment.

24 (ii) Contains data that provide other information determined necessary to address
25 alignment and adequate preparation for success in postsecondary education.

26 (5) From the general fund money appropriated in section 11, there is allocated an
27 amount not to exceed ~~\$18,988,600.00~~ **\$19,219,200.00** for ~~2023-2024-2024-2025~~ to the
28 department of technology, management, and budget to support the operations of the center.
29 In addition, from the federal funds appropriated in section 11, there is allocated for
30 ~~2023-2024-2024-2025~~ the amount necessary, estimated at ~~\$4,193,500.00,~~ **\$193,500.00** to
31 support the operations of the center and to establish a P-20 longitudinal data system
32 necessary for state and federal reporting purposes. The center shall cooperate with the

department to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state.

(6) From the funds allocated in subsection (5), the center may use an amount determined by the center for competitive grants for ~~2023-2024~~ **2024-2025** to support collaborative efforts on the P-20 longitudinal data system. All of the following apply to grants awarded under this subsection:

(a) The center shall award competitive grants to eligible intermediate districts or a consortium of intermediate districts based on criteria established by the center.

(b) Activities funded under the grant must support the P-20 longitudinal data system portal and may include portal hosting, hardware and software acquisition, maintenance, enhancements, user support and related materials, and professional learning tools and activities aimed at improving the utility of the P-20 longitudinal data system.

(c) An applicant that received a grant under this subsection for the immediately preceding fiscal year has priority for funding under this section. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new applicants.

(7) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

(8) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (5) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(9) As used in this section, "DED-OESE" means the United States Department of Education Office of Elementary and Secondary Education.

Sec. 94e. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2024-2025 an amount not to exceed \$1,000,000.00 for support of the Michigan Education Research Institute.

(2) Funding allocated under this section must be distributed to the University of

Michigan's Michigan Education Data Center and Michigan State University's Education Policy Innovation Center for the purpose of working collaboratively with the department, the department of lifelong education, advancement, and potential, and the center to build and maintain a research ready dataset, and to conduct research of critical importance to the state's education goals.

(3) The Michigan Education Research Institute shall use funds received under this section for the purpose of expanding on research that shall include, but is not limited to the following:

(a) Educator shortage.

(b) Early literacy initiative outcomes.

(c) Early childhood development programming outcomes.

(4) Notwithstanding section 17b, the department must make payments under this section on a schedule determined by the department.

Sec. 97j. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2024-2025 only an amount not to exceed \$1,000,000.00 for a payment to an intermediate district with between 170,000 and 185,000 pupils in membership in its constituent districts in the current fiscal year, that is located in a county with a population between 1,250,000 and 1,300,000, as determined by the department.

(2) The intermediate district receiving funding under this section must use that funding to work with a local foundation to continue the foundation's work at implementing a peer mentoring program designed to drive outcomes that include, but are not limited to, increasing student connectedness to families, peers, the school, and community; improving student self-esteem; and improving overall student well-being.

(3) The intermediate district receiving funding under this section may utilize that funding to work with the local foundation described in subsection (2) to expand implementation of its peer mentoring program within its current school system and may also utilize the funding to expand to communities in other school districts.

(4) Notwithstanding section 17b, the department must make payments under this section by December 1, 2024.

(5) Notwithstanding section 18a, funds allocated under this section may be available for expenditure until September 30, 2028. A recipient of funding under this section must return any unexpended funds to the department in the manner prescribed by the department by

1 **not later than October 30, 2028.**

2 Sec. 98. (1) From the general fund money appropriated in section 11, there is
3 allocated an amount not to exceed ~~\$9,300,000.00~~ **\$9,800,000.00** for ~~2023-2024~~ **2024-2025** for
4 the purposes described in this section. It is the intent of the legislature that, for ~~2024-~~
5 ~~2025~~ **2025-2026**, the allocation from the general fund money appropriated in section 11 for
6 purposes described in this section will be ~~\$8,000,000.00~~ **\$9,300,000.00**. The Michigan
7 Virtual University shall provide a report to the legislature not later than November 1 of
8 each fiscal year for which funding is allocated under this section that includes its
9 mission, its plans, and proposed benchmarks it must meet, including a plan to achieve the
10 organizational priorities identified in this section, in order to receive full funding for
11 the next fiscal year for which funding is allocated under this section. Not later than
12 March 1 of each fiscal year for which funding is allocated under this section, the Michigan
13 Virtual University shall provide an update to the house and senate appropriations
14 subcommittees on school aid to show the progress being made to meet the benchmarks
15 identified.

16 (2) The Michigan Virtual University shall operate the Michigan Virtual Learning
17 Research Institute. The Michigan Virtual Learning Research Institute shall do all of the
18 following:

19 (a) Support and accelerate innovation in education through the following activities:

20 (i) Test, evaluate, and recommend as appropriate new technology-based instructional
21 tools and resources.

22 (ii) Research, design, and recommend virtual education delivery models for use by
23 pupils and teachers that include age-appropriate multimedia instructional content.

24 (iii) Research, develop, and recommend annually to the department criteria by which
25 cyber schools and virtual course providers should be monitored and evaluated to ensure a
26 quality education for their pupils.

27 (iv) Based on pupil completion and performance data reported to the department or the
28 center from cyber schools and other virtual course providers operating in this state,
29 analyze the effectiveness of virtual learning delivery models in preparing pupils to be
30 college- and career-ready and publish a report that highlights enrollment totals,
31 completion rates, and the overall impact on pupils. The Michigan Virtual Learning Research
32 Institute shall submit the report to the house and senate appropriations subcommittees on

1 school aid, the state budget director, the house and senate fiscal agencies, the
2 department, districts, and intermediate districts not later than March 31 of each fiscal
3 year for which funding is allocated under this section.

4 (v) Provide an extensive professional development program to at least 30,000
5 educational personnel, including teachers, school administrators, and school board members,
6 that focuses on the effective integration of virtual learning into curricula and
7 instruction. The Michigan Virtual Learning Research Institute is encouraged to work with
8 the MiSTEM council described in section 99s to coordinate professional development of
9 teachers in applicable fields. In addition, the Michigan Virtual Learning Research
10 Institute and external stakeholders are encouraged to coordinate with the department for
11 professional development in this state, including professional development for employees in
12 child care facilities, early childhood facilities, and after-school programs. Not later
13 than December 1 of each fiscal year for which funding is allocated under this section, the
14 Michigan Virtual Learning Research Institute shall submit a report to the house and senate
15 appropriations subcommittees on school aid, the state budget director, the house and senate
16 fiscal agencies, and the department on the number of teachers, school administrators, and
17 school board members who have received professional development services from the Michigan
18 Virtual University. The report must also include both of the following:

19 (A) The identification of barriers and other opportunities to encourage the adoption
20 of virtual learning in the public education system.

21 (B) A link to, and explanation of, the Michigan Virtual University's online course
22 standards for professional development programming. The standards described in this sub-
23 subparagraph must inform learners how to file a complaint about course content and detail
24 the steps that will be taken for the review and resolution of complaints.

25 (vi) Identify and share best practices for planning, implementing, and evaluating
26 virtual and blended education delivery models with intermediate districts, districts, and
27 public school academies to accelerate the adoption of innovative education delivery models
28 statewide.

29 (b) Provide leadership for this state's system of virtual learning education by doing
30 the following activities:

31 (i) Develop and report policy recommendations to the governor and the legislature
32 that accelerate the expansion of effective virtual learning in this state's schools.

1 (ii) Provide a clearinghouse for research reports, academic studies, evaluations, and
2 other information related to virtual learning.

3 (iii) Promote and distribute the most current instructional design standards and
4 guidelines for virtual teaching.

5 (iv) In collaboration with the department and interested colleges and universities in
6 this state, support implementation and improvements related to effective virtual learning
7 instruction.

8 (v) Pursue public/private partnerships that include districts to study and implement
9 competency-based technology-rich virtual learning models.

10 (vi) Create a statewide network of school-based mentors serving as liaisons between
11 pupils, virtual instructors, parents, and school staff, as provided by the department or
12 the center, and provide mentors with research-based training and technical assistance
13 designed to help more pupils be successful virtual learners.

14 (vii) Convene focus groups and conduct annual surveys of teachers, administrators,
15 pupils, parents, and others to identify barriers and opportunities related to virtual
16 learning.

17 (viii) Produce an annual consumer awareness report for schools and parents about
18 effective virtual education providers and education delivery models, performance data, cost
19 structures, and research trends.

20 (ix) Provide an internet-based platform that educators can use to create student-
21 centric learning tools and resources for sharing in the state's open educational resource
22 repository and facilitate a user network that assists educators in using the content
23 creation platform and state repository for open educational resources. As part of this
24 initiative, the Michigan Virtual University shall work collaboratively with districts and
25 intermediate districts to establish a plan to make available virtual resources that align
26 to Michigan's K to 12 curriculum standards for use by students, educators, and parents.

27 (x) Create and maintain a public statewide catalog of virtual learning courses being
28 offered by all public schools and community colleges in this state. The Michigan Virtual
29 Learning Research Institute shall identify and develop a list of nationally recognized best
30 practices for virtual learning and use this list to support reviews of virtual course
31 vendors, courses, and instructional practices. The Michigan Virtual Learning Research
32 Institute shall also provide a mechanism for intermediate districts to use the identified

best practices to review content offered by constituent districts. The Michigan Virtual Learning Research Institute shall review the virtual course offerings of the Michigan Virtual University, and make the results from these reviews available to the public as part of the statewide catalog. The Michigan Virtual Learning Research Institute shall ensure that the statewide catalog is made available to the public on the Michigan Virtual University website and shall allow the ability to link it to each district's website as provided for in section 21f. The statewide catalog must also contain all of the following:

(A) The number of enrollments in each virtual course in the immediately preceding school year.

(B) The number of enrollments that earned 60% or more of the total course points for each virtual course in the immediately preceding school year.

(C) The pass rate for each virtual course.

(xi) Support registration, payment services, and transcript functionality for the statewide catalog and train key stakeholders on how to use new features.

(xii) Collaborate with key stakeholders to examine district level accountability and teacher effectiveness issues related to virtual learning under section 21f and make findings and recommendations publicly available.

(xiii) Provide a report on the activities of the Michigan Virtual Learning Research Institute.

(3) To further enhance its expertise and leadership in virtual learning, the Michigan Virtual University shall continue to operate the Michigan Virtual School as a statewide laboratory and quality model of instruction by implementing virtual and blended learning solutions for Michigan schools in accordance with the following parameters:

(a) The Michigan Virtual School must maintain its accreditation status from recognized national and international accrediting entities.

(b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the amount allocated under this section to subsidize the cost paid by districts for virtual courses.

(c) In providing educators responsible for the teaching of virtual courses as provided for in this section, the Michigan Virtual School shall follow the requirements to request and assess, and the department of state police shall provide, a criminal history check and criminal records check under sections 1230 and 1230a of the revised school code,

1 MCL 380.1230 and 380.1230a, in the same manner as if the Michigan Virtual School were a
2 school district under those sections.

3 (4) From the funds allocated under subsection (1), the Michigan Virtual University
4 shall allocate up to \$500,000.00 to support the expansion of new online and blended
5 educator professional development programs.

6 (5) From the funds allocated under subsection (1), the Michigan Virtual University
7 shall allocate up to \$500,000.00 to operate a comprehensive statewide laboratory designed
8 to function as a hub for cutting-edge research, the identification and dissemination of
9 best practices, rigorous experimentation, policy formulation, and proactive efforts to
10 enhance awareness about the responsible utilization of artificial intelligence (AI) in
11 schools.

12 (6) ~~(5)~~ If the course offerings are included in the statewide catalog of virtual
13 courses under subsection (2) (b) (x), the Michigan Virtual School operated by the Michigan
14 Virtual University may offer virtual course offerings, including, but not limited to, all
15 of the following:

16 (a) Information technology courses.

17 (b) College level equivalent courses, as that term is defined in section 1471 of the
18 revised school code, MCL 380.1471.

19 (c) Courses and dual enrollment opportunities.

20 (d) Programs and services for at-risk pupils.

21 (e) High school equivalency test preparation courses for adjudicated youth.

22 (f) Special interest courses.

23 (g) Professional development programs for teachers, school administrators, other
24 school employees, and school board members.

25 (7) ~~(6)~~ If a home-schooled or nonpublic school student is a resident of a district
26 that subscribes to services provided by the Michigan Virtual School, the student may use
27 the services provided by the Michigan Virtual School to the district without charge to the
28 student beyond what is charged to a district pupil using the same services.

29 (8) ~~(7)~~ Not later than December 1 of each fiscal year for which funding is allocated
30 under this section, the Michigan Virtual University shall provide a report to the house and
31 senate appropriations subcommittees on school aid, the state budget director, the house and
32 senate fiscal agencies, and the department that includes at least all of the following

1 information related to the Michigan Virtual School for the preceding fiscal year:

2 (a) A list of the districts served by the Michigan Virtual School.

3 (b) A list of virtual course titles available to districts.

4 (c) The total number of virtual course enrollments and information on registrations
5 and completions by course.

6 (d) The overall course completion rate percentage.

7 **(9)** ~~(8)~~—In addition to the information listed in subsection ~~(7)~~, **(8)**, the report
8 under subsection ~~(7)~~, **(8)** must also include a plan to serve at least 600 schools with
9 courses from the Michigan Virtual School or with content available through the internet-
10 based platform identified in subsection (2) (b) (ix).

11 **(10)** ~~(9)~~—The governor may appoint an advisory group for the Michigan Virtual Learning
12 Research Institute established under subsection (2). The members of the advisory group
13 serve at the pleasure of the governor and without compensation. The purpose of the advisory
14 group is to make recommendations to the governor, the legislature, and the president and
15 board of the Michigan Virtual University that will accelerate innovation in this state's
16 education system in a manner that will prepare elementary and secondary students to be
17 career and college ready and that will promote the goal of increasing the percentage of
18 residents of this state with high-quality degrees and credentials to at least 60% by 2025.

19 **(11)** ~~(10)~~—Not later than November 1 of each fiscal year for which funding is
20 allocated under this section, the Michigan Virtual University shall submit to the house and
21 senate appropriations subcommittees on school aid, the state budget director, and the house
22 and senate fiscal agencies a detailed budget for that fiscal year that includes a breakdown
23 on its projected costs to deliver virtual educational services to districts and a summary
24 of the anticipated fees to be paid by districts for those services. Not later than March 1
25 each fiscal year for which funding is allocated under this section, the Michigan Virtual
26 University shall submit to the house and senate appropriations subcommittees on school aid,
27 the state budget director, and the house and senate fiscal agencies a breakdown on its
28 actual costs to deliver virtual educational services to districts and a summary of the
29 actual fees paid by districts for those services based on audited financial statements for
30 the immediately preceding fiscal year.

31 **(12)** ~~(11)~~—As used in this section:

32 (a) "Blended learning" means a hybrid instructional delivery model where pupils are

1 provided content, instruction, and assessment, in part at a supervised educational facility
2 away from home where the pupil and a teacher with a valid Michigan teaching certificate are
3 in the same physical location and in part through internet-connected learning environments
4 with some degree of pupil control over time, location, and pace of instruction.

5 (b) "Cyber school" means a full-time instructional program of virtual courses for
6 pupils that may or may not require attendance at a physical school location.

7 (c) "Virtual course" means a course of study that is capable of generating a credit
8 or a grade and that is provided in an interactive learning environment in which the
9 majority of the curriculum is delivered using the internet and in which pupils are
10 separated from their instructor or teacher of record by time or location, or both.

11 Sec. 99h. (1) From the state school aid fund money appropriated in section 11, there
12 is allocated an amount not to exceed ~~\$5,973,200.00~~ **\$5,323,200.00** for ~~2023-2024~~ **2024-2025**
13 for competitive grants to districts and intermediate districts, ~~and from the general fund~~
14 ~~money appropriated in section 11, there is allocated \$600,000.00 for 2023-2024~~ **2024-2025**
15 ~~for competitive grants to nonpublic schools,~~ that provide pupils in grades pre-K to 12 with
16 expanded opportunities to improve mathematics, science, **computer science**, and technology
17 skills by participating in **robotics, cybersecurity, and coding** competitions **programs** hosted
18 by **program providers, including, but not limited to** ~~a science and technology development~~
19 ~~program known as~~ FIRST (for inspiration and recognition of science and technology)
20 Robotics, including FIRST Lego League - Discover, Explore, and Challenge, FIRST Tech
21 challenge, and FIRST Robotics competition, **LTU Robofest, MATE (Marine Advanced Technical**
22 **Education), REC (Robotics Education Competition) Foundation, Square One Education Network,**
23 **and other providers approved by the department. All approved providers must make available**
24 **all programs to students in the state regardless of geographical location. ~~or other~~**
25 ~~competitive robotics programs or equipment vendors, including VEX, Square One, and those~~
26 ~~hosted by the Robotics Education and Competition (REC) Foundation. It is the intent of the~~
27 ~~legislature that, for 2024-2025, the allocation from the state school aid fund money~~
28 ~~appropriated in section 11 for purposes described in this section will be \$4,723,200.00.~~
29 Programs funded under this section are intended to increase the number of pupils
30 demonstrating proficiency in science and mathematics on the state assessments and to
31 increase the number of pupils who are college- and career-ready upon high school
32 graduation. Notwithstanding section 17b, the department shall make grant payments to

1 districts, ~~nonpublic schools~~, and intermediate districts under this section on a schedule
2 determined by the department. The department shall set maximum grant awards for each
3 different level of programming and competition in a manner that both maximizes the number
4 of teams that will be able to receive funds and expands the geographical distribution of
5 teams. Districts and intermediate districts that receive funds under this section must
6 provide relevant student participation information, as determined by the department, to
7 program and competition providers described in this section. For a district or intermediate
8 district to count a program competition provider for purposes of payments under this
9 section, the program and competition providers must agree to aggregate data received by
10 districts and intermediate districts and provide this information to the department in a
11 form and manner determined by the department.

12 (2) The department shall do all of the following for purposes of this section:

13 (a) Both of the following by not later than 60 days after the ~~K to 12~~ **state school**
14 **aid** appropriations bill for the current fiscal year is enacted into law or October 1 of the
15 current fiscal year, whichever is later:

16 (i) Open applications for funding under this section to all districts, ~~nonpublic~~
17 ~~schools~~, and intermediate districts.

18 (ii) Publish a list of approved programs and vendors for purposes of this section in a
19 manner that is accessible to all applicants. To obtain approval under this subparagraph, a
20 program or vendor must submit to the department registration information, including any
21 fees; pledge that it will post this information on its website; and, by not later than
22 January 1 of the current fiscal year, submit this information to the department for
23 publication on the department's website.

24 (b) By not later than 60 days after applications are opened as described in
25 subdivision (a), close applications under this section.

26 (c) By not later than 60 days after applications are closed as described in
27 subdivision (b), make all determinations concerning funding under this section.

28 (d) By not later than July 1 of the current fiscal year, publish a document listing
29 the requirements for becoming an approved program or vendor under subdivision (a).

30 (3) Except as otherwise provided under this subsection, if funding under this section
31 is insufficient to fulfill all funding requests by qualified applicants under this section,
32 the department shall prorate the total funding allocated under this section equally among

1 all qualified applicants. However, for funding under this section toward grants under
2 subsection (5) (b), in its proration under this subsection, the department shall ensure that
3 each district is paid in an amount equal to the percentage the department would have paid
4 the district in grant funding under subsection (5) (b), but for proration under this
5 subsection, with no district receiving a grant under subsection (5) (b) in an amount that is
6 greater than the district's total accrued costs under subsection (5) (b).

7 (4) A district,~~nonpublic school,~~ or intermediate district applying for a grant under
8 this section must submit an application in a form and manner prescribed by the department.
9 To be eligible for a grant, a district,~~nonpublic school,~~ or intermediate district must
10 demonstrate in its application that the district,~~nonpublic school,~~ or intermediate
11 district has established a partnership for the purposes of the robotics program with at
12 least 1 sponsor, business entity, higher education institution, ~~or technical school,~~ **or**
13 **individual,** shall submit a ~~spending plan, and budget,~~ shall provide a local in-kind or cash
14 match from other private or local funds of at least 25% of the cost of the robotics program
15 award, **and shall be willing to offer in-school opportunities for students who are unable to**
16 **attend after school programs.**

17 (5) The department shall distribute the grant funding under this section for the
18 following purposes:

19 (a) Grants to districts,~~nonpublic schools,~~ or intermediate districts to pay for
20 stipends not to exceed \$1,500.00 per building for coaching.

21 (b) Grants to districts,~~nonpublic schools,~~ or intermediate districts for event
22 registrations, materials, travel costs, and other expenses associated with the preparation
23 for and attendance at robotics events and competitions.

24 (c) Grants to districts,~~nonpublic schools,~~ or intermediate districts for awards to
25 teams that advance to the next levels of competition as determined by the department. The
26 department shall determine an equal amount per team for those teams that advance.

27 ~~(6) A nonpublic school that receives a grant under this section may use the funds for~~
28 ~~either robotics or Science Olympiad programs.~~

29 ~~(7) To be eligible to receive funds under this section, a nonpublic school must be a~~
30 ~~nonpublic school registered with the department and must meet all applicable state~~
31 ~~reporting requirements for nonpublic schools.~~

32 (6) To be eligible to receive funds under this section, districts and intermediate

1 districts must do all of the following:

2 (a) If the district or intermediate district is requesting funding for more than one
3 team for a building, meet the minimum requirements of team size as set by the program
4 provider.

5 (b) Participate in at least the minimum number of competitions as determined by the
6 approved program provider.

7 (c) Participate in at least one in-person competition.

8 (7) ~~(8)~~ For purposes of this section, an approved program or vendor under this
9 section that provides a program under this section shall not work with the department to
10 set prices or policies for the program.

11 (8) ~~(9)~~ As used in this section, "current fiscal year" means the fiscal year for
12 which an allocation is made under this section.

13 Sec. 99s. (1) From state school aid fund money appropriated under section 11, there
14 is allocated for ~~2023-2024-2024-2025~~ an amount not to exceed ~~\$7,634,300.00~~ **\$7,954,300.00**
15 for Michigan science, technology, engineering, and mathematics (MiSTEM) programs. The
16 MiSTEM network may receive funds from private sources. If the MiSTEM network receives funds
17 from private sources, the MiSTEM network shall expend those funds in alignment with the
18 statewide STEM strategy. Programs funded under this section are intended to increase the
19 number of pupils demonstrating proficiency in science and mathematics on the state
20 assessments, to increase the number of pupils who are college- and career-ready upon high
21 school graduation, and to promote certificate and degree attainment in STEM fields.
22 Notwithstanding section 17b, the department shall make payments under this section on a
23 schedule determined by the department.

24 (2) The MiSTEM council annually shall review and make recommendations to the
25 governor, the legislature, and the department concerning changes to the statewide strategy
26 adopted by the council for delivering STEM education-related opportunities to pupils. The
27 MiSTEM council shall use funds received under this subsection to ensure that its members or
28 their designees are trained in the Change the Equation STEMworks rating system program for
29 the purpose of rating STEM programs.

30 (3) The MiSTEM council shall make specific funding recommendations for the funds
31 allocated under subsection (4) by December 15 of each fiscal year. Each specific funding
32 recommendation must be for a program approved by the MiSTEM council. All of the following

1 apply:

2 (a) To be eligible for MiSTEM council approval as described in this subsection, a
3 program must satisfy all of the following:

4 (i) Align with this state's academic standards.

5 (ii) Have STEMworks certification.

6 (iii) Provide project-based experiential learning, student programming, or educator
7 professional learning experiences.

8 (iv) Focus predominantly on classroom-based STEM experiences or professional learning
9 experiences.

10 (b) The MiSTEM council shall approve programs that represent all network regions and
11 include a diverse array of options for students and educators and at least 1 program in
12 each of the following areas:

13 (i) Robotics.

14 (ii) Computer science or coding.

15 (iii) Engineering or bioscience.

16 (c) The MiSTEM council is encouraged to work with the MiSTEM network to develop
17 locally and regionally developed programs and professional learning experiences for the
18 programs on the list of approved programs.

19 (d) If the MiSTEM council is unable to make specific funding recommendations by
20 December 15 of a fiscal year, the department shall award and distribute the funds allocated
21 under subsection (4) on a competitive grant basis that at least follows the statewide STEM
22 strategy plan and rating system recommended by the MiSTEM council. Each grant must provide
23 STEM education-related opportunities for pupils.

24 (e) The MiSTEM council shall work with the department of labor and economic
25 opportunity to implement the statewide STEM strategy adopted by the MiSTEM council.

26 (4) From the state school aid fund money allocated under subsection (1), there is
27 allocated for ~~2023-2024-2024-2025~~ an amount not to exceed \$3,050,000.00 for the purpose of
28 funding programs under this section for ~~2023-2024-2024-2025~~ as recommended by the MiSTEM
29 council.

30 (5) From the state school aid fund money allocated under subsection (1), there is
31 allocated an amount not to exceed ~~\$3,834,300.00~~ **\$4,154,300.00** for ~~2023-2024-2024-2025~~ to
32 support the activities and programs of the MiSTEM network regions. From the money allocated

1 under this subsection, the department shall award the fiscal agent for each MiSTEM network
2 region ~~\$200,000.00~~ **\$220,000.00** for the base operations of each region. The department shall
3 distribute the remaining funds to each fiscal agent in an equal amount per pupil, based on
4 the number of K to 12 pupils enrolled in districts within each region in the immediately
5 preceding fiscal year.

6 (6) A MiSTEM network region shall do all of the following:

7 (a) Collaborate with the career and educational advisory council that is located in
8 the MiSTEM region to develop a regional strategic plan for STEM education that creates a
9 robust regional STEM culture, that empowers STEM teachers, that integrates business and
10 education into the STEM network, and that ensures high-quality STEM experiences for pupils.
11 At a minimum, a regional STEM strategic plan should do all of the following:

12 (i) Identify regional employer need for STEM.

13 (ii) Identify processes for regional employers and educators to create guided pathways
14 for STEM careers that include internships or externships, apprenticeships, and other
15 experiential engagements for pupils.

16 (iii) Identify educator professional learning opportunities, including internships or
17 externships and apprenticeships, that integrate this state's science standards into high-
18 quality STEM experiences that engage pupils.

19 (b) Facilitate regional STEM events such as educator and employer networking and STEM
20 career fairs to raise STEM awareness.

21 (c) Contribute to the MiSTEM website and engage in other MiSTEM network functions to
22 further the mission of STEM in this state in coordination with the MiSTEM council and the
23 department of labor and economic opportunity.

24 (d) Facilitate application and implementation of state and federal funds under this
25 subsection and any other grants or funds for the MiSTEM network region.

26 (e) Work with districts to provide STEM programming and professional learning.

27 (f) Coordinate recurring discussions and work with the career and educational
28 advisory council to ensure that feedback and best practices are being shared, including
29 funding, program, professional learning opportunities, and regional strategic plans.

30 (7) From the state school aid fund money allocated under subsection (1), the
31 department shall distribute for ~~2023-2024~~ **2024-2025** an amount not to exceed \$750,000.00, in
32 a form and manner determined by the department, to those network regions able to further

1 the statewide STEM strategy recommended by the MiSTEM council.

2 (8) In order to receive state or federal funds under subsection (5) or (7), or to
3 receive funds from private sources as authorized under subsection (1), a grant recipient
4 must allow access for the department or the department's designee to audit all records
5 related to the program for which it receives those funds. The grant recipient shall
6 reimburse the state for all disallowances found in the audit.

7 (9) In order to receive state funds under subsection (5) or (7), a grant recipient
8 must provide at least a 10% local match from local public or private resources for the
9 funds received under this subsection.

10 (10) Not later than July 1 of each fiscal year for which funding is allocated under
11 this section, a MiSTEM network region that receives funds under subsection (5) shall report
12 to the executive director of the MiSTEM network in a form and manner prescribed by the
13 executive director on performance measures developed by the MiSTEM network regions and
14 approved by the executive director. The performance measures must be designed to ensure
15 that the activities of the MiSTEM network are improving student academic outcomes.

16 (11) Not more than 5% of a MiSTEM network region grant under subsection (5) or (7)
17 may be retained by a fiscal agent for serving as the fiscal agent of a MiSTEM network
18 region.

19 (12) As used in this section:

20 (a) "Career and educational advisory council" means an advisory council to the local
21 workforce development boards located in a prosperity region consisting of educational,
22 employer, labor, and parent representatives.

23 (b) "DED" means the United States Department of Education.

24 (c) "DED-OESE" means the DED Office of Elementary and Secondary Education.

25 (d) "MiSTEM Council" means the Michigan Science, Technology, Engineering, and
26 Mathematics Education Advisory Council created as an advisory body within the department of
27 labor and economic opportunity by Executive Reorganization Order No. 2019-3, MCL 125.1998.

28 (e) "STEM" means science, technology, engineering, and mathematics delivered in an
29 integrated fashion using cross-disciplinary learning experiences that can include language
30 arts, performing and fine arts, and career and technical education.

31 Sec. 104. (1) In order to receive state aid under this article, a district shall
32 comply with sections 1249, 1278a, 1278b, 1279g, and 1280b of the revised school code, MCL

1 380.1249, 380.1278a, 380.1278b, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to
2 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in
3 section 11, there is allocated for ~~2023-2024~~**2024-2025** an amount not to exceed
4 \$37,509,400.00 for payments on behalf of districts for costs associated with complying with
5 those provisions of law. In addition, from the federal funds appropriated in section 11,
6 there is allocated for ~~2023-2024~~**2024-2025** an amount estimated at \$8,000,000.00 funded from
7 DED-OESE, title VI, state assessment funds, and from DED-OSERS, part B of the individuals
8 with disabilities education act, 20 USC 1411 to 1419, plus any carryover federal funds from
9 previous year appropriations, for the purposes of complying with the every student succeeds
10 act, Public Law 114-95.

11 (2) The results of each test administered as part of the Michigan student test of
12 educational progress (M-STEP), including tests administered to high school students, must
13 include an item analysis that lists all items that are counted for individual pupil scores
14 and the percentage of pupils choosing each possible response. The department shall work
15 with the center to identify the number of students enrolled at the time assessments are
16 given by each district. In calculating the percentage of pupils assessed for a district's
17 scorecard, the department shall use only the number of pupils enrolled in the district at
18 the time the district administers the assessments and shall exclude pupils who enroll in
19 the district after the district administers the assessments.

20 (3) The department shall distribute federal funds allocated under this section in
21 accordance with federal law and with flexibility provisions outlined in Public Law 107-116,
22 and in the education flexibility partnership act of 1999, Public Law 106-25.

23 (4) The department may recommend, but may not require, districts to allow pupils to
24 use an external keyboard with tablet devices for online M-STEP testing, including, but not
25 limited to, open-ended test items such as constructed response or equation builder items.

26 (5) Notwithstanding section 17b, the department shall make payments on behalf of
27 districts, intermediate districts, and other eligible entities under this section on a
28 schedule determined by the department.

29 (6) From the allocation in subsection (1), there is allocated an amount not to exceed
30 \$500,000.00 for ~~2023-2024~~**2024-2025** for the operation of an online reporting tool to
31 provide student-level assessment data in a secure environment to educators, parents, and
32 pupils immediately after assessments are scored. The department and the center shall ensure

1 that any data collected by the online reporting tool do not provide individually
2 identifiable student data to the federal government.

3 (7) As used in this section:

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

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

6 (c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative
7 Services.

8 Sec. 104h. (1) From the state school aid fund money appropriated under section 11,
9 there is allocated for ~~2021-2022-2024-2025~~ an amount not to exceed \$11,500,000.00 to
10 districts to ~~begin implementation of a benchmark assessment system for~~ **implement benchmark**
11 **assessments during** the ~~2022-2023-2024-2025~~ school year. ~~It is the intent of the legislature~~
12 ~~that funding for benchmark assessments for the 2024-2025 school year will be appropriated~~
13 ~~in this section in 2024-2025.~~ All of the following apply to the benchmark assessment system
14 described in this subsection:

15 (a) The system must provide for all of the following:

16 (i) That, within the first 9 weeks of the 2024-2025 school year, the district shall
17 administer 1 or more benchmark assessments provided by a provider approved under subsection
18 (6), benchmark assessments described in subdivision (b), or local benchmark assessments, or
19 any combination thereof, to all pupils in grades K to 8 to measure proficiency in reading
20 and mathematics.

21 (ii) That, in addition to the benchmark assessment or benchmark assessments
22 administered under subparagraph (i), by not later than the last day of the 2024-2025 school
23 year, the district shall administer the benchmark assessment or assessments administered
24 under subparagraph (i) to all pupils in grades K to 8 to measure proficiency in reading and
25 mathematics. To support fall to spring growth calculations, the same benchmark assessment
26 that is administered in the fall must be administered in the spring.

27 (b) Except as otherwise provided in this section, a district may administer 1 or more
28 of the following benchmark assessments toward meeting the requirements under subdivision
29 (a):

30 (i) A benchmark assessment in reading for students in grades K to 9 that contains
31 progress monitoring tools and enhanced diagnostic assessments.

32 (ii) A benchmark assessment in math for students in grades K to 8 that contains

1 progress monitoring tools.

2 (c) The system must provide that, to the extent practicable, if a district
3 administers a benchmark assessment or benchmark assessments under this section, the
4 district shall administer the same benchmark assessment or benchmark assessments provided
5 by a provider approved under subsection (6), benchmark assessment or benchmark assessments
6 described in subdivision (b), or local benchmark assessment or local benchmark assessments
7 that it administered to pupils in previous school years, as applicable.

8 (d) The system must provide that, if a district administers a benchmark assessment or
9 benchmark assessments under this section, the district shall provide each pupil's data from
10 the benchmark assessment or benchmark assessments, as available, to the pupil's parent or
11 legal guardian within 30 days of administering the benchmark assessment or benchmark
12 assessments.

13 (e) The system must provide that, if a local benchmark assessment or local benchmark
14 assessments are administered under subdivision (a), the district shall report to the
15 department and the center, in a form and manner prescribed by the center, the local
16 benchmark assessment or local benchmark assessments that were administered and how that
17 assessment or those assessments measure changes, including any losses, as applicable, in
18 learning, and the district's plan for addressing any losses in learning.

19 (f) The system must provide that, by not later than 30 days after a benchmark
20 assessment or benchmark assessments are administered under subdivision (a) (ii), or within a
21 time frame specified by the department, the district shall send benchmark assessment data,
22 including grade level, student demographics, and mode of instruction, to the department in
23 a form and manner prescribed by the department, from all benchmark assessments administered
24 in the 2024-2025 school year, excluding data from a local benchmark assessment, as
25 applicable. If available, the data described in this subdivision must include information
26 concerning pupil growth from fall 2024 to spring 2025.

27 (2) To receive funding under this section, a district must do all of the following:

28 (a) Apply for the funding in a form and manner prescribed by the department.

29 (b) ~~Pledge to administer~~ **Administer** 1 or more of the benchmark assessments described
30 in subsection (6), excluding the benchmark assessment described in subsection (4).

31 (c) ~~Pledge to administer~~ **Administer** the same benchmark assessment or assessments in
32 both the fall and spring, as required under this section.

1 (d) ~~Pledge to meet~~ **Meet** all reporting requirements pertaining to assessment and mode-
2 of-instruction data outlined in this section.

3 (3) Subject to subsection (2), the department shall pay an equal amount per
4 membership pupil in grades K to 8 in the district to each district that applies for funding
5 under this section.

6 (4) The department shall make 1 of the benchmark assessments provided by a provider
7 approved under subsection (6) available to districts at no cost to the districts for
8 purposes of meeting the requirements under this section. The benchmark assessment described
9 in this subsection must meet all of the following:

10 (a) Be aligned to the content standards of this state.

11 (b) Complement the state's summative assessment system.

12 (c) Be internet-delivered and include a standards-based assessment.

13 (d) Provide information on pupil achievement with regard to learning content required
14 in a given year or grade span.

15 (e) Provide timely feedback to pupils and teachers.

16 (f) Be nationally normed.

17 (g) Provide information to educators about student growth and allow for multiple
18 testing opportunities.

19 (5) By not later than November 15, 2025, the department shall submit a report to the
20 house and senate appropriations committees, the house and senate appropriations
21 subcommittees on school aid, and the house and senate fiscal agencies regarding the
22 benchmark assessment data received under this section, disaggregated by grade level and
23 demographic subgroup for each district. If information concerning pupil growth is included
24 in the data described in this subsection, it must be incorporated in the report described
25 in this subsection.

26 (6) The department shall approve at least 4 but not more than 6 providers of
27 benchmark assessments for the purposes of this section. The department shall inform
28 districts of all of the providers approved under this subsection in an equitable manner.
29 The benchmark assessments, with the exclusion of the benchmark assessment described in
30 subsection (4), provided by approved providers under this subsection must meet all of the
31 following:

32 (a) Be aligned to the content standards of this state.

(b) Complement the state's summative assessment system.

(c) Be internet-delivered and include a standards-based remote, in-person, or both remote and in-person assessment using a computer-adaptive model to target the instructional level of each pupil.

(d) Provide information on pupil achievement with regard to learning content required in a given year or grade span.

(e) Provide immediate feedback to pupils and teachers.

(f) Be nationally normed.

(g) Provide multiple measures of growth and provide for multiple testing opportunities.

Sec. 107. (1) From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed ~~\$40,000,000.00~~ **\$40,500,000.00** for ~~2023-2024~~ **2024-2025** for adult education programs authorized under this section. Except as otherwise provided under subsections (14) and (15), funds allocated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, an eligible adult education provider shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, an individual must be enrolled in an adult basic education program, an adult secondary education program, an adult English as a second language program, a high school equivalency test preparation program, or a high school completion program, that meets the requirements of this section, and for which instruction is provided, and the individual must be at least 18 years of age by July 1 of the program year and the individual's graduating class must have graduated.

(4) By April 1 of each fiscal year for which funding is allocated under this section, the intermediate districts within a prosperity region or subregion shall determine which intermediate district will serve as the prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify the department in a form and manner determined by the department. The department shall approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From the funds allocated under subsection (1), an amount

1 as determined under this subsection is allocated to each intermediate district serving as a
2 fiscal agent for adult education programs in each of the prosperity regions or subregions
3 identified by the department. An intermediate district shall not use more than 5% of the
4 funds allocated under this subsection for administration costs for serving as the fiscal
5 agent. The allocation provided to each intermediate district serving as a fiscal agent must
6 be calculated as follows:

7 (a) Sixty percent of this portion of the funding must be distributed based upon the
8 proportion of the state population of individuals between the ages of 18 and 24 that are
9 not high school graduates that resides in each of the prosperity regions or subregions
10 located within the intermediate district, as reported by the most recent 5-year estimates
11 from the American Community Survey (ACS) from the United States Census Bureau.

12 (b) Thirty-five percent of this portion of the funding must be distributed based upon
13 the proportion of the state population of individuals age 25 or older who are not high
14 school graduates that resides in each of the prosperity regions or subregions located
15 within the intermediate district, as reported by the most recent 5-year estimates from the
16 ACS from the United States Census Bureau.

17 (c) Five percent of this portion of the funding must be distributed based upon the
18 proportion of the state population of individuals age 18 or older who lack basic English
19 language proficiency that resides in each of the prosperity regions or subregions located
20 within the intermediate district, as reported by the most recent 5-year estimates from the
21 ACS from the United States Census Bureau.

22 (5) To be an eligible fiscal agent, an intermediate district must agree to do the
23 following in a form and manner determined by the department:

24 (a) Distribute funds to adult education programs in a prosperity region or subregion
25 as described in this section.

26 (b) Collaborate with the career and educational advisory council, which is an
27 advisory council of the workforce development boards located in the prosperity region or
28 subregion, or its successor, to develop a regional strategy that aligns adult education
29 programs and services into an efficient and effective delivery system for adult education
30 learners, with special consideration for providing contextualized learning and career
31 pathways and addressing barriers to education and employment.

32 (c) Collaborate with the career and educational advisory council, which is an

1 advisory council of the workforce development boards located in the prosperity region or
2 subregion, or its successor, to create a local process and criteria that will identify
3 eligible adult education providers to receive funds allocated under this section based on
4 location, demand for services, past performance, quality indicators as identified by the
5 department, and cost to provide instructional services. The fiscal agent shall determine
6 all local processes, criteria, and provider determinations. However, the local processes,
7 criteria, and provider services must be approved by the department before funds may be
8 distributed to the fiscal agent.

9 (d) Provide oversight to its adult education providers throughout the program year to
10 ensure compliance with the requirements of this section.

11 (e) Report adult education program and participant data and information as prescribed
12 by the department.

13 (6) An adult basic education program, an adult secondary education program, or an
14 adult English as a second language program operated on a year-round or school year basis
15 may be funded under this section, subject to all of the following:

16 (a) The program enrolls adults who are determined by a department-approved
17 assessment, in a form and manner prescribed by the department, to be below twelfth grade
18 level in reading or mathematics, or both, or to lack basic English proficiency.

19 (b) The program tests individuals for eligibility under subdivision (a) before
20 enrollment and upon completion of the program in compliance with the state-approved
21 assessment policy.

22 (c) A participant in an adult basic education program is eligible for reimbursement
23 until 1 of the following occurs:

24 (i) The participant's reading and mathematics proficiency are assessed at or above
25 the ninth grade level.

26 (ii) The participant fails to show progress on 2 successive assessments after having
27 completed at least 450 hours of instruction.

28 (d) A participant in an adult secondary education program is eligible for
29 reimbursement until 1 of the following occurs:

30 (i) The participant's reading and mathematics proficiency are assessed above the
31 twelfth grade level.

32 (ii) The participant fails to show progress on 2 successive assessments after having

1 at least 450 hours of instruction.

2 (e) A funding recipient enrolling a participant in an English as a second language
3 program is eligible for funding according to subsection (9) until the participant meets 1
4 of the following:

5 (i) The participant is assessed as having attained basic English proficiency as
6 determined by a department-approved assessment.

7 (ii) The participant fails to show progress on 2 successive department-approved
8 assessments after having completed at least 450 hours of instruction. The department shall
9 provide information to a funding recipient regarding appropriate assessment instruments for
10 this program.

11 (7) A high school equivalency test preparation program operated on a year-round or
12 school year basis may be funded under this section, subject to all of the following:

13 (a) The program enrolls adults who do not have a high school diploma or a high school
14 equivalency certificate.

15 (b) The program administers a pre-test approved by the department before enrolling an
16 individual to determine the individual's literacy levels, administers a high school
17 equivalency practice test to determine the individual's potential for success on the high
18 school equivalency test, and administers a post-test upon completion of the program in
19 compliance with the state-approved assessment policy.

20 (c) A funding recipient receives funding according to subsection (9) for a
21 participant, and a participant may be enrolled in the program until 1 of the following
22 occurs:

23 (i) The participant achieves a high school equivalency certificate.

24 (ii) The participant fails to show progress on 2 successive department-approved
25 assessments used to determine readiness to take a high school equivalency test after having
26 completed at least 450 hours of instruction.

27 (8) A high school completion program operated on a year-round or school year basis
28 may be funded under this section, subject to all of the following:

29 (a) The program enrolls adults who do not have a high school diploma.

30 (b) The program tests participants described in subdivision (a) before enrollment and
31 upon completion of the program in compliance with the state-approved assessment policy.

32 (c) A funding recipient receives funding according to subsection (9) for a

1 participant in a course offered under this subsection until 1 of the following occurs:

2 (i) The participant passes the course and earns a high school diploma.

3 (ii) The participant fails to earn credit in 2 successive semesters or terms in which
4 the participant is enrolled after having completed at least 900 hours of instruction.

5 (9) The department shall make payments to a funding recipient under this section in
6 accordance with all of the following:

7 (a) Statewide allocation criteria, including 3-year average enrollments, census data,
8 and local needs.

9 (b) Participant completion of the adult basic education objectives by achieving an
10 educational gain as determined by the national reporting system levels; for achieving basic
11 English proficiency, as determined by the department; for achieving a high school
12 equivalency certificate or passage of 1 or more individual high school equivalency tests;
13 for attainment of a high school diploma or passage of a course required for a participant
14 to attain a high school diploma; for enrollment in a postsecondary institution; or for
15 entry into or retention of employment, as applicable.

16 (c) Participant completion of core indicators as identified in the workforce
17 innovation and opportunity act, Public Law 113-128.

18 (d) Allowable expenditures.

19 (10) An individual who is not eligible to be a participant funded under this section
20 may receive adult education services upon the payment of tuition. In addition, an
21 individual who is not eligible to be served in a program under this section due to the
22 program limitations specified in subsection (6), (7), or (8) may continue to receive adult
23 education services in that program upon the payment of tuition. The local or intermediate
24 district conducting the program shall determine the tuition amount.

25 (11) An individual who is an inmate in a state correctional facility is not counted
26 as a participant under this section.

27 (12) A funding recipient shall not commingle money received under this section or
28 from another source for adult education purposes with any other funds and shall establish a
29 separate ledger account for funds received under this section. This subsection does not
30 prohibit a district from using general funds of the district to support an adult education
31 or community education program.

32 (13) A funding recipient receiving funds under this section may establish a sliding

1 scale of tuition rates based upon a participant's family income. A funding recipient may
2 charge a participant tuition to receive adult education services under this section from
3 that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per
4 participant must not exceed the actual operating cost per participant minus any funds
5 received under this section per participant. A funding recipient may not charge a
6 participant tuition under this section if the participant's income is at or below 200% of
7 the federal poverty guidelines published by the United States Department of Health and
8 Human Services.

9 (14) In order to receive funds under this section, a funding recipient shall furnish
10 to the department, in a form and manner determined by the department, all information
11 needed to administer this program and meet federal reporting requirements; shall allow the
12 department or the department's designee to review all records related to the program for
13 which it receives funds; and shall reimburse the state for all disallowances found in the
14 review, as determined by the department. In addition, a funding recipient shall agree to
15 pay to a career and technical education program under section 61a the amount of funding
16 received under this section in the proportion of career and technical education coursework
17 used to satisfy adult basic education programming, as billed to the funding recipient by
18 programs operating under section 61a. ~~In addition to the funding allocated under subsection~~
19 ~~(1), there is allocated for 2023-2024 an amount not to exceed \$500,000.00 to reimburse~~
20 ~~funding recipients for administrative and instructional expenses associated with~~
21 ~~commingling programming under this section and section 61a. The department shall make~~
22 ~~payments under this subsection to each funding recipient in the same proportion as funding~~
23 ~~calculated and allocated under subsection (4).~~

24 (15) From the amount appropriated in subsection (1), an amount not to exceed
25 \$4,000,000.00 is allocated for ~~2023-2024 for grants~~ **2024-2025** to **approved** adult education
26 ~~or state-approved career technical center~~ programs that connect adult education
27 participants with employers as provided under this subsection. ~~The department shall~~
28 ~~determine the amount of the grant to each program under this subsection, not to exceed~~
29 ~~\$350,000.00.~~ **The department shall determine regional planning allocations under this**
30 **subsection to each intermediate school district serving as a fiscal agent for adult**
31 **education programs in each of the prosperity regions or subregions identified by the**
32 **department in the same proportion as funding calculated and allocated under subsection (4).**

1 **Funds not fully utilized within a region may be transferred to other regions as appropriate**

2 To be eligible for funding under this subsection, a program must provide a collaboration
3 linking adult education programs within the county, ~~the area career technical center,~~
4 **state-approved career and technical education programs**, and local employers. To receive
5 funding under this subsection, an eligible program must satisfy all of the following:

6 (a) Connect adult education participants directly with employers by linking adult
7 education, career and technical skills, and workforce development.

8 (b) Require adult education staff to work with a Michigan Works! agency to identify a
9 cohort of participants who are most prepared to successfully enter the workforce. Except as
10 otherwise provided under this subdivision, participants identified under this subsection
11 must be dually enrolled in adult education programming and in at least 1 state-approved
12 technical course ~~at the area career and technical center~~ **through a career and technical**
13 **education program**. A program that links participants identified under this subsection with
14 adult education programming and commercial driver license courses does not need to enroll
15 the participants in at least 1 state-approved technical course ~~at the area career and~~
16 ~~technical center~~ **through a career and technical education program** to be considered an
17 eligible program under this subsection.

18 (c) Employ an individual staffed as an adult education navigator who will serve as a
19 caseworker for each participant identified under subdivision (b). The navigator shall work
20 with adult education staff and potential employers to design an educational program best
21 suited to the personal and employment needs of the participant and shall work with human
22 service agencies or other entities to address any barrier in the way of participant access.

23 ~~(16) Each program funded under subsection (15) will receive funding for 3 years.~~
24 ~~After 3 years of operations and funding, a program must reapply for funding.~~

25 **(16)** ~~(17)~~ Not later than December 1 of each year, a program funded under subsection
26 (15) shall provide a report to the senate and house appropriations subcommittees on school
27 aid, to the senate and house fiscal agencies, and to the state budget director identifying
28 the number of participants, graduation rates, and a measure of transition to employment.

29 **(17)** ~~(18)~~ Except as otherwise provided in this subsection, participants under
30 subsection (15) must be concurrently enrolled and actively working toward obtaining a high
31 school diploma or a high school equivalency certificate. Concurrent enrollment is not
32 required under this subsection for a participant that was enrolled in adult education

1 during the same program year and obtained a high school diploma or a high school
2 equivalency certificate prior to enrollment in an eligible career and technical skills
3 program under subsection (15). Up to ~~15%~~ **10%** of adult education participants served under
4 subsection (15) may already have a high school diploma or a high school equivalency
5 certificate at the time of enrollment in an eligible career and technical skills program
6 under subsection (15) and receive remediation services. It is intended that the cap
7 described in the immediately preceding sentence is continually lowered on an annual basis
8 until it eventually is 0%.

9 **(18)** ~~(19)~~ The department shall approve at least 2 high school equivalency tests and
10 determine whether a high school equivalency certificate meets the requisite standards for
11 high school equivalency in this state.

12 **(19)** ~~(20)~~ As used in this section:

13 (a) "Career and educational advisory council" means an advisory council to the local
14 workforce development boards located in a prosperity region consisting of educational,
15 employer, labor, and parent representatives.

16 (b) "Career pathway" means a combination of rigorous and high-quality education,
17 training, and other services that comply with all of the following:

18 (i) Aligns with the skill needs of industries in the economy of this state or in the
19 regional economy involved.

20 (ii) Prepares an individual to be successful in any of a full range of secondary or
21 postsecondary education options, including apprenticeships registered under the act of
22 August 16, 1937, commonly referred to as the national apprenticeship act, 29 USC 50 et seq.

23 (iii) Includes counseling to support an individual in achieving the individual's
24 education and career goals.

25 (iv) Includes, as appropriate, education offered concurrently with and in the same
26 context as workforce preparation activities and training for a specific occupation or
27 occupational cluster.

28 (v) Organizes education, training, and other services to meet the particular needs of
29 an individual in a manner that accelerates the educational and career advancement of the
30 individual to the extent practicable.

31 (vi) Enables an individual to attain a secondary school diploma or its recognized
32 equivalent, and at least 1 recognized postsecondary credential.

(vii) Helps an individual enter or advance within a specific occupation or occupational cluster.

(c) "Department" means the department of labor and economic opportunity.

(d) "Eligible adult education provider" means a district, intermediate district, a consortium of districts, a consortium of intermediate districts, or a consortium of districts and intermediate districts that is identified as part of the local process described in subsection (5)(c) and approved by the department.

Sec. 147. (1) The allocation for ~~2023-2024~~**-2024-2025** for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, is made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the ~~2023-2024~~**-2024-2025** fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~48.23%~~**41.94%** with ~~31.34%~~**31.36%** paid directly by the employer.

(b) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~44.37%~~**38.10%** with ~~27.48%~~**27.52%** paid directly by the employer.

(c) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~43.12%~~**36.85%** with ~~26.23%~~**26.27%** paid directly by the employer.

(d) For public school employees who first worked for a public school reporting unit on or after September 4, 2012, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~37.85%~~**31.54%** with 20.96% paid directly by the employer.

(e) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who are enrolled in the health

premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~39.10%~~ **32.79%** with 22.21% paid directly by the employer.

(f) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~37.85%~~ **31.54%** with 20.96% paid directly by the employer.

(g) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~46.98%~~ **40.69%** with ~~30.09%~~ **30.11%** paid directly by the employer.

(h) For public school employees who first worked for a public school reporting unit after January 31, 2018 and who elect to become members of the MPSERS plan, the annual level percentage of payroll contribution rate is estimated at ~~44.05%~~ **37.74%** with ~~27.16%~~ **27.16%** paid directly by the employer.

(3) In addition to the employer payments described in subsection (2), the employer shall pay the applicable contributions to the Tier 2 plan, as determined by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(4) The contribution rates in subsection (2) reflect an amortization period of ~~15-14~~ years for ~~2023-2024, 2024-2025~~. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 147a. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2022-2023 an amount not to exceed \$100,000,000.00 and for 2023-2024 2024-~~ **2025** an amount not to exceed \$100,000,000.00 for payments to participating districts. A participating district that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this subsection is based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this subsection, "participating district" means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300,

MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(2) In addition to the allocation under subsection (1), from the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed ~~\$193,935,000.00 for 2022-2023 and an amount not to exceed \$359,950,000.00~~ **\$365,100,000.00** for ~~2023-2024~~ **2024-2025** for payments to participating districts and intermediate districts and from the general fund money appropriated under section 11, there is allocated an amount not to exceed ~~\$65,000.00 for 2022-2023 and an amount not to exceed \$100,000.00 for 2023-~~ **2024-2025** for payments to participating district libraries. The amount allocated to each participating entity under this subsection is based on each participating entity's reported quarterly payroll for members that became tier 1 prior to February 1, 2018 for the current fiscal year. A participating entity that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the normal cost contribution rate. As used in this subsection:

(a) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

(b) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(3) In addition to the allocations under subsections (1) and (2), from the state school aid fund money appropriated in section 11, there is allocated for ~~2023-2024 only~~ **2024-2025** an amount not to exceed \$11,939,000.00 for payments to participating intermediate districts and participating district libraries. A participating intermediate district or participating district library shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the participating intermediate district or participating district library for the fiscal year in which it is received. The amount allocated to each participating intermediate district or participating district library under this subsection is calculated as follows:

(a) For each participating intermediate district, \$11,912,000.00 multiplied by each participating intermediate district's percentage of the total statewide payroll for all

1 participating intermediate districts for the immediately preceding fiscal year.

2 (b) For each participating district library, \$27,000.00 multiplied by each
3 participating district library's percentage of the total statewide payroll for all
4 participating district libraries for the immediately preceding fiscal year.

5 (c) As used in this subsection:

6 (i) "Participating district library" means a district library that is a reporting
7 unit of the Michigan public school employees' retirement system under the public school
8 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports
9 employees to the Michigan public school employees' retirement system for the applicable
10 fiscal year.

11 (ii) "Participating intermediate district" means an intermediate district that is a
12 reporting unit of the Michigan public school employees' retirement system under the public
13 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that
14 reports employees to the Michigan public school employees' retirement system for the
15 applicable fiscal year.

16 (4) In addition to the allocations under subsections (1) and (2), from the state
17 school aid fund money appropriated in section 11, there is allocated for 2024-2025 an
18 amount not to exceed \$94,300,000.00 for payments to participating entities. A participating
19 entity that receives money under this subsection shall use that money solely for the
20 purpose of offsetting a portion of the retirement contributions owed by the participating
21 entity the fiscal year in which it is received. The amount allocated to each participating
22 entity under this subsection is based on each participating district's percentage of the
23 total statewide payroll for all participating entities for the immediately preceding fiscal
24 year. As used in this subsection, "participating entity" means a district, intermediate
25 district, or a district library that is a reporting unit of the Michigan public school
26 employees' retirement system under the public school employees retirement act of 1979, 1980
27 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school
28 employees' retirement system for the applicable fiscal year.

29 Sec. 147c. (1) From the state school aid fund money appropriated in section 11, there
30 is allocated for ~~2023-2024-2024-2025~~ an amount not to exceed ~~\$1,647,200,000.00~~
31 \$955,000,000.00 and from the MPSERS retirement obligation reform reserve fund money
32 appropriated in section 11, there is allocated for ~~2023-2024-2024-2025~~ only an amount

1 needed, estimated at ~~\$215,800,000.00~~ **\$84,100,000.00** for payments to districts and
2 intermediate districts that are participating entities of the Michigan public school
3 employees' retirement system. In addition, from the general fund money appropriated in
4 section 11, there is allocated for ~~2023-2024~~ **2024-2025** an amount not to exceed ~~\$500,000.00~~
5 **\$300,000.00** for payments to district libraries that are participating entities of the
6 Michigan public school employees' retirement system. It is the intent of the legislature
7 that money allocated from the MPSERS retirement obligation reform reserve fund under this
8 subsection for ~~2023-2024~~ **2024-2025** represents the amount necessary to reduce the payroll
9 growth assumption to ~~0.75%~~ **0.25%**. All of the following apply to funding under this
10 subsection:

11 (a) Except as otherwise provided in this subdivision, for ~~2023-2024~~ **2024-2025**, the
12 amounts allocated under this subsection are estimated to provide an average MPSERS rate cap
13 per pupil amount of ~~\$1,157.00~~ **\$740.00** and are estimated to provide a rate cap per pupil for
14 districts ranging between ~~\$4.00~~ **\$2.00** and ~~\$5,020.00~~ **\$2,650.00**.

15 (b) Payments made under this subsection are equal to the difference between the
16 unfunded actuarial accrued liability contribution rate as calculated under section 41 of
17 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated
18 without taking into account the maximum employer rate of 20.96% included in section 41 of
19 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
20 maximum employer rate of 20.96% included in section 41 of the public school employees
21 retirement act of 1979, 1980 PA 300, MCL 38.1341.

22 (c) The amount allocated to each participating entity under this subsection is based
23 on each participating entity's proportion of the total covered payroll for the immediately
24 preceding fiscal year for the same type of participating entities. A participating entity
25 that receives funds under this subsection shall use the funds solely for the purpose of
26 retirement contributions as specified in subdivision (d).

27 (d) Each participating entity receiving funds under this subsection shall forward an
28 amount equal to the amount allocated under subdivision (c) to the retirement system in a
29 form, manner, and time frame determined by the retirement system.

30 (e) Funds allocated under this subsection should be considered when comparing a
31 district's growth in total state aid funding from 1 fiscal year to the next.

32 (f) Not later than December 20 of each fiscal year for which funding is allocated

1 under this subsection, the department shall publish and post on its website an estimated
2 MPSERS rate cap per pupil for each district.

3 (g) The office of retirement services shall first apply funds allocated under this
4 subsection to pension contributions and, if any funds remain after that payment, shall
5 apply those remaining funds to other postemployment benefit contributions.

6 (2) As used in this section:

7 (a) "Community college" means a community college created under the community college
8 act of 1966, 1966 PA 331, MCL 389.1 to 389.195.

9 (b) "District library" means a district library established under the district
10 library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

11 (c) "MPSERS rate cap per pupil" means an amount equal to the quotient of the
12 district's payment under this section divided by the district's pupils in membership.

13 (d) "Participating entity" means a district, intermediate district, or district
14 library that is a reporting unit of the Michigan public school employees' retirement system
15 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
16 38.1437, and that reports employees to the Michigan public school employees' retirement
17 system for the applicable fiscal year.

18 (e) "Retirement system" means the Michigan public school employees' retirement system
19 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
20 38.1437.

21 Sec. 147e. (1) From the state school aid fund money appropriated in section 11, there
22 is allocated for ~~2022-2023 an amount not to exceed \$62,000,000.00, and there is allocated~~
23 ~~for 2023-2024-2024-2025~~ an amount not to exceed ~~\$90,400,000.00-\$104,700,000.00~~ for payments
24 to participating entities.

25 (2) The payment to each participating entity under this section is the sum of the
26 amounts under this subsection as follows:

27 (a) An amount equal to the contributions made by a participating entity for the
28 additional contribution made to a qualified participant's Tier 2 account in an amount equal
29 to the contribution made by the qualified participant not to exceed 3% of the qualified
30 participant's compensation as provided for under section 131(6) of the public school
31 employees retirement act of 1979, 1980 PA 300, MCL 38.1431.

32 (b) Beginning October 1, 2017, an amount equal to the contributions made by a

1 participating entity for a qualified participant who is only a Tier 2 qualified participant
2 under section 81d of the public school employees retirement act of 1979, 1980 PA 300, MCL
3 38.1381d, not to exceed 4%, and, beginning February 1, 2018, not to exceed 1%, of the
4 qualified participant's compensation.

5 (c) An amount equal to the increase in employer normal cost contributions under
6 section 41b(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL
7 38.1341b, for a member that was hired after February 1, 2018 and chose to participate in
8 Tier 1, compared to the employer normal cost contribution for a member under section 41b(1)
9 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b.

10 (3) As used in this section:

11 (a) "Member" means that term as defined under the public school employees retirement
12 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

13 (b) "Participating entity" means a district, intermediate district, or community
14 college that is a reporting unit of the Michigan public school employees' retirement system
15 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
16 38.1437, and that reports employees to the Michigan public school employees' retirement
17 system for the applicable fiscal year.

18 (c) "Qualified participant" means that term as defined under section 124 of the
19 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.

20 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v
21 State of Michigan, 486 Mich 468 (2010), from the state school aid fund money appropriated
22 in section 11, there is allocated for ~~2023-2024-2024-2025~~ an amount not to exceed
23 \$41,000,500.00 to be used solely for the purpose of paying necessary costs related to the
24 state-mandated collection, maintenance, and reporting of data to this state. From this
25 allocation, \$3,000,000.00 is allocated for costs associated with collecting data necessary
26 to provide reporting to tribal governments on the status of students affiliated with their
27 particular tribe and data necessary to determine student participation in federal programs
28 funded under 20 USC 7401 to 7546 and participation in federal programs funded under the
29 Johnson-O'Malley Supplemental Indian Education Program Modernization Act, Public Law 115-
30 404.

31 (2) From the allocation in subsection (1), the department shall make payments to
32 districts and intermediate districts in an equal amount per pupil based on the total number

1 of pupils in membership in each district and intermediate district. The department shall
2 not make any adjustment to these payments after the final installment payment under section
3 17b is made.

4 Sec. 163. (1) Except as otherwise provided in the revised school code, the board of a
5 district or intermediate district shall not permit any of the following:

6 (a) An individual who is not appropriately placed under a valid certificate, valid
7 substitute permit, authorization, or approval issued under rules promulgated by the
8 department to teach in an elementary or secondary school.

9 (b) An individual who does not satisfy the requirements of section 1233 of the
10 revised school code, MCL 380.1233, and rules promulgated by the department to provide
11 school counselor services to pupils in an elementary or secondary school.

12 (c) An individual who does not satisfy the requirements of section 1246 of the
13 revised school code, MCL 380.1246, and rules promulgated by the department to be employed
14 as a superintendent, principal, or assistant principal, or as an individual whose primary
15 responsibility is to administer instructional programs in an elementary or secondary school
16 or in a district or intermediate district, unless the individual is working under a valid
17 substitute permit issued under rules promulgated by the department.

18 (2) ~~Except as otherwise provided in the revised school code, this subsection, or~~
19 ~~subsection (4) or (7), a district or intermediate district employing an individual in~~
20 ~~violation of this section before July 1, 2021 must have deducted an amount equal to the~~
21 ~~amount paid to the individual for the period of employment that is in violation of this~~
22 ~~section. Except as otherwise provided under subsection (4) or (7), (5), a district or~~
23 ~~intermediate district employing an individual in violation of this section on or after July~~
24 ~~1, 2021 must have deducted an amount equal to 50% of the amount paid to the individual for~~
25 ~~the period of employment that is in violation of this section. Except as otherwise provided~~
26 ~~under subsection (4) or (5), beginning July 1, 2021, if a district or intermediate district~~
27 ~~is notified by the department that it is employing an individual in violation of this~~
28 ~~section and it continues to employ the individual in violation of this section 10 business~~
29 ~~days after receiving the notification, both of the following apply:~~

30 (a) The district or intermediate district must have deducted an amount equal to 50%
31 of the amount paid to the individual for the period of employment that is in violation of
32 this section that occurs before the expiration of the 10-day period described in this

subsection.

(b) The district or intermediate district must have deducted an amount equal to 100% of the amount paid to the individual for the period of employment that is in violation of this section that occurs after the 10-day period described in this subsection.

(3) For purposes of subsection (2), if a district or intermediate district on behalf of an individual or an individual successfully completes the credential application process through the department, including the submission of an appropriate application, required fees, and all required supporting documentation, the individual's employment with the district or intermediate district after this completion is not considered a period of employment that is in violation of this section.

(4) A deduction under subsection (2) for employment in violation of this section ~~that occurs on or after July 1, 2021,~~ may be less than the amount required under that subsection if the superintendent of public instruction finds that the district or intermediate district was hindered in its ability to obtain a substitute credential to enable the district or intermediate district to employ the individual in compliance with this section due to unusual and extenuating circumstances resulting from conditions not within the control of school authorities, including, but not limited to, a natural disaster, death or serious illness of the individual or another employee, an emergency school closure, fraud or other intentional wrongdoing of the individual or another employee, or an emergency health condition as defined by city, county, or state health authorities.

(5) ~~For~~ **There must be no deduction under subsection (2) for** employment of an individual **if there is a membership adjustment under section 15 based on the same employment.** ~~in violation of this section that occurs on or after July 1, 2021, upon request by a district or intermediate district, the department shall credit the amount of an adjustment in payments under section 15 that is based on the employment of the individual that gave rise to the deduction under subsection (2) or (4) against the amount of the deduction under subsection (2) or (4). The amount of the credit under this subsection must not be in an amount that is greater than the deduction assessed under subsection (2) or (4).~~

(6) If a school official is notified by the department that the school official is employing an individual in violation of this section and knowingly continues to employ that individual, the school official is guilty of a misdemeanor punishable by a fine of

1 \$1,500.00 for each incident. This penalty is in addition to all other financial penalties
2 otherwise specified in this article.

3 ~~(7) There must be no deduction under subsection (2) for a period of employment in~~
4 ~~violation of this section that occurs between July 1, 2020 and June 30, 2021.~~

ARTICLE II

STATE AID TO COMMUNITY COLLEGES

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2024, 2025~~, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$549,517,500.00.~~ **\$465,920,800.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$549,517,500.00.~~ **\$465,920,800.00**.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$549,517,500.00.~~ **\$465,920,800.00**.

(v) State general fund/general purpose money, \$0.00.

(2) Subject to subsection (3), the amount appropriated for community college

operations is ~~\$357,961,900.00~~, **\$366,931,800.00**, allocated as follows:

(a) The appropriation for Alpena Community College is ~~\$6,327,100.00~~, ~~\$6,026,800.00~~ for operations, ~~\$273,800.00~~ for performance funding, and ~~\$26,500.00~~ for costs incurred under the North American Indian tuition waiver. **\$6,493,500.00**, **\$6,300,600.00** for operations, **\$171,100.00** for performance funding, and **\$21,800.00** for costs incurred under the North American Indian tuition wavier.

(b) The appropriation for Bay de Noc Community College is ~~\$6,299,200.00~~, ~~\$5,877,000.00~~ for operations, ~~\$308,300.00~~ for performance funding, and ~~\$113,900.00~~ for costs incurred under the North American Indian tuition waiver. **\$6,473,200.00**, **\$6,185,300.00** for operations, **\$187,900.00** for performance funding, and **\$100,000.00** for costs incurred under the North American Indian tuition wavier.

(c) The appropriation for Delta College is ~~\$16,690,500.00~~, ~~\$15,888,200.00~~ for operations, ~~\$754,100.00~~ for performance funding, and ~~\$48,200.00~~ for costs incurred under the North American Indian tuition waiver. **\$17,067,300.00**, **\$16,642,300.00** for operations, **\$400,200.00** for performance funding, and **\$24,800.00** for costs incurred under the North American Indian tuition wavier.

(d) The appropriation for Glen Oaks Community College is ~~\$2,939,000.00~~, ~~\$2,802,100.00~~ for operations, ~~\$136,900.00~~ for performance funding, and ~~\$0.00~~ for costs incurred under the North American Indian tuition waiver. **\$3,015,700.00**, **\$2,939,000.00** for operations, **\$74,900.00** for performance funding, and **\$1,800.00** for costs incurred under the North American Indian tuition wavier.

(e) The appropriation for Gogebic Community College is ~~\$5,367,600.00~~, ~~\$5,103,300.00~~ for operations, ~~\$226,400.00~~ for performance funding, and ~~\$37,900.00~~ for costs incurred under the North American Indian tuition waiver. **\$5,493,500.00**, **\$5,329,700.00** for operations, **\$115,400.00** for performance funding, and **\$48,400.00** for costs incurred under the North American Indian tuition wavier.

(f) The appropriation for Grand Rapids Community College is ~~\$20,966,400.00~~, ~~\$19,766,200.00~~ for operations, ~~\$1,078,200.00~~ for performance funding, and ~~\$122,000.00~~ for costs incurred under the North American Indian tuition waiver. **\$21,521,800.00**, **\$20,844,400.00** for operations, **\$566,300.00** for performance funding, and **\$111,100.00** for costs incurred under the North American Indian tuition wavier.

(g) The appropriation for Henry Ford College is ~~\$24,943,900.00~~, ~~\$23,700,100.00~~ for

1 ~~operations, \$1,229,700.00 for performance funding, and \$14,100.00 for costs incurred under~~
2 ~~the North American Indian tuition waiver. \$25,554,400.00, \$24,929,800.00 for operations,~~
3 ~~\$618,200.00 for performance funding, and \$6,400.00 for costs incurred under the North~~
4 ~~American Indian tuition wavier.~~

5 (h) The appropriation for Jackson College is ~~\$13,887,400.00, \$13,295,100.00 for~~
6 ~~operations, \$559,000.00 for performance funding, and \$33,300.00 for costs incurred under~~
7 ~~the North American Indian tuition waiver. \$14,193,900.00, \$13,854,100.00 for operations,~~
8 ~~\$297,500.00 for performance funding, and \$42,300.00 for costs incurred under the North~~
9 ~~American Indian tuition wavier.~~

10 (i) The appropriation for Kalamazoo Valley Community College is ~~\$14,539,400.00,~~
11 ~~\$13,776,100.00 for operations, \$705,800.00 for performance funding, and \$57,500.00 for~~
12 ~~costs incurred under the North American Indian tuition waiver. \$14,889,900.00,~~
13 ~~\$14,481,900.00 for operations, \$370,800.00 for performance funding, and \$37,200.00 for~~
14 ~~costs incurred under the North American Indian tuition wavier.~~

15 (j) The appropriation for Kellogg Community College is ~~\$11,290,200.00, \$10,754,400.00~~
16 ~~for operations, \$514,800.00 for performance funding, and \$21,000.00 for costs incurred~~
17 ~~under the North American Indian tuition waiver. \$11,567,100.00, \$11,269,200.00 for~~
18 ~~operations, \$262,500.00 for performance funding, and \$35,400.00 for costs incurred under~~
19 ~~the North American Indian tuition wavier.~~

20 (k) The appropriation for Kirtland Community College is ~~\$3,792,900.00, \$3,577,900.00~~
21 ~~for operations, \$195,200.00 for performance funding, and \$19,800.00 for costs incurred~~
22 ~~under the North American Indian tuition waiver. \$3,902,300.00, \$3,773,100.00 for~~
23 ~~operations, \$103,400.00 for performance funding, and \$25,800.00 for costs incurred under~~
24 ~~the North American Indian tuition wavier.~~

25 (l) The appropriation for Lake Michigan College is ~~\$6,321,600.00, \$5,978,400.00 for~~
26 ~~operations, \$339,600.00 for performance funding, and \$3,600.00 for costs incurred under the~~
27 ~~North American Indian tuition waiver. \$6,474,300.00, \$6,318,000.00 for operations,~~
28 ~~\$150,300.00 for performance funding, and \$6,000.00 for costs incurred under the North~~
29 ~~American Indian tuition wavier.~~

30 (m) The appropriation for Lansing Community College is ~~\$35,752,700.00, \$34,228,900.00~~
31 ~~for operations, \$1,460,300.00 for performance funding, and \$63,500.00 for costs incurred~~
32 ~~under the North American Indian tuition waiver. \$36,512,300.00, \$35,689,200.00 for~~

1 operations, \$741,900.00 for performance funding, and \$81,200.00 for costs incurred under
2 the North American Indian tuition waiver.

3 (n) The appropriation for Macomb Community College is ~~\$37,661,900.00, \$35,911,900.00~~
4 ~~for operations, \$1,723,500.00 for performance funding, and \$26,500.00 for costs incurred~~
5 ~~under the North American Indian tuition waiver. \$38,534,300.00, \$37,635,400.00 for~~
6 operations, \$875,200.00 for performance funding, and \$23,700.00 for costs incurred under
7 the North American Indian tuition waiver.

8 (o) The appropriation for Mid Michigan Community College is ~~\$5,798,500.00,~~
9 ~~\$5,458,100.00 for operations, \$284,800.00 for performance funding, and \$55,600.00 for costs~~
10 ~~incurred under the North American Indian tuition waiver. \$5,975,200.00, \$5,742,900.00 for~~
11 operations, \$156,800.00 for performance funding, and \$75,500.00 for costs incurred under
12 the North American Indian tuition waiver.

13 (p) The appropriation for Monroe County Community College is ~~\$5,286,800.00,~~
14 ~~\$5,003,600.00 for operations, \$281,100.00 for performance funding, and \$2,100.00 for costs~~
15 ~~incurred under the North American Indian tuition waiver. \$5,426,200.00, \$5,284,700.00 for~~
16 operations, \$139,700.00 for performance funding, and \$1,800.00 for costs incurred under the
17 North American Indian tuition waiver.

18 (q) The appropriation for Montcalm Community College is ~~\$3,966,700.00, \$3,758,900.00~~
19 ~~for operations, \$198,300.00 for performance funding, and \$9,500.00 for costs incurred under~~
20 ~~the North American Indian tuition waiver. \$4,086,000.00, \$3,957,200.00 for operations,~~
21 \$126,900.00 for performance funding, and \$1,900.00 for costs incurred under the North
22 American Indian tuition waiver.

23 (r) The appropriation for C.S. Mott Community College is ~~\$17,823,200.00,~~
24 ~~\$17,098,300.00 for operations, \$693,400.00 for performance funding, and \$31,500.00 for~~
25 ~~costs incurred under the North American Indian tuition waiver. \$18,174,400.00,~~
26 \$17,791,700.00 for operations, \$376,900.00 for performance funding, and \$5,800.00 for costs
27 incurred under the North American Indian tuition waiver.

28 (s) The appropriation for Muskegon Community College is ~~\$10,223,600.00, \$9,733,400.00~~
29 ~~for operations, \$477,500.00 for performance funding, and \$12,700.00 for costs incurred~~
30 ~~under the North American Indian tuition waiver. \$10,480,600.00, \$10,210,900.00 for~~
31 operations, \$248,400.00 for performance funding, and \$21,300.00 for costs incurred under
32 the North American Indian tuition waiver.

(t) The appropriation for North Central Michigan College is ~~\$4,011,000.00,~~
~~\$3,615,900.00 for operations, \$252,900.00 for performance funding, and \$142,200.00 for~~
~~costs incurred under the North American Indian tuition waiver.~~ **\$4,162,800.00, \$3,868,800.00**
for operations, \$131,500.00 for performance funding, and \$162,500.00 for costs incurred
under the North American Indian tuition wavier.

(u) The appropriation for Northwestern Michigan College is ~~\$10,650,300.00,~~
~~\$10,006,800.00 for operations, \$466,500.00 for performance funding, and \$177,000.00 for~~
~~costs incurred under the North American Indian tuition waiver.~~ **\$10,914,300.00,**
\$10,473,300.00 for operations, \$244,200.00 for performance funding, and \$196,800.00 for
costs incurred under the North American Indian tuition wavier.

(v) The appropriation for Oakland Community College is ~~\$24,755,900.00, \$23,469,500.00~~
~~for operations, \$1,264,100.00 for performance funding, and \$22,300.00 for costs incurred~~
~~under the North American Indian tuition waiver.~~ **\$25,428,100.00, \$24,733,600.00 for**
operations, \$660,700.00 for performance funding, and \$33,800.00 for costs incurred under
the North American Indian tuition wavier.

(w) The appropriation for Schoolcraft College is ~~\$14,742,500.00, \$13,939,500.00 for~~
~~operations, \$772,300.00 for performance funding, and \$30,700.00 for costs incurred under~~
~~the North American Indian tuition waiver.~~ **\$15,166,400.00, \$14,711,800.00 for operations,**
\$433,600.00 for performance funding, and \$21,000.00 for costs incurred under the North
American Indian tuition wavier.

(x) The appropriation for Southwestern Michigan College is ~~\$7,695,500.00,~~
~~\$7,332,800.00 for operations, \$350,000.00 for performance funding, and \$12,700.00 for costs~~
~~incurred under the North American Indian tuition waiver.~~ **\$7,885,400.00, \$7,682,800.00 for**
operations, \$173,100.00 for performance funding, and \$29,500.00 for costs incurred under
the North American Indian tuition wavier.

(y) The appropriation for St. Clair County Community College is ~~\$8,226,400.00,~~
~~\$7,786,600.00 for operations, \$423,800.00 for performance funding, and \$16,000.00 for costs~~
~~incurred under the North American Indian tuition waiver.~~ **\$8,453,900.00, \$8,210,400.00 for**
operations, \$219,400.00 for performance funding, and \$24,100.00 for costs incurred under
the North American Indian tuition wavier.

(z) The appropriation for Washtenaw Community College is ~~\$15,938,200.00,~~
~~\$14,851,300.00 for operations, \$1,074,200.00 for performance funding, and \$12,700.00 for~~

~~costs incurred under the North American Indian tuition waiver. \$16,503,200.00,~~
\$15,925,500.00 for operations, \$553,100.00 for performance funding, and \$24,600.00 for
costs incurred under the North American Indian tuition wavier.

(aa) The appropriation for Wayne County Community College is ~~\$19,197,900.00,~~
~~\$18,376,100.00 for operations, \$817,200.00 for performance funding, and \$4,600.00 for costs~~
~~incurred under the North American Indian tuition waiver. \$19,642,700.00, \$19,193,300.00 for~~
operations, \$445,000.00 for performance funding, and \$4,400.00 for costs incurred under the
North American Indian tuition wavier.

(bb) The appropriation for West Shore Community College is ~~\$2,865,600.00,~~
~~\$2,721,000.00 for operations, \$130,200.00 for performance funding, and \$14,400.00 for costs~~
~~incurred under the North American Indian tuition waiver. \$2,939,100.00, \$2,851,200.00 for~~
operations, \$75,900.00 for performance funding, and \$12,000.00 for costs incurred under the
North American Indian tuition wavier.

(3) The amount appropriated in subsection (2) for community college operations is
~~\$357,961,900.00~~ **\$366,931,800.00** and is appropriated from the state school aid fund.

(4) From the appropriations described in subsection (1), both of the following apply:

(a) Subject to section 207a, the amount appropriated for fiscal year ~~2023-2024-2024-~~
2025 to offset certain fiscal year ~~2023-2024-2024-2025~~ retirement contributions is
\$7,189,000.00, appropriated from the state school aid fund.

(b) For fiscal year ~~2023-2024, 2024-2025,~~ there is allocated an amount not to exceed
~~\$23,000,000.00~~ **\$21,800,000.00** for payments to participating community colleges,
appropriated from the state school aid fund. A community college that receives money under
this subdivision shall use that money solely for the purpose of offsetting the normal cost
contribution rate.

(c) For fiscal year 2024-2025, there is allocated an amount not to exceed
\$5,700,000.00 for payments to participating community colleges, appropriated from the state
school aid fund.

(5) From the appropriations described in subsection (1), subject to section 207b, the
amount appropriated for payments to community colleges that are participating entities of
the retirement system is ~~\$105,800,000.00,~~ **\$62,100,000.00**, appropriated from the state
school aid fund.

(6) From the appropriations described in subsection (1), subject to section 207c, the

1 amount appropriated for renaissance zone tax reimbursements is \$2,200,000.00, appropriated
2 from the state school aid fund. Each community college receiving funds in this subsection
3 shall accrue these payments to its institutional fiscal year ending June 30, ~~2024~~, **2025**.

4 ~~(7) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
5 ~~(1), the amount appropriated for career and education navigators for adult learners is~~
6 ~~\$5,000,000.00, appropriated from the state school aid fund. Community colleges, partnering~~
7 ~~with 1 or more county governments, where practicable, may apply for grant funding through~~
8 ~~the Office of Sixty by 30 in the department of labor and economic opportunity to supplement~~
9 ~~or create navigation efforts of adult learners. The Office of Sixty by 30 shall issue a~~
10 ~~report including, but not limited to, the number of grants awarded, a list of community~~
11 ~~colleges awarded grants and the amounts, and the amount of unexpended funds remaining at~~
12 ~~the end of the fiscal year. The report must be issued to the house and senate~~
13 ~~appropriations subcommittees on community colleges, the house and senate fiscal agencies,~~
14 ~~and the state budget director by September 30, 2024.~~

15 ~~(8) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
16 ~~(1), the amount appropriated for the Michigan Reconnect Entry Point Program is~~
17 ~~\$5,000,000.00, appropriated from the state school aid fund. Community colleges, partnering~~
18 ~~with 1 or more county governments, where practicable, may apply for grant funding through~~
19 ~~the Office of Sixty by 30 in the department of labor and economic opportunity to engage~~
20 ~~Michigan reconnect grant applicants who have been approved for funding but have not~~
21 ~~enrolled in a postsecondary or eligible Michigan reconnect program and work to identify and~~
22 ~~resolve barriers preventing enrollment. The Office of Sixty by 30 shall issue a report~~
23 ~~including, but not limited to, the number of grants awarded, a list of community colleges~~
24 ~~awarded grants and the amounts, a list of any counties that partnered with a community~~
25 ~~college for a grant under this section, and the amount of unexpended funds remaining at the~~
26 ~~end of the fiscal year. The report must be issued to the house and senate appropriations~~
27 ~~subcommittees on community colleges, the house and senate fiscal agencies, and the state~~
28 ~~budget director by September 30, 2024.~~

29 ~~(9) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
30 ~~(1), subject to sections 216c and 216d, the amount appropriated for infrastructure,~~
31 ~~technology, equipment, maintenance, housing, and safety is \$32,836,600.00, appropriated~~
32 ~~from the state school aid fund.~~

1 ~~(10) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
2 ~~(1), \$5,000,000.00 is appropriated from the state school aid fund for critical incident~~
3 ~~mapping. These funds must be distributed to community colleges proportionately to the~~
4 ~~amounts in subsection (2) for operations.~~

5 ~~(11) From the appropriations described in subsection (1), the amount appropriated for~~
6 ~~Michigan workforce development projects is \$530,000.00, appropriated from the state school~~
7 ~~aid fund. These funds must be awarded to Kalamazoo Valley Community College, and must be~~
8 ~~used by that college in conjunction with the college's wind turbine program for curriculum~~
9 ~~development for programs in 1 or more of the following areas:~~

10 ~~(a) Electric vehicle battery installation and repair.~~

11 ~~(b) Electric vehicle charger installation for residential applications, commercial~~
12 ~~applications, or both.~~

13 ~~(c) Residential and community scale solar panel installation, maintenance, and~~
14 ~~repair.~~

15 ~~(12) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
16 ~~(1), \$5,000,000.00 is appropriated from the state school aid fund to Washtenaw Community~~
17 ~~College for costs related to the college's involvement with a semiconductor research~~
18 ~~alliance.~~

19 Sec. 205. To the extent possible, the principal executive officer of each community
20 college that receives appropriations in section 201 shall take all reasonable steps to
21 ensure ~~businesses in deprived and depressed communities~~ **geographically disadvantaged**
22 **businesses enterprises, as defined in Executive Directive 2023-1** compete for and perform
23 contracts to provide services or supplies, or both. Each principal executive officer shall
24 strongly encourage businesses with which the community college contracts to subcontract
25 with certified **geographically disadvantaged** ~~businesses in depressed and deprived~~
26 ~~communities~~ **enterprises** for services or supplies, or both.

27 Sec. 206. (1) Except for the funds appropriated in section 201(4)(b), the funds
28 appropriated in section 201 are appropriated for community colleges with fiscal years
29 ending June 30, ~~2024-2025~~ and must be paid out of the state treasury and distributed by the
30 state treasurer to the respective community colleges in 11 monthly installments on the
31 sixteenth of each month, or the next succeeding business day, beginning with October 16,
32 ~~2023-2024~~. Each community college shall accrue its July and August ~~2024-2025~~ payments to

1 its institutional fiscal year ending June 30, ~~2024~~,**2025**.

2 (2) The funds appropriated in section 201(4)(b) are appropriated for community
3 colleges with fiscal years ending June 30, ~~2024~~**2025** and must be distributed to the
4 respective community colleges in quarterly installments on the sixteenth of each November,
5 February, May, and August. Each community college shall accrue its August ~~2024~~**2025**
6 payments to its institutional fiscal year ending June 30, ~~2024~~,**2025**.

7 Sec. 207a. The following apply to the allocation of the fiscal year ~~2023-2024~~**2024-**
8 **2025** appropriations described in section 201(4):

9 (a) A community college that receives money under section 201(4) shall use that money
10 solely for the purpose of offsetting a portion of the retirement contributions owed by the
11 college for that fiscal year.

12 (b) The amount allocated to each participating community college under section
13 201(4)(a) **and section 201(4)(c)** must be based on each college's percentage of the total
14 covered payroll for all community colleges that are participating colleges in the
15 immediately preceding fiscal year.

16 (c) The amount allocated to each participating community college under section
17 201(4)(b) must be based on each college's reported quarterly payroll for members for the
18 current fiscal year.

19 Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2023-2024~~
20 **2024-2025** appropriations described in section 201(5) for payments to community colleges
21 that are participating entities of the retirement system:

22 (a) The amount of a payment under section 201(5) must be the difference between the
23 unfunded actuarial accrued liability contribution rate as calculated under section 41 of
24 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated
25 without taking into account the maximum employer rate of 20.96% included in section 41 of
26 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
27 maximum employer rate of 20.96% under section 41 of the public school employees retirement
28 act of 1979, 1980 PA 300, MCL 38.1341.

29 (b) The amount allocated to each community college under section 201(5) must be based
30 on each community college's percentage of the total covered payroll for all community
31 colleges that are participating colleges in the immediately preceding fiscal year. A
32 community college that receives funds under this subdivision shall use the funds solely for

1 the purpose of retirement contributions under section 201(5).

2 (c) Each participating college that receives funds under section 201(5) shall forward
3 an amount equal to the amount allocated under subdivision (b) to the retirement system in a
4 form and manner determined by the retirement system.

5 Sec. 207c. All of the following apply to the allocation of the appropriations
6 described in section 201(6) to community colleges described in section 12(3) of the
7 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

8 (a) The amount allocated to each community college under section 201(6) for fiscal
9 year ~~2023-2024~~ **2024-2025** must be based on that community college's proportion of total
10 revenue lost by community colleges as a result of the exemption of property taxes levied in
11 ~~2023-2024~~ under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

12 (b) The appropriations described in section 201(6) must be made to each eligible
13 community college within 60 days after the department of treasury certifies to the state
14 budget director that it has received all necessary information to properly determine the
15 amounts payable to each eligible community college under section 12 of the Michigan
16 renaissance zone act, 1996 PA 376, MCL 125.2692.

17 Sec. 217. (1) The center shall do all of the following:

18 (a) Establish, maintain, and coordinate the state community college database commonly
19 known as the "Michigan Community College Data Inventory".

20 (b) Collect data concerning community colleges and community college programs in this
21 state, including data required by law.

22 (c) Establish procedures to ensure the validity and reliability of the data and the
23 collection process.

24 (d) Develop model data collection policies, including, but not limited to, policies
25 that ensure the privacy of any individual student data. Privacy policies shall ensure that
26 student Social Security numbers are not released to the public for any purpose.

27 (e) Provide data in a useful manner to allow state policymakers and community college
28 officials to make informed policy decisions.

29 (f) Compile and publish electronically the demographic enrollment profile.

30 (g) Compile and publish the community college performance improvement and performance
31 completion rate data to support the performance funding formula metrics specified in
32 section 230(1)(c) and (e).

1 (2) There is created within the center the Michigan Community College Data Inventory
2 advisory committee. The committee shall provide advice to the director of the center
3 regarding the management of the state community college database, including, but not
4 limited to:

5 (a) Determining what data are necessary to collect and maintain to enable state and
6 community college officials to make informed policy decisions.

7 (b) Defining the roles of all stakeholders in the data collection system.

8 (c) Recommending timelines for the implementation and ongoing collection of data.

9 (d) Establishing and maintaining data definitions, data transmission protocols, and
10 system specifications and procedures for the efficient and accurate transmission and
11 collection of data.

12 (e) Establishing and maintaining a process for ensuring the accuracy of the data.

13 (f) Establishing and maintaining policies related to data collection, including, but
14 not limited to, privacy policies related to individual student data.

15 (g) Ensuring that the data are made available to state policymakers and citizens of
16 this state in the most useful format possible.

17 (h) Addressing other matters as determined by the director of the center or as
18 required by law.

19 (3) The Michigan Community College Data Inventory advisory committee created in
20 subsection (2) shall consist of the following members:

21 (a) One representative from the house fiscal agency, appointed by the director of the
22 house fiscal agency.

23 (b) One representative from the senate fiscal agency, appointed by the director of
24 the senate fiscal agency.

25 (c) One representative from the department of labor and economic opportunity,
26 appointed by the director of the department of labor and economic opportunity.

27 (d) One representative from the center, appointed by the director of the center.

28 (e) One representative from the state budget office, appointed by the state budget
29 director.

30 **(f) One representative from the department of lifelong education, advancement, and**
31 **potential, appointed by the director of the department of lifelong education, advancement,**
32 **and potential.**

1 (g) ~~(f)~~ One representative from the governor's policy office, appointed by that
2 office.

3 (h) ~~(g)~~ Four representatives of the Michigan Community College Association, appointed
4 by the president of the association, that represent a diverse mix of college sizes.

5 Sec. 217b. (1) Each community college that receives an appropriation in section 201
6 shall report to the center by the last business day of August of each year the tuition and
7 mandatory fees paid by a full-time in-district student and a full-time out-of-district
8 student as established by the community college governing board for the current academic
9 year. This report should also include the annual cost of tuition and fees based on a full-
10 time course load of 30 credits. This report must also specify the amount that tuition and
11 fees have increased for the community college from the prior academic year. Each community
12 college shall also report any revisions to the reported current academic year tuition and
13 mandatory fees adopted by the community college governing board to the center within 15
14 days of being adopted. The center shall provide this information and any revisions to the
15 house and senate fiscal agencies and the state budget director.

16 (2) Each community college that receives an appropriation in section 201 shall
17 certify to the state budget director by the last business day of August **of each year** that
18 its board will not adopt an increase in tuition and fee rates for in-district students for
19 the ~~2023-2024~~ academic year that is greater than ~~4.5% or \$205.00, whichever is greater~~ **the**
20 **tuition restraint described in this subsection. For the academic year 2024-2025, the**
21 **tuition restraint level is equal to the greater of 5.0% or \$241.00. For the academic year**
22 **2025-2026, the tuition restraint level is equal to the greater of 5.0% or \$253.00. It is**
23 **intended that in the next fiscal year, the tuition restraint rate will only be adjusted for**
24 **the subsequent academic year.** As used in this subsection:

25 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all
26 in-district students at least once during their enrollment at a community college. A
27 community college increasing a fee that applies to a specific subset of students or courses
28 shall provide sufficient information to prove that the increase applied to that subset will
29 not cause the increase in the average amount of board-authorized total tuition and fees
30 paid by in-district students in the ~~2023-2024~~ **2024-2025** academic year to exceed the limit
31 established in this section.

32 (b) "Tuition and fee rate" means the average of full-time rates paid by a majority of

1 students in each class, based on an unweighted average of the rates authorized by the
2 community college board and actually charged to students, deducting any uniformly rebated
3 or refunded amounts, for the 2 semesters with the highest levels of full-time equated in-
4 district enrollment during the academic year.

5 (3) Community colleges that exceed the tuition and fee rate cap described in
6 subsection (2) are not eligible to receive payments under section 201 for performance
7 funding for fiscal year ~~2023-2024.~~ **2024-2025.**

8 (4) Notwithstanding any other provision of this act, the legislature may at any time
9 adjust appropriations for a community college that adopts an increase in tuition and fee
10 rates for in-district students that exceeds the rate cap established in subsection (2).

11 Sec. 222. Each community college shall have an annual audit of all income and
12 expenditures performed by an independent auditor and shall furnish the independent
13 auditor's management letter and an annual audited accounting of all general and current
14 funds income and expenditures including audits of college foundations to the center before
15 November 15 of each year. The center shall provide this information to members of the
16 senate and house appropriations subcommittees on community colleges, the senate and house
17 fiscal agencies, the auditor general, the department of labor and economic opportunity, **the**
18 **department of lifelong education, advancement, and potential,** and the state budget
19 director. If a community college fails to furnish the audit materials, the monthly state
20 aid installments shall be withheld from that college until the information is submitted.
21 All reporting shall conform to the requirements set forth in the "2001 Manual for Uniform
22 Financial Reporting, Michigan Public Community Colleges". A community college shall make
23 the information the community college is required to provide under this section available
24 to the public on its website.

25 Sec. 223. (1) By January 15 of each year, the department of ~~civil rights~~ **lifelong**
26 **education, advancement, and potential** shall submit to the state budget director, the house
27 and senate appropriations subcommittees on community colleges, and the house and senate
28 fiscal agencies a report on North American Indian tuition waivers for the preceding
29 academic year that includes, but is not limited to, all of the following information:

30 (a) The number of waiver applications received and the number of waiver applications
31 approved.

32 (b) For each community college submitting information under subsection (2), all of

1 the following:

2 (i) The number of North American Indian students enrolled each term for the previous
3 academic year.

4 (ii) The number of North American Indian waivers granted each term, including
5 continuing education students, and the monetary value of the waivers for the previous
6 academic year.

7 (iii) The number of North American Indian students who receive a granted waiver for
8 the previous academic year.

9 (iv) The number of students attending under a North American Indian tuition waiver
10 who withdrew from the college each term during the previous academic year. For purposes of
11 this subparagraph, a withdrawal occurs when a student who has been awarded the waiver
12 withdraws from the institution at any point during the term, regardless of enrollment in
13 subsequent terms.

14 (v) The number of students attending under a North American Indian tuition waiver who
15 successfully transfer to a 4-year public or private university, or complete a degree or
16 certificate program, separated by degree or certificate level, and the graduation rate for
17 students attending under a North American Indian tuition waiver who complete a degree or
18 certificate within 150% of the normal time to complete, separated by the level of the
19 degree or certificate.

20 (2) By January 1 of each year, a community college that receives an appropriation in
21 section 201 or a tribal institution that receives funding for the North American Indian
22 tuition waiver shall provide to the department of ~~civil rights~~ **lifelong education,**
23 **advancement, and potential** any information necessary for preparing the report described in
24 subsection (1), using guidelines and procedures developed by the department of ~~civil~~
25 ~~rights~~ **lifelong education, advancement, and potential.**

26 (3) The department of ~~civil rights~~ **lifelong education, advancement, and potential** may
27 consolidate the report required under this section with the report required under section
28 268, but a consolidated report must separately identify data for universities and data for
29 community colleges.

30 Sec. 229. (1) Each community college that receives an appropriation in section 201 is
31 expected to include in its admission application process a specific question as to whether
32 an applicant for admission has ever served or is currently serving in the United States

1 Armed Forces or is the spouse or dependent of an individual who has served or is currently
2 serving in the United States Armed Forces, in order to more quickly identify potential
3 educational assistance available to that applicant.

4 (2) It is expected that each community college that receives an appropriation in
5 section 201 will work with the house and senate appropriations subcommittees on community
6 colleges, the Michigan Community College Association, and veterans groups to review the
7 issue of in-district tuition for veterans of this state when determining tuition rates and
8 fees.

9 (3) Each community college that receives an appropriation in section 201 is expected
10 to provide reasonable programming and scheduling accommodations necessary to facilitate a
11 student's military, National Guard, or military reserves duties and training obligations.

12 (4) Each community college that receives an appropriation in section 201 is expected
13 to provide college level equivalent credit examination opportunities for veterans and
14 active members of the military, National Guard, or military reserves within the first
15 semester of enrollment.

16 (5) Each community college that receives an appropriation in section 201 is expected
17 to do all of the following in its admission application process if it knows that an
18 applicant for admission is currently serving, or has ever served, as a member of the
19 military, the National Guard, or the military reserves:

20 (a) Inform the applicant that ~~he or she~~ **they** may receive academic credit for college-
21 level training and education ~~he or she~~ **they** received while serving in the military.

22 (b) Inform the applicant that ~~he or she~~ **they** may submit a transcript of ~~his or her~~
23 **their** college-level military training and education to the community college.

24 (c) If the applicant submits a transcript described in subdivision (b), evaluate that
25 transcript and notify the applicant of what transfer credits are available to the applicant
26 from the community college for ~~his or her~~ **their** college-level military training and
27 education.

28 (6) As used in this section:

29 (a) "Transcript" includes a joint services transcript prepared for the applicant
30 under the American Council on Education registry of credit recommendations.

31 (b) "Veteran" means an honorably discharged veteran entitled to educational
32 assistance under section 5003 of the post-911 veterans educational assistance act of 2008,

38 USC 3301 to 3327.

Sec. 229a. Included in the fiscal year ~~2023-2024~~**2024-2025** appropriations for the department of technology, management, and budget are appropriations totaling ~~\$33,081,600.00~~
\$33,481,600.00 to provide funding for the state share of costs for previously constructed capital projects for community colleges. Those appropriations for state building authority rent represent additional state general fund support for community colleges, and the following is an estimate of the amount of that support to each community college:

- (a) Alpena Community College, ~~\$886,800.00.~~**\$858,200.00.**
- (b) Bay de Noc Community College, ~~\$522,100.00.~~**\$516,900.00.**
- (c) Delta College, ~~\$2,724,100.00.~~**\$2,696,900.00.**
- (d) Glen Oaks Community College, ~~\$406,500.00.~~**\$381,400.00.**
- (e) Gogebic Community College, ~~\$56,800.00.~~**\$56,200.00.**
- (f) Grand Rapids Community College, ~~\$1,101,000.00.~~**\$1,090,000.00.**
- (g) Henry Ford College, ~~\$1,178,300.00.~~**\$1,570,600.00.**
- (h) Jackson College, ~~\$2,193,900.00.~~**\$2,051,500.00.**
- (i) Kalamazoo Valley Community College, ~~\$1,968,800.00.~~**\$1,949,100.00.**
- (j) Kellogg Community College, ~~\$688,400.00.~~**\$681,500.00.**
- (k) Kirtland Community College, ~~\$228,100.00.~~**\$225,800.00.**
- (l) Lake Michigan College, ~~\$979,300.00.~~**\$969,600.00.**
- (m) Lansing Community College, ~~\$1,156,800.00.~~**\$759,800.00.**
- (n) Macomb Community College, ~~\$1,972,800.00.~~**\$2,847,000.00.**
- (o) Mid Michigan Community College, ~~\$1,637,300.00.~~**\$1,620,900.00.**
- (p) Monroe County Community College, ~~\$1,561,300.00.~~**\$1,545,700.00.**
- (q) Montcalm Community College, ~~\$452,200.00.~~**\$447,600.00.**
- (r) C.S. Mott Community College, ~~\$2,132,100.00.~~**\$2,110,700.00.**
- (s) Muskegon Community College, ~~\$995,600.00.~~**\$985,600.00.**
- (t) North Central Michigan College, ~~\$654,900.00.~~**\$648,400.00.**
- (u) Northwestern Michigan College, ~~\$1,811,700.00.~~**\$1,793,600.00.**
- (v) Oakland Community College, \$0.00.
- (w) Schoolcraft College, ~~\$2,262,900.00.~~**\$2,240,200.00.**
- (x) Southwestern Michigan College, ~~\$833,900.00.~~**\$825,500.00.**
- (y) St. Clair County Community College, ~~\$727,900.00.~~**\$720,600.00.**

(z) Washtenaw Community College, ~~\$1,739,800.00.~~ **\$1,682,300.00.**

(aa) Wayne County Community College, ~~\$1,482,300.00.~~ **\$1,467,500.00.**

(bb) West Shore Community College, ~~\$746,000.00.~~ **\$738,500.00.**

Sec. 230. (1) Subject to subsection (4), money included in the appropriations for community college operations under section 201(2) for performance funding is distributed based on the following formula:

(a) Allocated proportionate to fiscal year ~~2022-2023~~ **2023-2024** base appropriations, 30%.

(b) Based on a weighted student contact hour formula as provided for in the 2016 recommendations of the performance indicators task force, 30%.

(c) Based on the performance improvement as provided for in the 2016 recommendations of the performance indicators task force and based on data provided by the center, 10%.

(d) Based on the performance completion number as provided for in the 2016 recommendations of the performance indicators task force, 10%.

(e) Based on the performance completion rate as provided for in the 2016 recommendations of the performance indicators task force and based on data provided by the center, 10%.

(f) Based on administrative costs, 5%.

(g) Based on the local strategic value component, as developed in cooperation with the Michigan Community College Association and described in subsection (2), 5%.

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value is allocated only to each community college that certifies to the state budget director, through a board of trustees resolution on or before October 15, ~~2023,~~ **2024**, that the college has met 4 out of 5 best practices listed in each category described in subsection (3). The resolution must provide specifics as to how the community college meets each best practice measure within each category. One-third of funding available under the strategic value component is allocated to each category described in subsection (3). Amounts distributed under local strategic value must be on a proportionate basis to each college's fiscal year ~~2022-2023~~ **2023-2024** operations funding. Payments to community colleges that qualify for local strategic value funding must be distributed with the November installment payment described in section 206.

(3) For purposes of subsection (2), the following categories of best practices

1 reflect functional activities of community colleges that have strategic value to the local
2 communities and regional economies:

3 (a) For Category A, economic development and business or industry partnerships, the
4 following:

5 (i) The community college has active partnerships with local employers including
6 hospitals and health care providers.

7 (ii) The community college provides customized on-site training for area companies,
8 employees, or both.

9 (iii) The community college supports entrepreneurship through a small business
10 assistance center or other training or consulting activities targeted toward small
11 businesses.

12 (iv) The community college supports technological advancement through industry
13 partnerships, incubation activities, or operation of a Michigan technical education center
14 or other advanced technology center.

15 (v) The community college has active partnerships with local or regional workforce
16 and economic development agencies.

17 (b) For Category B, educational partnerships, the following:

18 (i) The community college has active partnerships with regional high schools,
19 intermediate school districts, and career-tech centers to provide instruction through dual
20 enrollment, concurrent enrollment, direct credit, middle college, or academy programs.

21 (ii) The community college hosts, sponsors, or participates in enrichment programs for
22 area K-12 students, such as college days, summer or after-school programming, or Science
23 Olympiad.

24 (iii) The community college provides, supports, or participates in programming to
25 promote successful transitions to college for traditional age students, including grant
26 programs such as talent search, upward bound, or other activities to promote college
27 readiness in area high schools and community centers.

28 (iv) The community college provides, supports, or participates in programming to
29 promote successful transitions to college for new or reentering adult students, such as
30 adult basic education, a high school equivalency test preparation program and testing, or
31 recruiting, advising, or orientation activities specific to adults. As used in this
32 subparagraph, "high school equivalency test preparation program" means that term as defined

1 in section 4.

2 (v) The community college has active partnerships with regional 4-year colleges and
3 universities to promote successful transfer, such as articulation, 2+2, or reverse transfer
4 agreements or operation of a university center.

5 (c) For Category C, community services, the following:

6 (i) The community college provides continuing education programming for leisure,
7 wellness, personal enrichment, or professional development.

8 (ii) The community college operates or sponsors opportunities for community members to
9 engage in activities that promote leisure, wellness, cultural or personal enrichment such
10 as community sports teams, theater or musical ensembles, or artist guilds.

11 (iii) The community college operates public facilities to promote cultural,
12 educational, or personal enrichment for community members, such as libraries, computer
13 labs, performing arts centers, museums, art galleries, or television or radio stations.

14 (iv) The community college operates public facilities to promote leisure or wellness
15 activities for community members, including gymnasiums, athletic fields, tennis courts,
16 fitness centers, hiking or biking trails, or natural areas.

17 (v) The community college promotes, sponsors, or hosts community service activities
18 for students, staff, or community members.

19 (4) Payments for performance funding under section 201(2) must be made to a community
20 college only if that community college actively participates in the Michigan Transfer
21 Network sponsored by the Michigan Association of Collegiate Registrars and Admissions
22 Officers and submits timely updates, including updated course equivalencies at least every
23 6 months, to the Michigan Transfer Network. The state budget director shall determine if a
24 community college has not satisfied this requirement. The state budget director may
25 withhold payments for performance funding until a community college is in compliance with
26 this subsection.

ARTICLE III

STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2024~~, **2025**, from the funds indicated in this section. The following is a summary of the appropriations in this section and section 236j:

(a) The gross appropriation is ~~\$2,291,048,800.00.~~ **\$2,314,197,000.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$2,291,048,800.00.~~ **\$2,314,197,000.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, ~~\$131,026,400.00.~~ **\$3,200,000.00.**

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$482,268,300.00.~~ **\$545,468,300.00.**

(v) State general fund/general purpose money, ~~\$1,677,754,100.00.~~ **\$1,765,528,700.00.**

(c) The totals and subtotals reflected in subdivisions (a) and (b) do not include

amounts appropriated under subsection (7) (f) or ~~(8) (e)~~ **(8) (b)** to avoid duplicating totals of amounts appropriated in this section and section 236j.

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is ~~\$95,413,800.00,~~
~~\$89,352,000.00 for operations, \$0.00 for per-student floor funding, \$4,467,600.00 for~~
~~operations increase, and \$1,594,200.00 for costs incurred under the North American Indian~~
~~tuition waiver.~~ **\$97,771,900.00, \$93,819,600.00 for operations, \$2,345,500.00 for operations**
increase, and \$1,606,800.00 for costs incurred under the North American Indian tuition
wavier.

(b) The appropriation for Eastern Michigan University is ~~\$83,144,700.00,~~
~~\$78,798,800.00 for operations, \$0.00 for per-student floor funding, \$3,939,900.00 for~~
~~operations increase, and \$406,000.00 for costs incurred under the North American Indian~~
~~tuition waiver.~~ **\$85,208,400.00, \$82,738,700.00 for operations, \$2,068,500.00 for operations**
increase, and \$401,200.00 for costs incurred under the North American Indian tuition
wavier.

(c) The appropriation for Ferris State University is ~~\$59,646,500.00, \$56,126,000.00~~
~~for operations, \$0.00 for per-student floor funding, \$2,806,300.00 for operations increase,~~
~~and \$714,200.00 for costs incurred under the North American Indian tuition waiver.~~
\$61,137,700.00, \$58,932,300.00 for operations, \$1,473,300.00 for operations increase, and
\$732,100.00 for costs incurred under the North American Indian tuition wavier.

(d) The appropriation for Grand Valley State University is ~~\$97,365,000.00,~~
~~\$79,974,500.00 for operations, \$11,560,000.00 for per-student floor funding, \$4,576,700.00~~
~~for operations increase, and \$1,253,800.00 for costs incurred under the North American~~
~~Indian tuition waiver.~~ **\$99,837,200.00, \$96,111,200.00 for operations, \$2,402,800.00 for**
operations increase, and \$1,323,200.00 for costs incurred under the North American Indian
tuition wavier.

(e) The appropriation for Lake Superior State University is ~~\$15,190,300.00,~~
~~\$13,573,100.00 for operations, \$0.00 for per-student floor funding, \$678,700.00 for~~
~~operations increase, and \$938,500.00 for costs incurred under the North American Indian~~
~~tuition waiver.~~ **\$15,482,500.00, \$14,251,800.00 for operations, \$356,300.00 for operations**
increase, and \$874,400.00 for costs incurred under the North American Indian tuition
wavier.

(f) The appropriation for Michigan State University is ~~\$390,452,600.00,~~

~~\$301,681,300.00 for operations, \$0.00 for per-student floor funding, \$15,084,100.00 for~~

~~operations increase, \$1,943,800.00 for costs incurred under the North American Indian~~

~~tuition waiver, \$38,518,400.00 for MSU AgBioResearch, and \$33,225,000.00 for MSU Extension.~~

\$400,364,600.00, \$316,765,400.00 for operations, \$7,919,100.00 for operations increase,

\$2,143,100.00 for costs incurred under the North American Indian tuition waiver,

\$39,481,400.00 for MSU AgBioResearch, and \$34,055,600.00 for MSU Extension.

(g) The appropriation for Michigan Technological University is ~~\$54,525,700.00,~~

~~\$51,103,600.00 for operations, \$0.00 for per-student floor funding, \$2,555,200.00 for~~

~~operations increase, and \$866,900.00 for costs incurred under the North American Indian~~

~~tuition waiver. \$55,781,900.00, \$53,658,800.00 for operations, \$1,341,500.00 for operations~~

increase, and \$781,600.00 for costs incurred under the North American Indian tuition

wavier.

(h) The appropriation for Northern Michigan University is ~~\$53,320,000.00,~~

~~\$49,589,800.00 for operations, \$0.00 for per-student floor funding, \$2,479,500.00 for~~

~~operations increase, and \$1,250,700.00 for costs incurred under the North American Indian~~

~~tuition waiver. \$54,783,700.00, \$52,069,300.00 for operations, \$1,301,700.00 for operations~~

increase, and \$1,412,700.00 for costs incurred under the North American Indian tuition

wavier.

(i) The appropriation for Oakland University is ~~\$72,288,800.00, \$60,406,600.00 for~~

~~operations, \$8,123,900.00 for per-student floor funding, \$3,426,500.00 for operations~~

~~increase, and \$331,800.00 for costs incurred under the North American Indian tuition~~

~~waiver. \$74,047,100.00, \$71,957,000.00 for operations, \$1,798,900.00 for operations~~

increase, and \$291,200.00 for costs incurred under the North American Indian tuition

wavier.

(j) The appropriation for Saginaw Valley State University is ~~\$33,894,500.00,~~

~~\$32,086,300.00 for operations, \$0.00 for per-student floor funding, \$1,604,300.00 for~~

~~operations increase, and \$203,900.00 for costs incurred under the North American Indian~~

~~tuition waiver. \$34,731,400.00, \$33,690,600.00 for operations, \$842,300.00 for operations~~

increase, and \$198,500.00 for costs incurred under the North American Indian tuition

wavier.

(k) The appropriation for University of Michigan - Ann Arbor is ~~\$356,568,800.00,~~

~~\$338,360,300.00 for operations, \$0.00 for per-student floor funding, \$16,918,000.00 for operations increase, and \$1,290,500.00 for costs incurred under the North American Indian tuition waiver.~~ **\$365,681,600.00, \$355,278,300.00 for operations, \$8,882,000.00 for operations increase, and \$1,521,300.00 for costs incurred under the North American Indian tuition wavier.**

(l) The appropriation for University of Michigan - Dearborn is ~~\$31,233,500.00, \$27,869,700.00 for operations, \$1,699,800.00 for per-student floor funding, \$1,478,500.00 for operations increase, and \$185,500.00 for costs incurred under the North American Indian tuition waiver.~~ **\$32,033,000.00, \$31,048,000.00 for operations, \$776,200.00 for operations increase, and \$208,800.00 for costs incurred under the North American Indian tuition wavier.**

(m) The appropriation for University of Michigan - Flint is ~~\$26,404,700.00, \$24,774,800.00 for operations, \$0.00 for per-student floor funding, \$1,238,700.00 for operations increase, and \$391,200.00 for costs incurred under the North American Indian tuition waiver.~~ **\$26,955,700.00, \$26,013,500.00 for operations, \$650,300.00 for operations increase, and \$291,900.00 for costs incurred under the North American Indian tuition wavier.**

(n) The appropriation for Wayne State University is ~~\$224,354,500.00, \$213,286,600.00 for operations, \$0.00 for per-student floor funding, \$10,664,300.00 for operations increase, and \$403,600.00 for costs incurred under the North American Indian tuition waiver.~~ **\$229,975,400.00, \$223,950,900.00 for operations, \$5,598,800.00 for operations increase, and \$425,700.00 for costs incurred under the North American Indian tuition wavier.**

(o) The appropriation for Western Michigan University is ~~\$119,983,900.00, \$113,752,600.00 for operations, \$0.00 for per-student floor funding, \$5,687,600.00 for operations increase, and \$543,700.00 for costs incurred under the North American Indian tuition waiver.~~ **\$123,039,800.00, \$119,440,200.00 for operations, \$2,986,000.00 for operations increase, and \$613,600.00 for costs incurred under the North American Indian tuition wavier.**

(3) The amount appropriated in subsection (2) for public universities is ~~\$1,713,787,300.00, \$1,756,831,900.00,~~ appropriated from the following:

(a) State school aid fund, ~~\$443,168,300.00.~~ **\$536,968,300.00.**

(b) State general fund/general purpose money, ~~\$1,270,619,000.00.~~ **\$1,219,863,600.00.**

(4) The amount appropriated for Michigan public school employees' retirement system reimbursement is \$0.00.

(5) The amount appropriated for state and regional programs is \$316,800.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Higher education database modernization and conversion, \$200,000.00.

(b) Midwestern Higher Education Compact, \$116,800.00.

(6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Select student support services, \$1,956,100.00.

(b) Michigan college/university partnership program, \$586,800.00.

(c) Morris Hood, Jr. educator development program, \$148,600.00.

(7) Subject to subsection (8), the amount appropriated for grants and financial aid is ~~\$447,283,200.00 allocated as follows.~~ **\$545,856,800.00. The estimated allocations for grants and financial aid are:**

(a) State competitive scholarships, ~~\$26,861,700.00.~~ **\$19,930,900.00.**

(b) Tuition grants, ~~\$42,021,500.00.~~ **\$34,925,900.00**

(c) Tuition incentive program, ~~\$73,800,000.00.~~ **\$93,800,000.00**

(d) Children of veterans and officer's survivor tuition grant programs, ~~\$1,400,000.00.~~ **\$2,000,000.00**

(e) Project GEAR-UP, \$3,200,000.00.

(f) Michigan achievement scholarships, ~~\$300,000,000.00.~~ **\$330,000,000.00.** From this amount, up to \$10,000,000.00 may be used to award skills scholarships under section 248a.

(g) Michigan reconnect, \$62,000,000.00.

(8) The money appropriated in subsection (7) for grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States Department of Education, Office of Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

~~(b) Federal revenues under the social security act, temporary assistance for needy families, \$127,826,400.00.~~

(b) ~~(c)~~ Postsecondary scholarship fund, ~~\$300,000,000.00.~~ **\$330,000,000.00.**

1 (c) ~~(d)~~ State general fund/general purpose money, ~~\$16,256,800.00.~~ **\$212,656,800.00.**

2 (d) Any state funds appropriated in subsection (7) that are not expended in the
3 fiscal year in which they were appropriated, as determined by the state budget director,
4 may be used to supplement any of the allocations under subsection (7).

5 (9) For fiscal year ~~2023-2024 only~~ **2024-2025**, in addition to the allocation under
6 subsection (4), from the appropriations described in subsection (1), there is allocated an
7 amount not to exceed ~~\$9,100,000.00~~ **\$8,500,000.00** for payments to participating public
8 universities, appropriated from the state school aid fund. A public university that
9 receives money under this subsection shall use that money solely for the purpose of
10 offsetting the normal cost contribution rate. As used in this subsection, "participating
11 public universities" means public universities that are a reporting unit of the Michigan
12 public school employees' retirement system under the public school employees retirement act
13 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that pay contributions to the Michigan
14 public school employees' retirement system for the state fiscal year.

15 ~~(10) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
16 ~~(1), the amount appropriated for Michigan Technological University for the creation of a~~
17 ~~bachelor of science degree in nursing program is \$870,000.00, appropriated from state~~
18 ~~general fund/general purpose money.~~

19 ~~(11) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
20 ~~(1), \$3,000,000.00 is appropriated from state general fund/general purpose money to the~~
21 ~~Michigan geological survey for costs related to the development, construction, and~~
22 ~~equipment purchases for a new facility.~~

23 ~~(12) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
24 ~~(1), \$5,000,000.00 is appropriated from state general fund/general purpose money for~~
25 ~~critical incident mapping. These funds must be distributed to universities proportionately~~
26 ~~to the amounts in subsection (2) for operations.~~

27 ~~(13) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
28 ~~(1), subjects to section 236m and 236o, \$79,000,000.00 is appropriated from general~~
29 ~~fund/general purpose money for infrastructure, technology, equipment, maintenance, and~~
30 ~~safety.~~

31 ~~(14) For fiscal year 2023-2024 only, from the appropriations described in subsection~~
32 ~~(1), \$30,000,000.00 is appropriated from the state school aid fund to Michigan State~~

~~University for the Engineering and Digital Innovation Center.~~

Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated for grants and financial aid in fiscal year ~~2023-2024~~ **2024-2025** an amount not to exceed \$6,000,000.00 for federal contingency authorization. These funds are not available for expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

Sec. 236c. In addition to the funds appropriated for fiscal year ~~2023-2024~~ **2024-2025** in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2023-2024~~ **2024-2025** for state building authority rent, totaling an estimated ~~\$134,595,300.00~~, **\$140,195,300.00**, provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each public university:

(a) Central Michigan University, ~~\$13,013,100.00~~. **\$12,927,300.00**.

(b) Eastern Michigan University, ~~\$6,068,200.00~~. **\$6,028,200.00**.

(c) Ferris State University, ~~\$9,756,300.00~~. **\$9,555,800.00**.

(d) Grand Valley State University, ~~\$8,680,100.00~~. **\$8,622,800.00**.

(e) Lake Superior State University, ~~\$2,246,100.00~~. **\$2,231,300.00**.

(f) Michigan State University, ~~\$16,725,300.00~~. **\$16,615,000.00**.

(g) Michigan Technological University, ~~\$4,030,700.00~~. **\$5,787,900.00**.

(h) Northern Michigan University, ~~\$7,768,000.00~~. **\$8,917,700.00**.

(i) Oakland University, ~~\$9,517,400.00~~. **\$11,256,500.00**.

(j) Saginaw Valley State University, ~~\$7,880,000.00~~. **\$7,828,000.00**.

(k) University of Michigan - Ann Arbor, ~~\$11,757,500.00~~. **\$12,280,600.00**.

(l) University of Michigan - Dearborn, ~~\$10,807,200.00~~. **\$10,736,000.00**.

(m) University of Michigan - Flint, ~~\$6,103,500.00~~. **\$6,063,200.00**.

(n) Wayne State University, ~~\$10,092,800.00~~. **\$10,082,300.00**.

(o) Western Michigan University, ~~\$10,149,100.00~~. **\$11,262,700.00**.

Sec. 236j. (1) The postsecondary scholarship fund is created in the department of treasury for the purpose of providing scholarship awards to eligible students who attend

1 eligible postsecondary educational institutions in this state, as provided in subsection
2 (5).

3 (2) The state treasurer may receive money or other assets from any source for deposit
4 into the postsecondary scholarship fund. The state treasurer shall direct the investment of
5 the postsecondary scholarship fund. The state treasurer shall credit to the postsecondary
6 scholarship fund interest and earnings from postsecondary scholarship fund investments.

7 (3) Money in the postsecondary scholarship fund at the close of the fiscal year must
8 remain in the postsecondary scholarship fund and not lapse to the general fund.

9 (4) The department of treasury shall be the administrator of the postsecondary
10 scholarship fund for auditing purposes.

11 (5) Money must be expended from the postsecondary scholarship fund only for the
12 purpose of providing Michigan achievement scholarship awards to eligible students who
13 attend eligible postsecondary educational institutions in this state. Not more than
14 \$10,000,000.00 may be used by the department **of lifelong education, advancement, and**
15 **potential** annually for the purposes of outreach and marketing programs as specified in
16 section ~~248(9)~~ **248**.

17 (6) For the fiscal year ending September 30, ~~2024, \$300,000,000.00~~ **2025,**
18 **\$330,000,000.00** is deposited into the postsecondary scholarship fund from the state general
19 fund/general purpose money.

20 (7) It is the intent of the legislature that the postsecondary scholarship fund
21 serves as the primary funding source of the Michigan achievement scholarship. To ensure the
22 Michigan achievement scholarship provides ongoing supports for students, it is the intent
23 of the legislature to increase annual deposits into the postsecondary scholarship fund ~~by~~
24 ~~\$50,000,000.00 per year~~ until the fully implemented costs of the Michigan achievement
25 scholarship are deposited annually into the postsecondary scholarship fund.

26 Sec. 241. Subject to sections 241a, 241b, 241c, and 244, the funds appropriated in
27 section 236 to public universities must be paid out of the state treasury and distributed
28 by the state treasurer to the respective institutions in 11 equal monthly installments on
29 the sixteenth of each month, or the next succeeding business day, beginning with October
30 16, ~~2023~~ **2024**. Except for Wayne State University, each institution shall accrue its July
31 and August ~~2024~~ **2025** payments to its institutional fiscal year ending June 30, ~~2024~~ **2025**.

32 Sec. 241a. (1) All public universities shall submit higher education institutional

1 data inventory (HEIDI) data and associated financial aid program information requested by
2 and in a manner prescribed by the state budget director. For public universities with
3 fiscal years ending June 30, these data must be submitted to the state budget director by
4 October 15 of each fiscal year. Public universities with a fiscal year ending September 30,
5 ~~2023-2024~~ shall submit preliminary HEIDI data by November 15, ~~2023-2024~~ and final data by
6 December 15, ~~2023-2024~~.

7 (2) It is intended that accountability reporting for public universities will be
8 streamlined through HEIDI. The state budget director and the center will work to combine
9 the reporting requirements outlined in this subsection with the existing HEIDI collection
10 cycle. All of the following must be reported to the house and senate fiscal agencies and
11 the state budget director:

12 (a) Each public university's certification of its compliance with the requirements
13 described in subsections (4) and (5).

14 (b) The reporting requirements described in sections 241b and 241c.

15 (3) If a public university fails to submit HEIDI data and associated financial aid
16 program information in accordance with the required reporting schedule, the state treasurer
17 may withhold the monthly installments under section 241 to the public university until
18 those data are submitted. If a public university does not comply with all of the
19 requirements described in subsections (4) and (5) by the end of the fiscal year, the public
20 university forfeits the amount withheld. The state budget director shall notify the chairs
21 of the house and senate appropriations subcommittees on higher education at least 10 days
22 before withholding funds from any public university.

23 (4) No later than October 15 each year, a public university shall maintain a public
24 transparency website available through a link on its website homepage. The website must
25 include all of the following concerning the public university:

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

27 (b) A summary of current expenditures for the most recent fiscal year for which they
28 are available, expressed as pie charts in the following 2 categories:

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

30 (A) Earnings and wages.

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

1 (C) Retirement benefit costs.

2 (D) All other personnel costs.

3 (ii) A chart of all current expenditures the public university reported as part of its
4 higher education institutional data inventory data under subsection (1), broken into the
5 same subcategories in which it reported those data.

6 (c) Links to all of the following for the public university:

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

8 (ii) Each health care benefits plan, including, but not limited to, medical, dental,
9 vision, disability, long-term care, or any other type of benefits that would constitute
10 health care services, offered to any bargaining unit or employee of the public university.

11 (iii) Audits and financial reports for the most recent fiscal year for which they are
12 available.

13 (d) General fund revenue and expenditure projections for the current fiscal year and
14 the next fiscal year.

15 (e) A listing of all debt service obligations, detailed by project, anticipated
16 fiscal year payment for each project, and total outstanding debt for the current fiscal
17 year.

18 (f) The institution's policy regarding the transferability of core college courses
19 between community colleges and the public university.

20 (g) A listing of all community colleges that have entered into reverse transfer
21 agreements with the public university.

22 (h) A dashboard or report card demonstrating the public university's performance in
23 several "best practice" measures. The dashboard or report card must include at least all of
24 the following for the 3 most recent academic years for which the data are available:

25 (i) Enrollment.

26 (ii) Student retention rate.

27 (iii) Six-year graduation rates.

28 (iv) Number of Pell grant recipients and graduating Pell grant recipients.

29 (v) Geographic origination of students, categorized as in-state, out-of-state, and
30 international.

31 (vi) Faculty to student ratios and total public university employee to student
32 ratios.

1 (vii) Teaching load by faculty classification.

2 (viii) Graduation outcome rates, including employment and continuing education.

3 (i) An icon badge that provides statewide consistency and public visibility. For this
4 purpose, public universities shall use the icon badge provided by the department of
5 technology, management, and budget consistent with the icon badge developed by the
6 department of education for K-12 school districts. It must appear on the front of each
7 public university's homepage. The size of the icon may be reduced to 150 x 150 pixels. The
8 font size and style for this reporting must be consistent with other documents on each
9 public university's website.

10 (j) A collection and report of the number and percentage of all enrolled students who
11 complete the Free Application for Federal Student Aid, broken out by undergraduate and
12 graduate/professional classifications, reported to the center and posted on its website
13 under the budget transparency icon badge.

14 (5) No later than October 15 each year, a public university shall develop, maintain,
15 and update a "campus safety information and resources" link, prominently displayed on the
16 homepage of its website, to a section of its website containing, at a minimum, all of the
17 following information:

18 (a) Emergency contact numbers for police, fire, health, and other services.

19 (b) Hours, locations, telephone numbers, and email contacts for campus public safety
20 offices and title IX offices.

21 (c) A list of safety and security services provided by the public university,
22 including transportation, escort services, building surveillance, anonymous tip lines, and
23 other available security services.

24 (d) The public university's policies applicable to minors on university property.

25 (e) A directory of resources available at the public university or surrounding
26 community for students or employees who are survivors of sexual assault or sexual abuse.

27 (f) An electronic copy of "A Resource Handbook for Campus Sexual Assault Survivors,
28 Friends and Family", published in 2018.

29 (g) Campus security policies and crime statistics pursuant to the student right-to-
30 know and campus security act, Public Law 101-542, 104 Stat 2381. Information must include
31 all material prepared pursuant to the public information reporting requirements under the
32 crime awareness and campus security act of 1990, title II of the student right-to-know and

campus security act, Public Law 101-542, 104 Stat 2381.

Sec. 241c. (1) No later than the last business day of August each year, each public university that receives an appropriation in section 236 shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year ~~2023-2024-2024-2025~~ as part of the public university's higher education institutional data inventory (HEIDI) data. A public university shall report any revisions for any semester of the reported academic year to HEIDI within 15 days of being adopted.

(2) Payments under section 236 for operations increase ~~and per-student floor funding~~ must be made only to a public university that certifies to the state budget director by the last business day of August each year that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, ~~2022-2023~~ for the ~~2022-2023-2023-2024~~ academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the ~~2023-2024~~ academic year that is greater than ~~4.5% or \$676.00, whichever is greater.~~ **the tuition restraint described in this subsection. For the academic year 2024-2025, the tuition restraint level is equal to the greater of 5.0% or \$781.00. For the academic year 2025-2026, the tuition restraint level is equal to the greater of 5.0% or \$820.00. It is intended that in the next fiscal year, the tuition restraint rate will only be adjusted for the subsequent academic year.** As used in this subsection:

(a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all resident undergraduate students at least once during their enrollment at a public university, as described in the higher education institutional data inventory (HEIDI) user manual. A public university increasing a fee that applies to a specific subset of students or courses shall provide sufficient information to prove that the increase applied to that subset will not cause the increase in the average amount of board-authorized total tuition and fees paid by resident undergraduate students in the ~~2023-2024-2024-2025~~ academic year to exceed the limit established in this subsection.

(b) "Tuition and fee rate" means the average of full-time rates paid by a majority of students in each undergraduate class, based on an unweighted average of the rates authorized by the public university board and actually charged to students, deducting any uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-time equated resident undergraduate enrollment during the academic year, as described in

1 the higher education institutional data inventory (HEIDI) user manual.

2 (3) Each public university must certify to the state budget director by the last
3 business day of August each year that it complies with all of the following requirements:

4 (a) The public university participates in reverse transfer agreements described in
5 section 286 with at least 3 community colleges in this state.

6 (b) The public university does not and will not apply any of the following criteria
7 when determining whether credits earned outside the public university by a student count
8 toward a degree or certificate program offered by the public university:

9 (i) Whether the credits were earned in a dual enrollment program that counted the
10 credits toward high school graduation requirements.

11 (ii) Whether the credits were earned in a course that was delivered in a high school
12 classroom, community college classroom or campus, or another location.

13 (iii) Whether the credits were earned in a course that was delivered online, in
14 person, or hybrid.

15 (iv) Whether other students enrolled in the course in which the credits were earned
16 were enrolled in high school or counted the course toward high school graduation
17 requirements.

18 (c) The public university actively participates in and submits timely updates to the
19 Michigan Transfer Network created as part of the Michigan Association of Collegiate
20 Registrars and Admissions Officers transfer agreement.

21 (4) The state budget director shall implement uniform reporting requirements to
22 ensure that a public university receiving a payment under section 236 for operations
23 increase ~~or per-student floor funding~~ has satisfied the tuition restraint requirements of
24 this section. The state budget director has the sole authority to determine if a public
25 university has met the requirements of this section. Information reported by a public
26 university to the state budget director under this subsection must also be reported to the
27 house and senate appropriations subcommittees on higher education and the house and senate
28 fiscal agencies.

29 Sec. 244. By October 15 of each year, a public university receiving funds in section
30 236 shall provide its longitudinal data system data set for the preceding academic year to
31 the center for inclusion in the statewide P-20 longitudinal data system described in
32 section 94a. If the state budget director finds that a university has not complied with

1 this section, the state budget director is authorized to withhold the monthly installments
2 provided to that university under section 241 until ~~he or she finds~~ **they find** the
3 university has complied with this section.

4 **Sec. 247 (1) The funds appropriated in section 236 for Michigan reconnect must be**
5 **distributed and administered by the department of lifelong education, advancement, and**
6 **potential pursuant to the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to**
7 **390.1709, the Michigan reconnect grant recipient act, 2020 PA 68, MCL 390.1711 to 390.1723**
8 **and the administrative procedures for Michigan reconnect of the department.**

9 (2) After administering Michigan reconnect pursuant to subsection (1), the department
10 may use any remaining funds appropriated in section 236 for Michigan reconnect for
11 outreach, enrollment supports, administration of the program, and grants to institutions of
12 higher education or nonprofit organizations to provide support to reconnect eligible
13 students to increase degree or credential completion.

14 Sec. 248. (1) The funds appropriated in section 236 for Michigan achievement
15 scholarships must be distributed as provided in this section and section 248a, pursuant to
16 the administrative procedures for Michigan achievement scholarships of the department.

17 (2) As used in this section:

18 (a) "Department" means the department of ~~treasury,~~ **lifelong education, advancement,**
19 **and potential.**

20 (b) "Eligible institution" means a public university that receives an appropriation
21 in section 236, a community college that receives an appropriation in section 201, a
22 federally recognized tribal college in this state, or an independent nonprofit college or
23 university in this state as ~~described in section 1 of 1966 PA 313, MCL 390.991.~~ **determined**
24 **by the department.**

25 (c) "Gift aid" includes federal Pell grants under 20 USC 1070a, tuition incentive
26 program benefits under section 256, state tuition grants under section 252, awards received
27 for minimum payments awarded in subsection (4), higher education expenses paid under the
28 Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, and all other
29 federal, state, local, or institutional aid in the form of grants, scholarships, or
30 discounts applied toward tuition and mandatory fees. Gift aid does not include student
31 loans, work-study awards, qualified withdrawals made from education savings accounts to pay
32 higher education expenses pursuant to the Michigan education savings program act, 2000 PA

1 161, MCL 390.1471 to 390.1486, or higher education expenses paid under the Michigan
2 education trust program pursuant to the Michigan education trust act, 1986 PA 316, MCL
3 390.1421 to 390.1442.

4 (d) "High school equivalency certificate" means that term as defined in section 4.

5 (e) "Last-dollar payment amount" means an amount equal to the tuition, mandatory
6 fees, and contact hours for each student's actual program of study, minus all gift aid
7 received by the student.

8 (f) "Minimum payment" means a payment eligible for any cost within the student's
9 individual cost of attendance. The minimum payment must be awarded as a separate payment
10 not included in the student's need-based financial aid. The minimum payment must not be
11 reduced.

12 (g) "SAI eligible student" means a student who has completed the Free Application for
13 Federal Student Aid and has at least 1 of the following:

14 (i) For awards made during academic year 2023-2024, an expected family contribution
15 of \$25,000.00 or less. An individual is considered to have met the requirements of
16 subsection (4) if the individual received the Michigan achievement scholarship in academic
17 year 2023-2024, was determined to have an expected family contribution of \$25,000.00 or
18 less in academic year 2023-2024 and has completed the Free Application for Federal Student
19 Aid for the subsequent award cycles.

20 (ii) For awards made during academic year 2024-2025 or a subsequent academic year,
21 complete the Free Application for Federal Student Aid and have a student aid index number
22 of 1 of the following, as applicable:

23 (A) For a student indicating on the student's Free Application for Federal Student
24 Aid that the student is the only member of the student's household or the student's
25 parents' household attending a postsecondary institution during that academic year,
26 \$30,000.00 or less.

27 (B) For a student indicating on the student's Free Application for Federal Student
28 Aid that the student is not the only member of the student's household or the student's
29 parents' household attending a postsecondary institution during that academic year, the
30 greater of the number described in subparagraph (A) or a number determined by the
31 department. For the purposes of this subparagraph, the department, in collaboration with
32 the state budget office and the house and senate fiscal agencies, may calculate a student

aid index number or may issue administrative guidance for the student aid index eligibility of students with more than 1 member of the student's household or the student's parents' household attending a postsecondary institution during that academic year. It is intended that the utilization of a student aid index instead of expected family contribution does not adversely impact the eligibility of students with multiple members of the student's household or the student's parents' household in college.

(iii) It is intended that the legislature and executive branch work collaboratively to use Michigan achievement scholarship uptake and other relevant data to establish a more permanent measure of financial need for the Michigan achievement scholarship for subsequent academic years.

(3) An individual must meet all of the following criteria ~~and financial thresholds~~ each year to be eligible for a Michigan achievement scholarship awarded under this section:

(a) ~~Be a resident of this state for at least the immediately preceding year. Maintain residency in this state, as determined for purposes of the Free Application for Federal Student Aid.~~

(b) Have graduated from high school in this state with a diploma or certificate of completion or achieved a high school equivalency certificate in 2023 or after.

(c) Be a full-time undergraduate student at an eligible institution, as defined by that eligible institution, and be a first-time enrollee in an eligible institution during the 2023-2024 academic year, or a subsequent academic year, within 15 months after high school graduation or attainment of a high school equivalency certificate or have received a Michigan achievement scholarship in a previous academic year. For the purposes of this subdivision, participation in a dual enrollment, early college, or other similar program while attending high school does not disqualify a student from being considered a first-time enrollee.

(d) Maintain satisfactory academic progress, as defined by the eligible institution in which the student is enrolled.

~~(e) Not be incarcerated in a corrections institution.~~

~~(e)~~ ~~(f)~~ Not be in default on a federal student loan.

~~(g) For awards made during academic year 2023-2024, complete the Free Application for Federal Student Aid and have an expected family contribution of \$25,000.00 or less. For awards made during academic year 2024-2025 or a subsequent academic year, except as~~

1 otherwise provided in this subdivision and subdivision (h), complete the Free Application
2 for Federal Student Aid and have a student aid index number of 1 of the following, as
3 applicable:

4 ~~(i) For a student indicating on the student's Free Application for Federal Student~~
5 ~~Aid that the student is the only member of the student's household or the student's~~
6 ~~parents' household attending a postsecondary institution during that academic year,~~
7 ~~\$30,000.00 or less.~~

8 ~~(ii) For a student indicating on the student's Free Application for Federal Student~~
9 ~~Aid that the student is not the only member of the student's household or the student's~~
10 ~~parents' household attending a postsecondary institution during that academic year, the~~
11 ~~greater of the number described in subparagraph (i) or a number determined by the department~~
12 ~~of treasury. For the purposes of this subparagraph, the department of treasury, in~~
13 ~~collaboration with the state budget office and the house and senate fiscal agencies, may~~
14 ~~calculate a student aid index number or may issue administrative guidance for the student~~
15 ~~aid index eligibility of students with more than 1 member of the student's household or the~~
16 ~~student's parents' household attending a postsecondary institution during that academic~~
17 ~~year. It is the intent of the legislature that the utilization of a student aid index~~
18 ~~instead of expected family contribution does not adversely impact the eligibility of~~
19 ~~students with multiple members of the student's household or the student's parents'~~
20 ~~household in college.~~

21 ~~(h) For the purpose of determining eligibility under subdivision (g), an individual~~
22 ~~is considered to have met the requirements of subdivision (g) if the individual received~~
23 ~~the Michigan achievement scholarship in academic year 2023-2024, was determined to have an~~
24 ~~expected family contribution of \$25,000.00 or less in academic year 2023-2024, and has~~
25 ~~completed the Free Application for Federal Student Aid for the subsequent award cycles.~~

26 ~~(i) The legislature finds and declares that the student aid index thresholds in~~
27 ~~subdivision (g) are temporary and intended to apply only for academic year 2024-2025. It is~~
28 ~~the intent of the legislature that the legislature and executive branch work~~
29 ~~collaboratively to use Michigan achievement scholarship uptake and other relevant data to~~
30 ~~establish a more permanent measure of financial need for the Michigan achievement~~
31 ~~scholarship for subsequent academic years.~~

32 ~~(f) (j)~~ Apply for all available gift aid for each academic year in which the

individual applies for a Michigan achievement scholarship.

(g) For scholarships awarded at eligible institutions that are a public university or for eligible students enrolled in a baccalaureate degree program described in section 121 of the community college act of 1966, 1966 PA 331, MCL 389.121 or an independent nonprofit college or university, be an SAI eligible student.

~~(4) Michigan achievement scholarships are subject to all of the following: The amount awarded to an eligible student at an eligible institution must equal 1 of the following:~~

~~(a) Subject to section 248a(3)(f)(i), an eligible student may receive an award under this section or section 248a for a maximum of 5 academic years, not more than 3 of which may be for attending eligible institutions that are community colleges or federally recognized tribal colleges unless the student is enrolled in a baccalaureate degree program described in section 121 of the community college act of 1966, 1966 PA 331, MCL 389.121. A student may not receive an award under this subsection and section 248a(3)(f)(i) during the same academic year. The amount awarded to an eligible student who is not an SAI eligible student and is enrolled at an eligible institution that is a community college or federally recognized tribal college must be equal to the sum of the last-dollar payment amount.~~

(b) The amount awarded to an eligible student who is an SAI eligible student and is enrolled at an eligible institution that is a community college or federally recognized tribal college must equal the sum of ~~following: the last-dollar payment amount plus an additional payment amount of \$1,000.00.~~

~~(i) A minimum payment of \$1,750.00, which is comprised of a base payment of \$1,000.00 plus an additional payment of \$750.00.~~

~~(ii) The lesser of \$1,000.00 or the student's last-dollar payment amount.~~

(c) The amount awarded to an eligible student at an eligible institution that is a public university or enrolled in a baccalaureate degree program described in section 121 of the community college act of 1966, 1966 PA 331, MCL 389.121, must equal the sum of following:

~~(i) A minimum payment of \$2,500.00, which is comprised of a base payment of \$1,000.00 plus an additional payment of \$1,500.00.~~

~~(ii) The lesser of \$3,000.00 or the student's last-dollar payment amount.~~

(d) The amount awarded to an eligible student at an eligible institution that is an independent nonprofit college or university must equal the sum of the following:

1 (i) A minimum payment of \$1,000.00.

2 (ii) The lesser of \$3,000.00 or the student's last-dollar payment amount.

3 (e) Money awarded under this subsection for a Michigan achievement scholarship must
4 be paid to the eligible institution for credit to the student's account.

5 ~~(f) As used in this subsection:~~

6 ~~(i) "Last-dollar payment amount" means an amount equal to the tuition, mandatory~~
7 ~~fees, and contact hours for each student's actual program of study, minus all gift aid~~
8 ~~received by the student.~~

9 ~~(ii) "Minimum payment" means a payment eligible for any cost within the student's~~
10 ~~individual cost of attendance. The minimum payment must be awarded as a separate payment~~
11 ~~not included in the student's need-based financial aid. The minimum payment must not be~~
12 ~~reduced.~~

13 (5) Subject to section 248a(3)(f)(i), an eligible student may receive a Michigan
14 achievement scholarship award under this section or section 248a for a maximum of 5
15 academic years, not more than 3 of which may be for attending eligible institutions that
16 are community colleges or federally recognized tribal colleges unless the student is
17 enrolled in a baccalaureate degree program described in section 121 of the community
18 college act of 1966, 1966 PA 331, MCL 389.121. A student may not receive an award under
19 this subsection and section 248a(3)(f)(i) during the same academic year.

20 (6) ~~(5)~~ The department shall work closely with participating institutions to provide
21 the highest level of participation and ensure that all requirements of the program are met.

22 (7) ~~(6)~~ From the funds appropriated in section 236(7) for the Michigan achievement
23 scholarships, the department may not use more than \$10,000,000.00 for the purposes of
24 outreach programs to raise awareness of the Michigan achievement scholarship described in
25 this section and section 248a and shall ensure that Michigan achievement scholarships are
26 well publicized and that high school students are provided information on the program. The
27 department may receive and expend funds received from outside sources for scholarships,
28 marketing, or other purposes related to the Michigan achievement scholarship. The
29 department shall provide the necessary funding and staff to fully operate the program.

30 (8) ~~(7)~~ The department shall convene a workgroup ~~during the fiscal year ending~~
31 ~~September 30, 2024~~ to consider and advise the department on implementing policies for
32 administering the Michigan achievement scholarship. The workgroup shall include

1 participation from the Michigan Association of State Universities and its institutional
2 members, the Michigan College Access Network, the Michigan Community College Association
3 and its institutional members, the Michigan Independent Colleges and Universities and its
4 institutional members, and any other interested stakeholders and offices as determined by
5 the department. The workgroup shall make recommendations on packaging order, packaging
6 structure, definitions of terms not otherwise defined in statute, and other administrative
7 regulatory requirements as necessary to implement the Michigan achievement scholarship.

8 (9) ~~(8)~~ The following reporting obligations apply to the Michigan achievement
9 scholarship program:

10 (a) By ~~May 1 and December 1~~ **February 1** of each year, the department shall provide a
11 written report, organized by eligible institution, to the house and senate appropriations
12 subcommittees on higher education, the house and senate fiscal agencies, and the state
13 budget director that includes the following information for the previous academic year:

14 (i) The number of students who qualified for a Michigan achievement scholarship.

15 (ii) The number of students who received a Michigan achievement scholarship.

16 (iii) The average number of credits earned by students who received a Michigan
17 achievement scholarship.

18 (iv) The number of Michigan achievement scholarships that were canceled due to
19 failure to maintain satisfactory academic progress ~~under subsection (3)(d)~~ **as defined in**
20 **this section.**

21 (v) The number of Michigan achievement scholarships that were canceled due to a
22 student ceasing attendance at an eligible institution. The number must not include any
23 known transfers to another eligible institution.

24 (vi) The number of Michigan achievement scholarships that were canceled due to a
25 student's failure to maintain full-time status.

26 (vii) The average Michigan achievement scholarship award per student, delineated by
27 sector, including community colleges, tribal colleges, public universities, independent
28 colleges and universities, and training institutions. As used in this subparagraph,
29 "training institutions" means training institutions accepted to participate in the Michigan
30 achievement scholarship program under section 248a.

31 (b) Each eligible institution whose students receive awards under this section shall
32 cooperate with the department in a timely manner to facilitate the creation of the report

under subdivision (a).

(10) ~~(9) Beginning April 1, 2024, by~~ By April 1 of each year, each eligible institution shall submit a report to the department, the state budget office, and the house and senate fiscal agencies providing information as to the ~~total institutional grant aid per full-year equated undergraduate student for the current institution fiscal year and~~ **average amount of institutional grant aid awarded to full-time first time undergraduate students** for the immediately preceding ~~3-2~~ institution fiscal years. ~~If the institution does not maintain total institutional grant aid per full-year equated undergraduate student at the average amount provided over the immediately preceding 3 institution fiscal years,~~ **If the amount calculated for fiscal year 2024 does not maintain an average amount of institutional grant aid awarded to full-time first time undergraduate students that is equal to or above the amount calculated in fiscal year 2023,** the institution must include in the report a description of ~~changes to institutional finances or the student population that prevented the institution from maintaining support for institutional aid.~~ **any changes to the institutional financial aid during the two immediately preceding fiscal years.** An institution's report of ~~total institutional grant aid per full-year equated undergraduate student~~ **the average amount of institutional grant aid awarded to full-time first time undergraduate students** pursuant to this subdivision must be consistent with data most recently reported to the Integrated Postsecondary Education Data System.

(11) ~~(10) For each fiscal year, an eligible institution becomes ineligible for funding under this section if, in the immediately preceding fiscal year, the institution exceeds 1 of~~ **must report and maintain** the following tuition restraint requirements, as applicable:

(a) For an eligible institution that is a community college, the tuition restraint described in section 217b.

(b) For an eligible institution that is a public university or independent nonprofit college or university, the tuition restraint described in section 241c.

(c) The state budget director shall implement reporting requirements to ensure that an eligible institution has satisfied the tuition restraint requirements of this section. The state budget director has the sole authority to determine if an eligible institution has met the requirements of this section.

(d) If an eligible institution exceeds the applicable tuition restraint level for two

consecutive years, the state budget director may deem the institution ineligible for funding under this section in the subsequent academic year.

(12) ~~(11)~~ It is ~~the intent of the legislature~~ intended that an eligible institution will not make reductive changes to scholarship or financial aid programs offered by that eligible institution that have the goal or net effect of shifting the cost burden of those programs to the program described in this section.

Sec. 248a. (1) The funds appropriated in section 236 for Michigan achievement scholarships must be distributed as provided in this section and section 248, pursuant to the administrative procedures for Michigan achievement scholarship private training program of the department.

(2) As used in this section:

(a) "Department" means the department of ~~labor and economic opportunity~~, **lifelong education, advancement, and potential**.

(b) "High school equivalency certificate" means that term as defined in section 4.

(c) "Qualified occupational training program" means that term as defined in section 13 of the Michigan reconnect grant recipient act, 2020 PA 68, MCL 390.1713.

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

(a) Develop and implement a process by which those seeking to participate in the Michigan achievement scholarship private training program as training institutions offering qualified occupational training programs must apply to the department.

(b) Approve as a qualified occupational training program a program for which an application is submitted under subdivision (a) that meets all of the criteria to qualify as a qualified occupational training program, and post these criteria to the department's website.

(c) Ensure that an applicant under subdivision (a) is first included on this state's eligible training provider list before each of the applicant's programs receives separate approval from the department as being a qualified occupational training program.

(d) Require that training institutions accepted to participate in the Michigan achievement scholarship private training program comply with data requests from the department as a condition of continued participation. For purposes of this subdivision, the department shall require institutions operating apprenticeship programs subject to this section to provide data that tracks relevant work experience required to verify a student's

1 status as an apprentice.

2 (e) Maintain on its website a list of all qualified occupational training program
3 options available to potential skills scholarship recipients.

4 (f) Award skills scholarships, subject to all of the following:

5 (i) A skills scholarship is a grant not to exceed \$2,000.00 per year to contribute to
6 tuition costs for a qualified occupational training program at a training institution, both
7 of which are approved under this section, for a training program participant who meets the
8 requirements of subparagraph (ii). A skills scholarship must not exceed the full amount of
9 the tuition charged for the training program. A program participant may receive a skills
10 scholarship under this section for a maximum of 2 academic years.

11 (ii) To receive the skills scholarship described in subparagraph (i), a qualified
12 occupational training program participant must meet all of the following:

13 (A) Be a resident of this state for at least the immediately preceding year.

14 (B) Have graduated from a high school in this state with a diploma or certificate of
15 completion or achieved a high school equivalency certificate in 2023 or after.

16 (C) Not have previously earned an associate or baccalaureate degree.

17 (D) Not have previously earned a degree, certificate, or other credential using a
18 skills scholarship awarded under this section.

19 (E) Timely complete a Michigan achievement scholarship private training program
20 skills scholarship application in a form and manner determined by the department.

21 (iii) The department may award skills scholarships under this section only until money
22 appropriated to the Michigan achievement scholarship private training program has been
23 fully committed.

24 (g) Inform each recipient of a skills scholarship that the recipient will remain
25 eligible for the Michigan achievement scholarship under section 248 for a maximum of 5
26 years, less any years of eligibility used for a skills scholarship awarded under this
27 section, to pursue an associate degree, baccalaureate degree, or occupational certificate
28 upon completion of a certification course of study in a qualified occupational training
29 program.

30 (4) Except as otherwise provided in subsection (5), the department shall promulgate
31 rules to implement subsection (3) (a), (b), and (d) only, pursuant to the administrative
32 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, subject to all of the following:

1 (a) Under subsection (3)(a), the department is limited to developing the form for the
2 application described in subsection (3)(a) and prescribing the time and manner of its
3 completion.

4 (b) Under subsection (3)(b), the department is limited to applying the eligibility
5 criteria described in subsection (3)(b) and shall not apply any other eligibility criteria.

6 (c) Under subsection (3)(d), the department is limited to requiring compliance with
7 data requests as described in subsection (3)(d).

8 (5) To facilitate implementation of the Michigan achievement scholarship private
9 training program prior to final rules being adopted, the department may develop and
10 administer the program in accordance with its proposed rules or other policy or directive
11 of the department established pursuant to this section.

12 (6) It is ~~the intent of the legislature~~ **intended** that a training institution will not
13 make changes to scholarship or financial aid programs offered by that training institution
14 that have the goal or net effect of shifting the cost burden of those programs to the
15 program described in this section.

16 Sec. 250. To be considered eligible for any scholarship or grant financial aid
17 program administered by the department of ~~treasury~~ **lifelong education, advancement, and**
18 **potential**, the student must file the Free Application for Federal Student Aid (FAFSA)
19 annually, **unless it is not required by the department.**

20 Sec. 251. (1) Payments of the amounts included in section 236 for the state
21 competitive scholarship program must be distributed pursuant to 1964 PA 208, MCL 390.971 to
22 390.981.

23 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of ~~treasury~~
24 **lifelong education, advancement, and potential** shall determine an actual state competitive
25 scholarship award per student, which must be \$1,500.00, that ensures that the aggregate
26 payments for the state competitive scholarship program do not exceed the appropriation
27 contained in section 236 for the state competitive scholarship program. If the department
28 determines that insufficient funds are available to establish an award amount equal to
29 \$1,500.00, the department shall immediately report to the house and senate appropriations
30 subcommittees on higher education, the house and senate fiscal agencies, and the state
31 budget director regarding the estimated amount of additional funds necessary to establish a
32 \$1,500.00 award amount. For the purpose of determining a student's financial need under

1 section 6 of 1964 PA 208, MCL 390.976, the department of ~~treasury~~ **lifelong education,**
2 **advancement, and potential** shall presume that a student who receives a Michigan achievement
3 scholarship under section ~~248(4)(b) or (c)~~ **248** has no need for a state competitive
4 scholarship under this section. It is the intent of the legislature that 1964 PA 208, MCL
5 390.971 to 390.981, will be amended to end competitive scholarship eligibility of students
6 enrolling in college for the first time after the fiscal year ending on September 30, 2023,
7 as those students may be eligible for the Michigan achievement scholarship.

8 (3) The department of ~~treasury~~ **lifelong education, advancement, and potential** shall
9 implement a proportional competitive scholarship award level for recipients enrolled less
10 than full-time in a given semester or term.

11 ~~(4) If a student who receives an award under this section has the student's tuition,~~
12 ~~contact hours, and fees paid under the Michigan educational trust program, pursuant to the~~
13 ~~Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has~~
14 ~~financial need, the funds awarded under this section may be used for educational expenses~~
15 ~~other than tuition and fees.~~

16 (4) ~~(5)~~ If the department of ~~treasury~~ **lifelong education, advancement, and potential**
17 increases the award per eligible student from that provided in the previous fiscal year, it
18 must not have the effect of reducing the number of eligible students receiving awards in
19 relation to the total number of eligible applicants. Any increase in the award must be
20 proportional for all eligible students receiving awards.

21 (5) ~~(6)~~ Veterans Administration benefits must not be considered in determining
22 eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

23 Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant
24 program must be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

25 (2) Tuition grant awards must be made to all eligible Michigan residents enrolled in
26 undergraduate degree programs who are qualified.

27 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections (6)
28 and (7), the department of ~~treasury~~ **lifelong education, advancement, and potential** shall
29 determine an actual tuition grant award per student, which must be \$3,000.00, that ensures
30 that the aggregate payments for the tuition grant program do not exceed the appropriation
31 contained in section 236 for the state tuition grant program. If the department determines
32 that insufficient funds are available to establish an award amount equal to \$3,000.00, the

1 department shall immediately report to the house and senate appropriations subcommittees on
2 higher education, the house and senate fiscal agencies, and the state budget director
3 regarding the estimated amount of additional funds necessary to establish a \$3,000.00 award
4 amount. If the department determines that sufficient funds are available to establish an
5 award amount equal to \$3,000.00, the department shall immediately report to the house and
6 senate appropriations subcommittees on higher education, the house and senate fiscal
7 agencies, and the state budget director regarding the award amount established and the
8 projected amount of any projected year-end appropriation balance based on that award
9 amount. By February 18 of each fiscal year, the department shall analyze the status of
10 award commitments, shall make any necessary adjustments, and shall confirm that those award
11 commitments will not exceed the appropriation contained in section 236 for the tuition
12 grant program. The determination and actions must be reported to the state budget director
13 and the house and senate fiscal agencies no later than the final day of February of each
14 year. If award adjustments are necessary, the students must be notified of the adjustment
15 by March 4 of each year. **For the purpose of determining a student's financial need under**
16 **1966 PA 313, MCL 390.991 to 390.999, the department of lifelong education, advancement, and**
17 **potential shall presume that a student who receives a Michigan achievement scholarship**
18 **under section 248 has no need for a state tuition grant under this section. It is the**
19 **intent of the legislature that 1966 PA 313, MCL 390.991 to 390.997a, will be amended to end**
20 **tuition grant eligibility of students enrolling in college for the first time after the**
21 **fiscal year ending on September 30, 2024, as those students may be eligible for the**
22 **Michigan achievement scholarship.**

23 (4) The department of ~~treasury~~ **lifelong education, advancement, and potential** shall
24 continue a proportional tuition grant award level for recipients enrolled less than full-
25 time in a given semester or term.

26 (5) If the department of ~~treasury~~ **lifelong education, advancement, and potential**
27 increases the award per eligible student from that provided in the previous fiscal year, it
28 must not have the effect of reducing the number of eligible students receiving awards in
29 relation to the total number of eligible applicants. Any increase in the grant must be
30 proportional for all eligible students receiving awards for that fiscal year.

31 (6) The department of ~~treasury~~ **lifelong education, advancement, and potential** shall
32 not award more than \$5,000,000.00 in tuition grants to eligible students enrolled in the

1 same independent nonprofit college or university in this state. Any decrease in the grant
2 must be proportional for all eligible students enrolled in that college or university, as
3 determined by the department.

4 (7) The department of ~~treasury~~ **lifelong education, advancement, and potential** shall
5 not award tuition grants to otherwise eligible students enrolled in an independent college
6 or university that does not report, in a form and manner directed by and satisfactory to
7 the department of ~~treasury~~ **lifelong education, advancement, and potential**, by October 31 of
8 each year, all of the following:

9 (a) The number of students in the most recently completed academic year who in any
10 academic year received a state tuition grant at the reporting institution and successfully
11 completed a program or graduated.

12 (b) The number of students in the most recently completed academic year who in any
13 academic year received a state tuition grant at the reporting institution and took a
14 remedial education class.

15 (c) The number of students in the most recently completed academic year who in any
16 academic year received a Pell grant at the reporting institution and successfully completed
17 a program or graduated.

18 (8) By February 1 of each year, each independent college and university participating
19 in the tuition grant program shall report to the house and senate appropriations
20 subcommittees on higher education, the house and senate fiscal agencies, and the state
21 budget director on its efforts to develop and implement sexual assault response training
22 for the institution's title IX coordinator, campus law enforcement personnel, campus public
23 safety personnel, and any other campus personnel charged with responding to on-campus
24 incidents, including information on sexual assault response training materials and the
25 status of implementing sexual assault response training for institutional personnel.

26 Sec. 253. The auditor general may audit selected enrollments, degrees, and awards at
27 selected independent colleges and universities receiving awards that are administered by
28 the department of ~~treasury~~ **lifelong education, advancement, and potential**. The audits
29 shall be based upon definitions and requirements established by the department of ~~treasury~~
30 **lifelong education, advancement, and potential**, the state budget director, and the senate
31 and house fiscal agencies. The auditor general shall accept the Free Application for
32 Federal Student Aid (FAFSA) form as the standard of residency documentation.

1 Sec. 255. The department of ~~treasury-lifelong education, advancement, and potential~~
2 shall determine the needs analysis criteria for students to qualify for the state
3 competitive scholarship program and tuition grant program. To be consistent with federal
4 requirements, the department of ~~treasury-lifelong education, advancement, and potential~~ may
5 take student wages into consideration when determining the amount of the award.

6 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program
7 must be distributed as provided in this section and pursuant to the administrative
8 procedures for the tuition incentive program of the department of ~~treasury-lifelong~~
9 **education, advancement, and potential.**

10 (2) As used in this section:

11 (a) "Phase I" means the first part of the tuition incentive program defined as the
12 academic period of 80 semester or 120 term credits, or less, leading to an associate degree
13 or certificate. Students must be enrolled in a certificate or associate degree program and
14 taking classes within the program of study for a certificate or associate degree. Tuition
15 will not be covered for courses outside of a certificate or associate degree program.

16 (b) "Phase II" means the second part of the tuition incentive program that provides
17 assistance in the third and fourth year of 4-year degree programs.

18 (c) "Department" means the department of ~~treasury-lifelong education, advancement,~~
19 **and potential.**

20 (d) "High school equivalency certificate" means that term as defined in section 4.

21 (3) An individual must meet the following basic criteria and financial thresholds to
22 be eligible for tuition incentive program benefits:

23 (a) To be eligible for phase I, an individual must meet all of the following
24 criteria:

25 (i) Be less than 20 years of age at the time the individual graduates from high
26 school with a diploma or certificate of completion or achieves a high school equivalency
27 certificate or, for students attending a 5-year middle college approved by the Michigan
28 department of education, be less than 21 years of age when the individual graduates from
29 high school.

30 (ii) Be a United States citizen and ~~a resident of this state according to~~
31 ~~institutional criteria.~~ **maintain residency in this state, as determined for purposes of the**
32 **Free Application for Federal Student Aid.**

1 (iii) Be at least a half-time student, earning less than 80 semester or 120 term

2 credits at a participating educational institution within 4 years of high school graduation
3 or achievement of a high school equivalency certificate. All program eligibility expires 10
4 years after initial enrollment at a participating educational institution.

5 (iv) Meet the satisfactory academic progress policy of the educational institution
6 attended by the individual.

7 (b) To be eligible for phase II, an individual must meet either of the following
8 criteria in addition to the criteria in subdivision (a):

9 (i) Complete at least 56 transferable semester or 84 transferable term credits.

10 (ii) Obtain an associate degree or certificate at a participating institution.

11 (c) To be eligible for phase I or phase II, an individual must be financially
12 eligible as determined by the department. An individual is financially eligible for the
13 tuition incentive program if the individual was eligible for Medicaid from this state for
14 24 months within any 36 months prior to completion of high school or achievement of a high
15 school equivalency certificate. The department shall accept certification of Medicaid
16 eligibility only from the department of health and human services for the purposes of
17 verifying if a person is Medicaid eligible for 24 months within any 36 months prior to
18 completion of high school or achievement of a high school equivalency certificate.
19 Certification of eligibility may begin in the sixth grade.

20 (4) For phase I, the department shall provide payment on behalf of a person eligible
21 under subsection (3). The department shall only accept standard per-credit hour tuition
22 billings and shall reject billings that are excessive or outside the guidelines for the
23 type of educational institution.

24 (5) For phase I, all of the following apply:

25 (a) Payments for associate degree or certificate programs must not be made for more
26 than 80 semester or 120 term credits for any individual student at any participating
27 institution. The department shall not do either of the following:

28 (i) Adopt or apply any total semester-credit or term-credit maximum that is less than
29 the 80 semester-credit or 120 term-credit maximum provided in this subdivision.

30 (ii) Adopt or apply any per-semester or per-term credit maximum for a student whose
31 semester-credit or term-credit load will not result in exceeding the total 80 semester-
32 credit or 120 term-credit maximum provided in this subdivision.

1 (b) For persons enrolled at a Michigan community college, the department shall pay
2 the current in-district tuition and mandatory fees. For persons residing in an area that is
3 not included in any community college district, the out-of-district tuition rate may be
4 authorized.

5 (c) For persons enrolled at a Michigan public university, the department shall pay
6 lower division resident tuition and mandatory fees for the current year.

7 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting college
8 or university, a Michigan federal tribally controlled community college, or Focus: HOPE,
9 the department shall pay mandatory fees for the current year and a per-credit payment that
10 does not exceed the average community college in-district per-credit tuition rate as
11 reported by the last business day of August for the immediately preceding academic year.

12 (6) A person participating in phase II may be eligible for additional funds not to
13 exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the
14 following conditions:

15 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year
16 college or university.

17 (b) The tuition reimbursement is for coursework completed within 30 months of
18 completion of the phase I requirements.

19 (7) The department shall work closely with participating institutions to provide the
20 highest level of participation and ensure that all requirements of the program are met.

21 (8) The department shall notify students of their financial eligibility for the
22 program any time after the student begins sixth grade.

23 (9) Except as otherwise provided in sections 13(c) and 17 of the Michigan reconnect
24 grant recipient act, 2020 PA 68, MCL 390.1713 and 390.1717, each institution shall ensure
25 that all known available restricted grants for tuition and fees are used before billing the
26 tuition incentive program for any portion of a student's tuition and fees.

27 (10) The department shall ensure that the tuition incentive program is well
28 publicized and that eligible Medicaid clients are provided information on the program. The
29 department shall provide the necessary funding and staff to fully operate the program.

30 (11) The department shall collaborate with the center to use the P-20 longitudinal
31 data system to report the following information for each qualified postsecondary
32 institution:

1 (a) The number of phase I students in the most recently completed academic year who
2 in any academic year received a tuition incentive program award and who successfully
3 completed a degree or certificate program. Cohort graduation rates for phase I students
4 must be calculated using the established success rate methodology developed by the center
5 in collaboration with the postsecondary institutions.

6 (b) The number of students in the most recently completed academic year who in any
7 academic year received a Pell grant at the reporting institution and who successfully
8 completed a degree or certificate program. Cohort graduation rates for students who
9 received Pell grants must be calculated using the established success rate methodology
10 developed by the center in collaboration with the postsecondary institutions.

11 (12) If a qualified postsecondary institution does not report the data necessary to
12 complete the reporting in subsection (11) to the P-20 longitudinal data system by October
13 15 for the prior academic year, the department shall not award phase I tuition incentive
14 program funding to otherwise eligible students enrolled in that institution until the data
15 are submitted.

16 Sec. 258. By February 15 of each year, the department of ~~treasury~~**lifelong education,**
17 **advancement, and potential** shall post to its publicly available website a report for the
18 preceding fiscal year on all student financial aid programs for which funds are
19 appropriated in section 236. For each student financial aid program, the report shall
20 include, but is not limited to, the total number of awards paid in the preceding fiscal
21 year, the total dollar amount of those awards, and the number of students receiving awards
22 and the total amount of those awards at each eligible postsecondary institution. To the
23 extent information is available, the report shall also include information on household
24 income and other demographic characteristics of students receiving awards under each
25 program and historical information on the number of awards and total award amounts for each
26 program.

27 Sec. 259. The department of ~~treasury~~**lifelong education, advancement, and potential**
28 shall continue an aggressive campaign to inform high school students about the financial
29 aid programs offered by this state and the eligibility requirements for participation in
30 those financial aid programs, including free or reduced tuition programs provided by
31 community colleges and universities in this state.

32 Sec. 260. (1) The department of ~~treasury~~**lifelong education, advancement, and**

1 **potential** shall work with student and postsecondary education groups, including the
2 Michigan College Access Network, the Michigan Association of School Counselors, the
3 Michigan Association of State Universities, the Michigan Community College Association, and
4 the Michigan Independent Colleges and Universities, to provide and update an online
5 informational resource for students in grades 9 through 12 and prospective and current
6 students and families. The online informational resource must be a website or a portion of
7 an existing website titled "Paying for College in Michigan" and designed and maintained by
8 the department of ~~treasury~~ **lifelong education, advancement, and potential** that, to the
9 extent practicable, contains information, including, but not limited to, all of the
10 following:

11 (a) A list of public and private community support centers, student debt clinics, and
12 other organizations and their contact information submitted by Michigan College Access
13 Network that provides free information and services for student loan borrowers to help
14 educate them about repayment options and to help them access student loan programs or
15 benefits for which they may be eligible.

16 (b) Links to state and federal financial aid programs, including FAFSA and College
17 Scorecard.

18 (c) Links to each promise zone website and the financial aid website to each
19 community college, public university, and independent college and university in this state.

20 (d) Benefits of federal student loans that may no longer be available if a borrower
21 refinances a loan.

22 (e) Direct links to net price calculators for each community college receiving an
23 appropriation in section 201 and each public university receiving an appropriation in
24 section 236.

25 (f) Definitions that clearly delineate the differences between scholarships, grants,
26 and loans.

27 (g) A description of net price calculators and how to use them to create a
28 personalized estimate of a student's out-of-pocket cost for the coming year based on basic
29 family and financial information and likely financial aid eligibility.

30 (h) Information on the fundamentals of borrowing and repayment, including, but not
31 limited to, all of the following:

32 (i) A link to the federal Public Service Loan Forgiveness Program or other state or

1 federal loan forgiveness programs.

2 (ii) Deciding how much to borrow.

3 (iii) Creating a plan for borrowing and repayment.

4 (iv) Estimating how much borrowing is needed for a given school year.

5 (v) Factors that affect total student loan costs.

6 (vi) Tips for graduating with less student loan debt.

7 (vii) A loan payment calculator or a link to a loan payment calculator that can be
8 used for different types of loans.

9 (viii) Links to federal student loan entrance and exit counseling services and the
10 FACT tool.

11 (ix) Student loan debt relief scams.

12 (i) Loan amortization information.

13 (2) A public university receiving an appropriation in section 236 shall place a
14 prominent link to the website created under this section on its website homepage.

15 (3) Independent colleges and universities in this state are encouraged to place a
16 link to the website created under this section on their website homepages.

17 (4) By November 1 of each year, the department of ~~treasury~~ **lifelong education,**
18 **advancement, and potential** shall inform each high school in this state about the website
19 described in this section and encourage them to distribute the information to all students
20 in grades 9 through 12.

21 (5) The department shall audit the website not less than once per year to ensure
22 links continue to be accurate, active, and up-to-date for students and families.

23 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2023-2024~~
24 **2024-2025** for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in
25 section 236 for MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN is
26 intended to address critical regulatory, food safety, economic, and environmental problems
27 faced by this state's plant-based agriculture, forestry, and processing industries.
28 "GREEN" is an acronym for Generating Research and Extension to Meet Environmental and
29 Economic Needs.

30 (2) The department of agriculture and rural development and Michigan State
31 University, in consultation with agricultural commodity groups and other interested
32 parties, shall develop Project GREEN and its program priorities.

1 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2023-2024~~

2 **2024-2025** for Michigan State University is \$80,000.00 for the Michigan Future Farmers of
3 America Association. This \$80,000.00 allocation must not supplant any existing support that
4 Michigan State University provides to the Michigan Future Farmers of America Association.

5 Sec. 268. (1) For the fiscal year ending September 30, ~~2024, 2025~~ it is ~~the intent of~~
6 ~~the legislature~~ **intended** that funds be allocated for unfunded North American Indian tuition
7 waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
8 from the general fund.

9 (2) By January 15 of each year, the department of ~~civil rights~~ **lifelong education,**
10 **advancement, and potential** shall annually submit to the state budget director, the house
11 and senate appropriations subcommittees on higher education, and the house and senate
12 fiscal agencies a report on North American Indian tuition waivers for the preceding
13 academic year that includes, but is not limited to, all of the following information:

14 (a) The number of waiver applications received and the number of waiver applications
15 approved.

16 (b) For each public university submitting information under subsection (3), all of
17 the following:

18 (i) The number of graduate and undergraduate North American Indian students enrolled
19 each term for the previous academic year.

20 (ii) The number of North American Indian waivers granted each term, including to
21 continuing education students, and the monetary value of the waivers for the previous
22 academic year.

23 (iii) The number of North American Indian students who receive a granted waiver for
24 the previous academic year.

25 (iv) The number of graduate and undergraduate students attending under a North
26 American Indian tuition waiver who withdrew from the public university each term during the
27 previous academic year. For purposes of this subparagraph, a withdrawal occurs when a
28 student who has been awarded the waiver withdraws from the institution at any point during
29 the term, regardless of enrollment in subsequent terms.

30 (v) The number of graduate and undergraduate students attending under a North
31 American Indian tuition waiver who successfully transfer to a 4-year public or private
32 university, or complete a degree or certificate program, separated by degree or certificate

1 level, and the graduation rate for graduate and undergraduate students attending under a
2 North American Indian tuition waiver who complete a degree or certificate within 150% of
3 the normal time to complete, separated by the level of the degree or certificate.

4 (3) By January 1 of each year, a public university that receives an appropriation in
5 section 236, or a tribal college receiving pass-through funds under section 269 or 270c,
6 shall provide to the department of ~~civil rights~~ **lifelong education, advancement, and**
7 **potential** any information necessary for preparing the report detailed in subsection (2),
8 using guidelines and procedures developed by the department of ~~civil rights~~ **lifelong**
9 **education, advancement, and potential**.

10 (4) The department of ~~civil rights~~ **lifelong education, advancement, and potential** may
11 consolidate the report required under this section with the report required under section
12 223, but a consolidated report must separately identify data for public universities and
13 data for community colleges.

14 Sec. 269. For fiscal year ~~2023-2024~~, **2024-2025**, from the amount appropriated in
15 section 236 to Central Michigan University for costs incurred under the North American
16 Indian tuition waiver, ~~\$63,200.00~~ **\$76,300.00** must be paid to Saginaw Chippewa Tribal
17 College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL
18 390.1251 to 390.1253. It is ~~the intent of the legislature~~ **intended** that Saginaw Chippewa
19 Tribal College provide the department of ~~civil rights~~ **lifelong education, advancement, and**
20 **potential** the necessary information for the college to be included in the report required
21 under section 268.

22 Sec. 270c. For fiscal year ~~2023-2024~~, **2024-2025**, from the amount appropriated in
23 section 236 to Northern Michigan University for costs incurred under the North American
24 Indian tuition waiver, ~~\$90,200.00~~ **\$155,200.00** is to be paid to Keweenaw Bay Ojibwa
25 Community College for the costs of waiving tuition for North American Indians under 1976 PA
26 174, MCL 390.1251 to 390.1253. It is ~~the intent of the legislature~~ **intended** that Keweenaw
27 Bay Ojibwa Community College provide the department of ~~civil rights~~ **lifelong education,**
28 **advancement, and potential** the necessary information for the community college to be
29 included in the report required under section 268.

30 Sec. 275b. (1) Each public university receiving an appropriation in section 236 shall
31 ensure that the public university does all of the following in its admission application
32 process if it knows that an applicant for admission is currently serving, or has ever

1 served, as a member of the military, the National Guard, or the military reserves:

2 (a) Inform the applicant that ~~he or she~~ **they** may receive academic credit for college-
3 level training and education ~~he or she~~ **they** received while serving in the military.

4 (b) Inform the applicant that ~~he or she~~ **they** may submit a transcript of ~~his or her~~
5 **their** college-level military training and education to the public university.

6 (c) If the applicant submits a transcript described in subdivision (b), evaluate that
7 transcript and notify the applicant of what transfer credits are available to the applicant
8 from the public university for ~~his or her~~ **their** college-level military training and
9 education.

10 (d) Inform the applicant of college level equivalent credit examination
11 opportunities.

12 (2) As used in this section, "transcript" includes a joint services transcript
13 prepared for the applicant under the American council on education registry of credit
14 recommendations.

15 Sec. 276. (1) Included in the appropriation for fiscal year ~~2023-2024~~ **2024-2025** for
16 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
17 Chavez - Rosa Parks future faculty **fellowship** program that is intended to increase the pool
18 of academically or economically disadvantaged candidates pursuing faculty or administration
19 careers in postsecondary education in this state. Preference may not be given to applicants
20 on the basis of race, color, ethnicity, gender, or national origin. Institutions should
21 encourage applications from applicants who would otherwise not adequately be represented in
22 the graduate student, faculty, or administration populations. Each public university shall
23 apply the percentage change applicable to every public university in the calculation of
24 appropriations in section 236 to the amount of funds allocated to the future faculty
25 **fellowship** program.

26 (2) Each public university shall administer the program in a manner prescribed by the
27 department of labor and economic opportunity. The department of labor and economic
28 opportunity shall use a good-faith effort standard to evaluate whether a fellowship is in
29 default. All of the following apply to the program:

30 (a) By June 15 of each year, public universities shall report any anticipated
31 unexpended or unencumbered program funds to the department of labor and economic
32 opportunity. Encumbered funds are those funds that were committed by a fellowship agreement

1 that is signed during the current fiscal year or administrative expenses that have been
2 approved by the department of labor and economic opportunity.

3 (b) Before September 1 of each year, unexpended or unencumbered funds may be
4 transferred, under the direction of the department of labor and economic opportunity, to a
5 future faculty **fellowship** program at another public university to be awarded to an eligible
6 candidate at that public university.

7 (c) Program allocations not expended or encumbered by September 30, ~~2025-2026~~ must be
8 returned to the department of labor and economic opportunity so that those funds may lapse
9 to the state general fund.

10 (d) Not more than 5% of each public university's allocation for the program may be
11 used for administration of the program.

12 (e) In addition to the appropriation for fiscal year ~~2023-2024~~, **2024-2025**, any
13 revenue received during prior fiscal years by the department of labor and economic
14 opportunity from defaulted fellowship agreements is appropriated for the purposes
15 originally intended.

16 Sec. 277. (1) Included in the appropriation for fiscal year ~~2023-2024~~ **2024-2025** for
17 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
18 Chavez - Rosa Parks college day program that is intended to introduce academically or
19 economically disadvantaged schoolchildren to the potential of a college education in this
20 state. Preference may not be given to participants on the basis of race, color, ethnicity,
21 gender, or national origin. Public universities should encourage participation from those
22 who would otherwise not adequately be represented in the student population.

23 (2) Individual program plans of each public university must include a budget of equal
24 contributions from this program, the participating public university, the participating
25 school district, and the participating independent degree-granting college. College day
26 funds must not be expended to cover indirect costs. Not more than 20% of the university
27 match may be attributable to indirect costs. Each public university shall apply the
28 percentage change applicable to every public university in the calculation of
29 appropriations in section 236 to the amount of funds allocated to the college day program.

30 (3) Each public university shall administer the program described in this section in
31 a manner prescribed by the department of labor and economic opportunity.

32 Sec. 278. (1) Included in the appropriation for fiscal year ~~2023-2024~~ **2024-2025** for

1 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
2 Chavez - Rosa Parks select student support services program for developing academically or
3 economically disadvantaged student retention programs for 4-year public and independent
4 educational institutions in this state. Preference may not be given to participants on the
5 basis of race, color, ethnicity, gender, or national origin. Institutions should encourage
6 participation from those who would otherwise not adequately be represented in the student
7 population.

8 (2) An award made under this program to any 1 institution must not be greater than
9 \$150,000.00, must have an award period of no more than 2 years, and must be matched on a
10 70% state, 30% college or university basis.

11 (3) The department of labor and economic opportunity shall administer the program
12 described in this section.

13 Sec. 279. (1) Included in the appropriation for fiscal year ~~2023-2024~~**-2024-2025** for
14 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
15 Chavez - Rosa Parks college/university partnership program between 4-year public and
16 independent colleges and universities and public community colleges, which is intended to
17 increase the number of academically or economically disadvantaged students who transfer
18 from community colleges into baccalaureate programs in this state. Preference may not be
19 given to participants on the basis of race, color, ethnicity, gender, or national origin.
20 Institutions should encourage participation from those who would otherwise not adequately
21 be represented in the transfer student population.

22 (2) The grants must be made under the program described in this section to Michigan
23 public and independent colleges and universities. An award to any 1 institution must not be
24 greater than \$150,000.00, must have an award period of no more than 2 years, and must be
25 matched on a 70% state, 30% college or university basis.

26 (3) The department of labor and economic opportunity shall administer the program
27 described in this section.

28 Sec. 280. (1) Included in the appropriation for fiscal year ~~2023-2024~~**-2024-2025** for
29 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
30 Chavez - Rosa Parks visiting professors program, which is intended to increase the number
31 of instructors in the classroom to provide role models for academically or economically
32 disadvantaged students. Preference may not be given to participants on the basis of race,

1 color, ethnicity, gender, or national origin. Public universities should encourage
2 participation from those who would otherwise not adequately be represented in the student
3 population.

4 (2) The department of labor and economic opportunity shall administer the program
5 described in this section.

6 (3) The amount allocated to each public university is ~~\$11,019.00~~ **\$11,294.00** and is
7 subject to an award period of no more than 2 years. Each public university receiving funds
8 for fiscal year ~~2023-2024~~ **2024-2025** under this section shall report to the department of
9 labor and economic opportunity by April 15, ~~2024~~ **2025** the amount of its unobligated and
10 unexpended funds as of March 31, ~~2024~~ **2025** and a plan to expend the remaining funds by the
11 end of the fiscal year. The amount of funding reported as not being expended may be
12 transferred, under the direction of the department, to another public university for use
13 under this section.

14 Sec. 281. (1) Included in the appropriation for fiscal year ~~2023-2024~~ **2024-2025** for
15 each public university in section 236 is funding under the Martin Luther King, Jr. - Cesar
16 Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program, which
17 is intended to increase the number of academically or economically disadvantaged students
18 who enroll in and complete K-12 teacher education programs at the baccalaureate level and
19 teach in this state. Preference may not be given to participants on the basis of race,
20 color, ethnicity, gender, or national origin. Institutions should encourage participation
21 from those who would otherwise not adequately be represented in the teacher education
22 student population.

23 (2) The program described in this section must be administered by each state-approved
24 teacher education institution in a manner prescribed by the department of labor and
25 economic opportunity.

26 (3) Approved teacher education institutions may and are encouraged to use select
27 student support services funding in coordination with the Morris Hood, Jr. funding to
28 achieve the goals of the program described in this section.

29 Sec. 282. (1) Each institution receiving funds for fiscal year ~~2023-2024~~ **2024-2025**
30 under section 278, 279, or 281 shall provide to the department of labor and economic
31 opportunity by April 15, ~~2024~~ **2025** the unobligated and unexpended funds as of March 31,
32 ~~2024~~ **2025** and a plan to expend the remaining funds by the end of the fiscal year.

1 Notwithstanding the award limitations in sections 278 and 279, the amount of funding
2 reported as not being expended will be reallocated to the institutions that intend to
3 expend all funding received under section 278, 279, or 281.

4 (2) Funds received for the purpose of administering programs under sections 278, 279,
5 and 281 must not be used for direct financial aid or indirect financial aid. However, a
6 public university may provide academic incentives to motivate participating students as
7 approved by the department. As used in this subsection:

8 (a) "Direct financial aid" includes, but is not limited to, scholarships, payment of
9 tuition, stipends, and work-studies.

10 (b) "Indirect financial aid" includes, but is not limited to, transportation,
11 textbook allowances, child care support, and assistance with medical premiums or expenses.

ARTICLE IV

SUMMARY OF ANTICIPATED APPROPRIATIONS

Sec. 298. (1) Subject to the conditions set forth in this act, the amounts appropriated in this act for the fiscal year ending September 30, 2025 for the public schools, intermediate school districts, community colleges and public universities of this state, and certain other state purposes relating to education are anticipated to be the same amounts appropriated for the fiscal year ending September 30, 2026, with the following exceptions:

	Fiscal Year Ending September 30, 2025	Fiscal Year Ending September 30, 2026
(2) Appropriations for School Aid (Article I)		
Proposal A Obligation Payment (Sec. 22a)	4,008,000,000	3,924,000,000
Discretionary Payment (Sec. 22b)	6,550,000,000	6,510,000,000
Transportation Cost Reimbursements (Sec. 221)	125,000,000	0
MI Kids Back on Track (Sec. 23g)	150,000,000	0
Student Success Strategies (Sec. 25/)	5,000,000	0

1	Grow Your Own Teacher Supports (Sec. 27b)	50,000,000	0
2	Teacher Mentoring and Induction (Sec. 27h)	50,000,000	0
3	Enrollment Stability Supports (Sec. 29)	71,000,000	0
4	Expanded Breakfast/Lunch Programs (Sec. 30d)	200,000,000	170,000,000
5	TRAILS (Sec. 31p)	12,500,000	0
6	Mental Health and School Safety Per Pupil		
7	Payments (Sec. 31aa)	300,000,000	150,000,000
8	Great Start Readiness Program (Sec. 32d)	684,561,000	631,561,000
9	Improved Access to Books (Sec. 32p(6))	4,000,000	0
10	Professional Learning Early Literacy		
11	Supports (Sec. 35a(10))	10,000,000	0
12	Statewide Literacy Curriculum Supports (Sec. 35m) ..	155,000,000	0
13	READ Innovation Competition (Sec. 35n)	10,000,000	0
14	State Special Education Payments (Sec. 51a(2))	457,100,000	516,900,000
15	Special Education Headlee Obligations (Sec. 51c) ...	1,014,500,000	1,142,800,000
16	Special Education Foundation Allowance		
17	Payments (Sec. 51e)	514,400,000	513,800,000
18	CTE Equipment Upgrades (Sec. 61c)	15,000,000	0
19	Key Industries Pilot (Sec. 61v)	20,000,000	0
20	Michigan College Access Network (Sec. 67)	4,000,000	3,000,000
21	FAFSA Completion Challenge (Sec. 67f)	40,000,000	0
22	Peer Mentoring Supports (Sec. 97j)	1,000,000	0
23	Michigan Virtual University (Sec. 98)	9,800,000	9,300,000
24	Michigan Public School Employees Retirement		
25	System (Sec. 147a, 147c, 147e)	1,715,539,000	1,797,239,000
26	(3) Appropriations for Community Colleges (Article II)		
27	Michigan Public School Employees Retirement		
28	System (Sec. 201)	\$ 96,789,000	\$ 100,389,000
29	(4) Appropriations for Universities and Student Financial Aid (Article III)		
30	Michigan Public School Employees Retirement		
31	System (Sec. 236)	\$ 8,500,000	\$ 8,000,000

1 Enacting section 1. (1) In accordance with section 30 of article I of the state
2 constitution of 1963, total state spending on school aid under article I as amended by this
3 amendatory act from state sources for fiscal year 2024-2025 is estimated at
4 \$18,337,180,200.00 and state appropriations for school aid to be paid to local units of
5 government for fiscal year 2024-2025 are estimated at \$16,757,266,500.00.

6 (2) In accordance with section 30 of article IX of the state constitution of 1963,
7 total state spending from state sources for community colleges for fiscal year 2024-2025
8 under article II as amended by this amendatory act is estimated at \$465,920,800.00 and the
9 amount of that state spending from state sources to be paid to local units of government
10 for fiscal year 2024-2025 is estimated at \$465,920,800.00.

11 (3) In accordance with section 30 of article IX of the state constitution of 1963,
12 total state spending from state sources for higher education for fiscal year 2024-2025
13 under article III as amended by this amendatory act is estimated at \$2,310,997,000.00 and
14 the amount of that state spending from state sources to be paid to local units of
15 government for fiscal year 2024-2025 is estimated at \$0.

16 Enacting section 2. Sections 11v, 11w, 11y, 11aa, 12a, 23h, 23i, 25k, 27g, 27i, 27j,
17 27k, 27l, 27m, 27n, 27o, 27p, 27q, 31k, 31r, 31ff, 32t, 32v, 32w, 32x, 33, 35d, 35f, 35i,
18 35j, 35k, 35l, 41b, 61j, 61k, 61l, 61m, 61n, 61o, 61p, 61q, 61r, 61s, 61t, 61u, 67c, 67g,
19 74b, 95b, 97a, 97e, 97g, 97i, 97j, 97k, 97l, 98d, 99a, 99b, 99d, 99e, 99f, 99g, 99m, 99n,
20 99t, 99u, 99x, 99aa, 99ee, 99ff, 99gg, 99hh, 99ii, 99jj, 99kk, 99ll, 104f, 104i, 107a,
21 147f, 152b, 164h, 216c, 216d, 228, 236h, 236k, 236m, 236n, 236o, 241d, 263b, and 275d of
22 the state school aid act of 1979, 1979 PA 94, MCL 388.1611v, 388.1611w, 388.1611y,
23 388.1611aa, 388.1612a, 388.1623h, 388.1623i, 388.1625k, 388.1627g, 388.1627i, 388.1627j,
24 388.1627k, 388.1627l, 388.1627m, 388.1627n, 388.1627o, 388.1627p, 388.1627q, 388.1631k,
25 388.1631r, 388.1631ff, 388.1632t, 388.1632v, 388.1632w, 388.1632x, 388.1633, 388.1635d,
26 388.1635f, 388.1635i, 388.1635j, 388.1635k, 388.1635l, 388.1641b, 388.1661j, 388.1661k,
27 388.1661l, 388.1661m, 388.1661n, 388.1661o, 388.1661p, 388.1661q, 388.1661r, 388.1661s,
28 388.1661t, 388.1661u, 388.1667c, 388.1667g, 388.1674b, 388.1695b, 388.1697a, 388.1697e,
29 388.1697g, 388.1697i, 388.1697j, 388.1697k, 388.1697l, 388.1698d, 388.1699a, 388.1699b,
30 388.1699d, 388.1699e, 388.1699f, 388.1699g, 388.1699m, 388.1699n, 388.1699t, 388.1699u,
31 388.1699x, 388.1699aa, 388.1699ee, 388.1699ff, 388.1699gg, 388.1699hh, 388.1699ii,
32 388.1699jj, 388.1699kk, 388.1699ll, 388.1704f, 388.1704i, 388.1707a, 388.1747f, 388.1752b,

1 388.1764h, 388.1816c, 388.1816d, 388.1828, 388.1836h, 388.1836k, 388.1836m, 388.1836n,
2 388.1836o, 388.1841d, 388.1863b, and 388.1875d are repealed effective October 1, 2024.
3 Enacting section 3. This amendatory act takes effect October 1, 2024.