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Fiscal Years 2026 and 2027
Executive Budget Recommendation
Education Omnibus

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979," by amending sections 6, 11, 11a, 11j, 11k, 11m, 11s, 11x, 11z, 15, 20, 20d, 21h, 22a, 22b, 22c, 22d, 22k, 22l, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27b, 27c, 27p, 27r, 28, 29, 30d, 31a, 31d, 31f, 31j, 31n, 31aa, 32d, 32n, 32p, 32t, 35a, 39, 39a, 41, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54b, 54d, 56, 61a, 61b, 61d, 62, 65, 67, 67f, 74, 81, 94, 94a, 94e, 97g, 98, 99h, 99s, 101, 104, 104b, 104h, 107, 111, 147, 147a, 147c, 147e, 147g, 152a, 161a, 201, 206, 207a, 207b, 207c, 210, 210b, 210d, 217a, 217b, 222, 229a, 230, 236, 236c, 236j, 241, 241a, 241c, 244, 247, 248, 248a, 263, 264, 268, 269, 270, 270c, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, and 286 (MCL 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1611x, 388.1611z, 388.1615, 388.1620, 388.1620d, 388.1621h, 388.1622a, 388.1622b, 388.1622c, 388.1622d, 388.1622k, 388.1622l, 388.1622m, 388.1622p, 388.1624, 388.1624a, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1626d, 388.1627a, 388.1627b, 388.1627c,

1 388.1627p, 388.1627r, 388.1628, 388.1629, 388.1630d, 388.1631a, 388.1631d, 388.1631f,
2 388.1631j, 388.1631n, 388.1631aa, 388.1632d, 388.1632n, 388.1632p, 388.1632t, 388.1635a,
3 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1651e, 388.1651g,
4 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1656, 388.1661a, 388.1661b, 388.1661d,
5 388.1662, 388.1665, 388.1667, 388.1667f, 388.1674, 388.1681, 388.1694, 388.1694a,
6 388.1694e, 388.1697g, 388.1698, 388.1699h, 388.1699s, 388.1701, 388.1704, 388.1704b,
7 388.1704h, 388.1707, 388.1711, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1747g,
8 388.1752a, 388.1761a, 388.1801, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1810,
9 388.1810b, 388.1810d, 388.1817a, 388.1817b, 388.1822, 388.1829a, 388.1830, 388.1836,
10 388.1836c, 388.1836j, 388.1841, 388.1841a, 388.1841c, 388.1844, 388.1847, 388.1848,
11 388.1848a, 388.1863, 388.1864, 388.1868, 388.1869, 388.1870, 388.1870c, 388.1876, 388.1877,
12 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1885, and
13 388.1886), sections 6 and 97g as amended by 2023 PA 320, sections 11 and 31aa as amended
14 2024 PA 248, sections 11a, 11j, 11k, 11m, 11s, 11z, 15, 20, 20d, 21h, 22a, 22b, 22c, 22d,
15 22l, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27c, 27p, 28, 29, 30d, 31a, 31d,
16 31f, 31j, 31n, 32d, 32n, 32p, 35a, 39, 39a, 41, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54b, 54d,
17 56, 61a, 61b, 61d, 62, 65, 67, 67f, 74, 81, 94, 94a, 98, 99h, 99s, 104, 104h, 107, 147,
18 147a, 147c, 147e, 152a, 201, 206, 207a, 207b, 207c, 217b, 222, 229a, 230, 236, 236c, 236j,
19 241, 241a, 241c, 244, 248, 248a, 263, 264, 268, 269, 270c, 276, 277, 278, 279, 280, 281,
20 and 282 as amended by and sections 27r, 94e, 147g, 247, 270 as added by 2024 PA 120,
21 sections 11x, 27b, 32t, 101, and 283 as amended by and sections 22k and 217a as added by
22 2023 PA 103, section 104b as amended by 2018 PA 265, section 111 as amended by 1997 PA 93,
23 section 161a as amended by 2006 PA 342, section 210 as amended and section 210d as added by
24 2015 PA 85, sections 210b, 285, and 286 as amended by 2021 PA 86, section 284 as amended by
25 2017 PA 108, and by adding sections 12f, 16, 16a, 16b, 16c, 16d, 16e, 61c, 61v, and 74d;
26 and to repeal acts and parts of acts.

27

28

The People of the State of Michigan Enact:

29

ARTICLE I

30

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

31

32

Sec. 6. (1) "Center program" means a program operated by a district or by an

1 intermediate district for special education pupils from several districts in programs for
2 pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with
3 moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing
4 impairment, pupils with visual impairment, and pupils with physical impairment or other
5 health impairment. Programs for pupils with emotional impairment housed in buildings that
6 do not serve regular education pupils also qualify. Unless otherwise approved by the
7 department, a center program either serves all constituent districts within an intermediate
8 district or serves several districts with less than 50% of the pupils residing in the
9 operating district. In addition, special education center program pupils placed part-time
10 in noncenter programs to comply with the least restrictive environment provisions of
11 section 1412 of the individuals with disabilities education act, 20 USC 1412, may be
12 considered center program pupils for pupil accounting purposes for the time scheduled in
13 either a center program or a noncenter program.

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

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

21 (4) "Membership", except as otherwise provided in this article, means for a district,
22 a public school academy, or an intermediate district the sum of the product of .90 times
23 the number of full-time equated pupils in grades K to 12 actually enrolled and in regular
24 daily attendance in the district, public school academy, or intermediate district on the
25 pupil membership count day for the current school year, plus the product of .10 times the
26 final audited count from the supplemental count day of full-time equated pupils in grades K
27 to 12 actually enrolled and in regular daily attendance in the district, public school
28 academy, or intermediate district for the immediately preceding school year. A district's,
29 public school academy's, or intermediate district's membership is adjusted as provided
30 under section 25e for pupils who enroll after the pupil membership count day in a strict
31 discipline academy operating under sections 1311b to 1311m of the revised school code, MCL
32 380.1311b to 380.1311m. All pupil counts used in this subsection are as determined by the

1 department and calculated by adding the number of pupils registered for attendance plus
2 pupils received by transfer and minus pupils lost as defined by rules promulgated by the
3 superintendent, and as corrected by a subsequent department audit. The amount of the
4 foundation allowance for a pupil in membership is determined under section 20. In making
5 the calculation of membership, all of the following, as applicable, apply to determining
6 the membership of a district, a public school academy, or an intermediate district:

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

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

18 (c) A special education pupil educated by the intermediate district is counted in
19 membership in the intermediate district.

20 (d) A pupil placed by a court or state agency in an on-grounds program of a juvenile
21 detention facility, a child caring institution, or a mental health institution, or a pupil
22 funded under section 53a, is counted in membership in the district or intermediate district
23 approved by the department to operate the program.

24 (e) A pupil enrolled in the Michigan Schools for the Deaf and Blind is counted in
25 membership in the pupil's intermediate district of residence.

26 (f) A pupil enrolled in a career and technical education program supported by a
27 millage levied over an area larger than a single district or in an area vocational-
28 technical education program established under section 690 of the revised school code, MCL
29 380.690, is counted in membership only in the pupil's district of residence.

30 (g) A pupil enrolled in a public school academy is counted in membership in the
31 public school academy.

32 (h) For the purposes of this section and section 6a, for a cyber school, as that term

1 is defined in section 551 of the revised school code, MCL 380.551, that is in compliance
2 with section 553a of the revised school code, MCL 380.553a, a pupil's participation in the
3 cyber school's educational program is considered regular daily attendance, and for a
4 district or public school academy, a pupil's participation in a virtual course as that term
5 is defined in section 21f is considered regular daily attendance. Beginning July 1, 2021,
6 this subdivision is subject to section 8c. It is the intent of the legislature that the
7 immediately preceding sentence apply retroactively and is effective July 1, 2021. For the
8 purposes of this subdivision, for a pupil enrolled in a cyber school, all of the following
9 apply with regard to the participation requirement as described in this subdivision:

10 (i) Except as otherwise provided in this subdivision, the pupil shall participate in
11 each scheduled course on pupil membership count day or supplemental count day, as
12 applicable. If the pupil is absent on pupil membership count day or supplemental count day,
13 as applicable, the pupil must attend and participate in class during the next 10
14 consecutive school days if the absence was unexcused, or during the next 30 calendar days
15 if the absence was excused.

16 (ii) For a pupil who is not learning sequentially, 1 or more of the following must be
17 met on pupil membership count day or supplemental count day, as applicable, for each
18 scheduled course to satisfy the participation requirement under this subdivision:

19 (A) The pupil attended a live lesson from the teacher.

20 (B) The pupil logged into a lesson or lesson activity and the login can be
21 documented.

22 (C) The pupil and teacher engaged in a subject-oriented telephone conversation.

23 (D) There is documentation of an email dialogue between the pupil and teacher.

24 (E) There is documentation of activity or work between the learning coach and pupil.

25 (F) An alternate form of attendance as determined and agreed upon by the cyber school
26 and the pupil membership auditor was met.

27 (iii) For a pupil using sequential learning, the participation requirement under this
28 subdivision is satisfied if either of the following occurs:

29 (A) Except as otherwise provided in this sub-subparagraph, the pupil and the teacher
30 of record or mentor complete a 2-way interaction for 1 course during the week on which
31 pupil membership count day or supplemental count day, as applicable, occurs, and the 3
32 consecutive weeks following that week. However, if a school break is scheduled during any

1 of the weeks described in this sub-subparagraph that is 4 or more days in length or
2 instruction has been canceled districtwide during any of the weeks described in this sub-
3 subparagraph for 3 or more school days, the district is not required to ensure that the
4 pupil and the teacher of record or mentor completed a 2-way interaction for that week. As
5 used in this sub-subparagraph:

6 (I) "2-way interaction" means the communication that occurs between the teacher of
7 record or mentor and pupil, where 1 party initiates communication and a response from the
8 other party follows that communication. Responses as described in this sub-sub-subparagraph
9 must be to the communication initiated by the teacher of record or mentor, and not some
10 other action taken. This interaction may occur through, but is not limited to, means such
11 as email, telephone, instant messaging, or face-to-face conversation. A parent- or legal-
12 guardian-facilitated 2-way interaction is considered a 2-way interaction if the pupil is in
13 any of grades K to 5 and does not yet possess the skills necessary to participate in 2-way
14 interactions unassisted. The interactions described in this sub-sub-subparagraph must
15 relate to a virtual course on the pupil's schedule and pertain to course content or
16 progress.

17 (II) "Mentor" means a professional employee of the district who monitors the pupil's
18 progress, ensures the pupil has access to needed technology, is available for assistance,
19 and ensures access to the teacher of record. A mentor may also be the teacher of record if
20 the mentor meets the definition of a teacher of record under this sub-subparagraph and the
21 district is the provider for the course.

22 (III) "Teacher of record" means a teacher to whom all of the following apply:

23 (1) The teacher is responsible for providing instruction, determining instructional
24 methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing
25 intervention strategies and modifying lessons, reporting outcomes, and evaluating the
26 effects of instruction and support strategies. The teacher of record may coordinate the
27 distribution and assignment of the responsibilities described in this sub-sub-sub-
28 subparagraph with other teachers participating in the instructional process for a course.

29 (2) The teacher is certified for the grade level or is working under a valid
30 substitute permit, authorization, or approval issued by the department.

31 (3) The teacher has a personnel identification code provided by the center.

32 (IV) "Week" means a period that starts on Wednesday and ends the following Tuesday.

1 (B) The pupil completes a combination of 1 or more of the following activities for
2 each scheduled course on pupil membership count day or supplemental count day, as
3 applicable:

4 (I) Documented attendance in a virtual course where synchronous, live instruction
5 occurred with the teacher.

6 (II) Documented completion of a course assignment.

7 (III) Documented completion of a course lesson or lesson activity.

8 (IV) Documented pupil access to an ongoing lesson, which does not include a login.

9 (V) Documented physical attendance on pupil membership count day or supplemental
10 count day, as applicable, in each scheduled course, if the pupil will attend at least 50%
11 of the instructional time for each scheduled course on-site, face-to-face with the teacher
12 of record. As used in this sub-sub-subparagraph, "teacher of record" means that term as
13 defined in subparagraph (iii) (A).

14 (iv) For purposes of subparagraph (iii), each scheduled course currently being
15 attempted by the pupil, rather than every course on the pupil's schedule for the entire
16 term, is considered a part of each scheduled course for the pupil.

17 (i) For a new district or public school academy beginning its operation after
18 December 31, 1994, membership for the first 2 full or partial fiscal years of operation is
19 determined as follows:

20 (i) If operations begin before the pupil membership count day for the fiscal year,
21 membership is the average number of full-time equated pupils in grades K to 12 actually
22 enrolled and in regular daily attendance on the pupil membership count day for the current
23 school year and on the supplemental count day for the current school year, as determined by
24 the department and calculated by adding the number of pupils registered for attendance on
25 the pupil membership count day plus pupils received by transfer and minus pupils lost as
26 defined by rules promulgated by the superintendent, and as corrected by a subsequent
27 department audit, plus the final audited count from the supplemental count day for the
28 current school year, and dividing that sum by 2.

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

1 (j) If a district is the authorizing body for a public school academy, then, in the
2 first school year in which pupils are counted in membership on the pupil membership count
3 day in the public school academy, the determination of the district's membership excludes
4 from the district's pupil count for the immediately preceding supplemental count day any
5 pupils who are counted in the public school academy on that first pupil membership count
6 day who were also counted in the district on the immediately preceding supplemental count
7 day.

8 (k) For an extended school year program approved by the superintendent, a pupil
9 enrolled, but not scheduled to be in regular daily attendance, on a pupil membership count
10 day, is counted in membership.

11 (l) To be counted in membership, a pupil must meet the minimum age requirement to be
12 eligible to attend school under section 1147 of the revised school code, MCL 380.1147, and
13 must be less than 20 years of age on September 1 of the school year except as follows:

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

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

20 (A) Is enrolled in a public school academy or an alternative education high school
21 diploma program, that is primarily focused on educating pupils with extreme barriers to
22 education, such as being homeless as that term is defined under 42 USC 11302.

23 (B) Had dropped out of school.

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

25 (iii) If a child does not meet the minimum age requirement to be eligible to attend
26 school for that school year under section 1147 of the revised school code, MCL 380.1147,
27 but will be 5 years of age not later than December 1 of that school year, the district may
28 count the child in membership for that school year if the parent or legal guardian has
29 notified the district in writing that the parent or legal guardian intends to enroll the
30 child in kindergarten for that school year.

31 (m) An individual who has achieved a high school diploma is not counted in
32 membership. An individual who has achieved a high school equivalency certificate is not

1 counted in membership unless the individual is a student with a disability as that term is
2 defined in R 340.1702 of the Michigan Administrative Code. An individual participating in a
3 job training program funded under former section 107a or a jobs program funded under former
4 section 107b, administered by the department of labor and economic opportunity, or
5 participating in any successor of either of those 2 programs, is not counted in membership.

6 (n) If a pupil counted in membership in a public school academy is also educated by a
7 district or intermediate district as part of a cooperative education program, the pupil is
8 counted in membership only in the public school academy unless a written agreement signed
9 by all parties designates the party or parties in which the pupil is counted in membership,
10 and the instructional time scheduled for the pupil in the district or intermediate district
11 is included in the full-time equated membership determination under subdivision (q) and
12 section 101. However, for pupils receiving instruction in both a public school academy and
13 in a district or intermediate district but not as a part of a cooperative education
14 program, the following apply:

15 (i) If the public school academy provides instruction for at least 1/2 of the class
16 hours required under section 101, the public school academy receives as its prorated share
17 of the full-time equated membership for each of those pupils an amount equal to 1 times the
18 product of the hours of instruction the public school academy provides divided by the
19 number of hours required under section 101 for full-time equivalency, and the remainder of
20 the full-time membership for each of those pupils is allocated to the district or
21 intermediate district providing the remainder of the hours of instruction.

22 (ii) If the public school academy provides instruction for less than 1/2 of the class
23 hours required under section 101, the district or intermediate district providing the
24 remainder of the hours of instruction receives as its prorated share of the full-time
25 equated membership for each of those pupils an amount equal to 1 times the product of the
26 hours of instruction the district or intermediate district provides divided by the number
27 of hours required under section 101 for full-time equivalency, and the remainder of the
28 full-time membership for each of those pupils is allocated to the public school academy.

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

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

3 (q) The number of class hours used to calculate full-time equated memberships must be
4 consistent with section 101. In determining full-time equated memberships for pupils who
5 are enrolled in a postsecondary institution or for pupils engaged in an internship or work
6 experience under section 1279h of the revised school code, MCL 380.1279h, a pupil is not
7 considered to be less than a full-time equated pupil solely because of the effect of the
8 pupil's postsecondary enrollment or engagement in the internship or work experience,
9 including necessary travel time, on the number of class hours provided by the district to
10 the pupil.

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

22 (s) For a district or a public school academy that has pupils enrolled in a grade
23 level that was not offered by the district or public school academy in the immediately
24 preceding school year, the number of pupils enrolled in that grade level to be counted in
25 membership is the average of the number of those pupils enrolled and in regular daily
26 attendance on the pupil membership count day and the supplemental count day of the current
27 school year. Membership is calculated by adding the number of pupils registered for
28 attendance in that grade level on the pupil membership count day plus pupils received by
29 transfer and minus pupils lost as defined by rules promulgated by the superintendent, and
30 as corrected by subsequent department audit, plus the final audited count from the
31 supplemental count day for the current school year, and dividing that sum by 2.

32 (t) A pupil enrolled in a cooperative education program may be counted in membership

1 in the pupil's district of residence with the written approval of all parties to the
2 cooperative agreement.

3 (u) If, as a result of a disciplinary action, a district determines through the
4 district's alternative or disciplinary education program that the best instructional
5 placement for a pupil is in the pupil's home or otherwise apart from the general school
6 population, if that placement is authorized in writing by the district superintendent and
7 district alternative or disciplinary education supervisor, and if the district provides
8 appropriate instruction as described in this subdivision to the pupil at the pupil's home
9 or otherwise apart from the general school population, the district may count the pupil in
10 membership on a pro rata basis, with the proration based on the number of hours of
11 instruction the district actually provides to the pupil divided by the number of hours
12 required under section 101 for full-time equivalency. For the purposes of this subdivision,
13 a district is considered to be providing appropriate instruction if all of the following
14 are met:

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

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

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

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

23 (v) If a pupil was enrolled in a public school academy on the pupil membership count
24 day, if the public school academy's contract with its authorizing body is revoked or the
25 public school academy otherwise ceases to operate, and if the pupil enrolls in a district
26 within 45 days after the pupil membership count day, the department shall adjust the
27 district's pupil count for the pupil membership count day to include the pupil in the
28 count.

29 (w) For a public school academy that has been in operation for at least 2 years and
30 that suspended operations for at least 1 semester and is resuming operations, membership is
31 the sum of the product of .90 times the number of full-time equated pupils in grades K to
32 12 actually enrolled and in regular daily attendance on the first pupil membership count

1 day or supplemental count day, whichever is first, occurring after operations resume, plus
2 the product of .10 times the final audited count from the most recent pupil membership
3 count day or supplemental count day that occurred before suspending operations, as
4 determined by the superintendent.

5 (x) If a district's membership for a particular fiscal year, as otherwise calculated
6 under this subsection, would be less than 1,550 pupils, the district has 4.5 or fewer
7 pupils per square mile, as determined by the department, and the district does not receive
8 funding under section 22d(2), the district's membership is considered to be the membership
9 figure calculated under this subdivision. If a district educates and counts in its
10 membership pupils in grades 9 to 12 who reside in a contiguous district that does not
11 operate grades 9 to 12 and if 1 or both of the affected districts request the department to
12 use the determination allowed under this sentence, the department shall include the square
13 mileage of both districts in determining the number of pupils per square mile for each of
14 the districts for the purposes of this subdivision. If a district has established a
15 community engagement advisory committee in partnership with the department of treasury, is
16 required to submit a deficit elimination plan or an enhanced deficit elimination plan under
17 section 1220 of the revised school code, MCL 380.1220, and is located in a city with a
18 population between 9,000 and 11,000, as determined by the department, that is in a county
19 with a population between 150,000 and 160,000, as determined by the department, the
20 district's membership is considered to be the membership figure calculated under this
21 subdivision. The membership figure calculated under this subdivision is the greater of the
22 following:

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

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

29 (y) Full-time equated memberships for special education pupils who are not enrolled
30 in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan
31 Administrative Code are determined by dividing the number of class hours scheduled and
32 provided per year by 450. Full-time equated memberships for special education pupils who

1 are not enrolled in kindergarten but are receiving early childhood special education
2 services under R 340.1755 or R 340.1862 of the Michigan Administrative Code are determined
3 by dividing the number of hours of service scheduled and provided per year per pupil by
4 180.

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

9 (aa) For the first year in which a pupil is counted in membership on the pupil
10 membership count day in a middle college program, the membership is the average of the
11 full-time equated membership on the pupil membership count day and on the supplemental
12 count day for the current school year, as determined by the department. If a pupil
13 described in this subdivision was counted in membership by the operating district on the
14 immediately preceding supplemental count day, the pupil is excluded from the district's
15 immediately preceding supplemental count for the purposes of determining the district's
16 membership.

17 (bb) A district or public school academy that educates a pupil who attends a United
18 States Olympic Education Center may count the pupil in membership regardless of whether or
19 not the pupil is a resident of this state.

20 (cc) A pupil enrolled in a district other than the pupil's district of residence
21 under section 1148(2) of the revised school code, MCL 380.1148, is counted in the educating
22 district.

23 (dd) For a pupil enrolled in a dropout recovery program that meets the requirements
24 of section 23a, the pupil is counted as 1/12 of a full-time equated membership for each
25 month that the district operating the program reports that the pupil was enrolled in the
26 program and was in full attendance. However, if the special membership counting provisions
27 under this subdivision and the operation of the other membership counting provisions under
28 this subsection result in a pupil being counted as more than 1.0 FTE in a fiscal year, the
29 payment made for the pupil under sections 22a and 22b must not be based on more than 1.0
30 FTE for that pupil, and any portion of an FTE for that pupil that exceeds 1.0 is instead
31 paid under section 25g. The district operating the program shall report to the center the
32 number of pupils who were enrolled in the program and were in full attendance for a month

1 not later than 30 days after the end of the month. A district shall not report a pupil as
2 being in full attendance for a month unless both of the following are met:

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

5 (ii) Either of the following is met:

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

13 (B) For the first 2 months that the pupil participates in the program, the pupil
14 earns 0.25 credit by the end of the second month. A pupil described in this sub-
15 subparagraph may be retroactively reported as being in full attendance for the first month
16 that the pupil participated in the program.

17 (ee) A pupil participating in a virtual course under section 21f is counted in
18 membership in the district enrolling the pupil.

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

27 (gg) If a special education pupil is expelled under section 1311 or 1311a of the
28 revised school code, MCL 380.1311 and 380.1311a, and is not in attendance on the pupil
29 membership count day because of the expulsion, and if the pupil remains enrolled in the
30 district and resumes regular daily attendance during that school year, the district's
31 membership is adjusted to count the pupil in membership as if the pupil had been in
32 attendance on the pupil membership count day.

1 (hh) A pupil enrolled in a community district is counted in membership in the
2 community district.

3 (ii) A part-time pupil enrolled in a nonpublic school in grades K to 12 in accordance
4 with section 166b must not be counted as more than 0.75 of a full-time equated membership.

5 (jj) A district that borders another state or a public school academy that operates
6 at least grades 9 to 12 and is located within 20 miles of a border with another state may
7 count in membership a pupil who is enrolled in a course at a college or university that is
8 located in the bordering state and within 20 miles of the border with this state if all of
9 the following are met:

10 (i) The pupil would meet the definition of an eligible student under the
11 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, if the course
12 were an eligible course under that act.

13 (ii) The course in which the pupil is enrolled would meet the definition of an
14 eligible course under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
15 388.524, if the course were provided by an eligible postsecondary institution under that
16 act.

17 (iii) The department determines that the college or university is an institution that,
18 in the other state, fulfills a function comparable to a state university or community
19 college, as those terms are defined in section 3 of the postsecondary enrollment options
20 act, 1996 PA 160, MCL 388.513, or is an independent nonprofit degree-granting college or
21 university.

22 (iv) The district or public school academy pays for a portion of the pupil's tuition
23 at the college or university in an amount equal to the eligible charges that the district
24 or public school academy would pay to an eligible postsecondary institution under the
25 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, as if the course
26 were an eligible course under that act.

27 (v) The district or public school academy awards high school credit to a pupil who
28 successfully completes a course as described in this subdivision.

29 (kk) A pupil enrolled in a middle college program may be counted for more than a
30 total of 1.0 full-time equated membership for any of the school years in which the pupil is
31 enrolled in the middle college program, but the total full-time equated membership for that
32 pupil for all of the school years in which the pupil is enrolled in high school must not be

1 greater than 5.00 full-time equated membership if the pupil is enrolled in more than the
2 minimum number of instructional days and hours required under section 101 and the pupil is
3 expected to complete the 5-year program with both a high school diploma and at least 60
4 transferable college credits or is expected to earn an associate's degree in fewer than 5
5 years. A pupil who graduates with both a high school diploma and at least 60 transferable
6 college credits or an associate degree at least 1 semester early is considered to have
7 completed the middle college program in fewer than 5 years.

8 (II) If a district's or public school academy's membership for a particular fiscal
9 year, as otherwise calculated under this subsection, includes pupils counted in membership
10 who are enrolled under section 166b, all of the following apply for the purposes of this
11 subdivision:

12 (i) If the district's or public school academy's membership for pupils counted under
13 section 166b equals or exceeds 5% of the district's or public school academy's membership
14 for pupils not counted in membership under section 166b in the immediately preceding fiscal
15 year, then the growth in the district's or public school academy's membership for pupils
16 counted under section 166b must not exceed 10%.

17 (ii) If the district's or public school academy's membership for pupils counted under
18 section 166b is less than 5% of the district's or public school academy's membership for
19 pupils not counted in membership under section 166b in the immediately preceding fiscal
20 year, then the district's or public school academy's membership for pupils counted under
21 section 166b must not exceed the greater of the following:

22 (A) Five percent of the district's or public school academy's membership for pupils
23 not counted in membership under section 166b.

24 (B) Ten percent more than the district's or public school academy's membership for
25 pupils counted under section 166b in the immediately preceding fiscal year.

26 (iii) If 1 or more districts consolidate or are parties to an annexation, then the
27 calculations under subparagraphs (i) and (ii) must be applied to the combined total
28 membership for pupils counted in those districts for the fiscal year immediately preceding
29 the consolidation or annexation.

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

32 (6) "Pupil" means an individual in membership in a public school. A district must

1 have the approval of the pupil's district of residence to count the pupil in membership,
2 except approval by the pupil's district of residence is not required for any of the
3 following:

4 (a) A nonpublic part-time pupil enrolled in grades K to 12 in accordance with section
5 166b.

6 (b) A pupil receiving 1/2 or less of the pupil's instruction in a district other than
7 the pupil's district of residence.

8 (c) A pupil enrolled in a public school academy.

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

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

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

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

28 (f) A pupil whose district of residence changed after the pupil membership count day
29 and before the supplemental count day and who continues to be enrolled on the supplemental
30 count day as a nonresident in the district in which the pupil was enrolled as a resident on
31 the pupil membership count day of the same school year.

32 (g) A pupil enrolled in an alternative education program operated by a district other

1 than the pupil's district of residence who meets 1 or more of the following:

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

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

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

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

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

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

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

17 (k) A pupil enrolled in a district other than the pupil's district of residence in a
18 middle college program if the pupil's district of residence and the enrolling district are
19 both constituent districts of the same intermediate district.

20 (l) A pupil enrolled in a district other than the pupil's district of residence who
21 attends a United States Olympic Education Center.

22 (m) A pupil enrolled in a district other than the pupil's district of residence under
23 section 1148(2) of the revised school code, MCL 380.1148.

24 (n) A pupil who enrolls in a district other than the pupil's district of residence as
25 a result of the pupil's school not making adequate yearly progress under the no child left
26 behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-
27 95.

28 However, if a district educates pupils who reside in another district and if the
29 primary instructional site for those pupils is established by the educating district after
30 2009-2010 and is located within the boundaries of that other district, the educating
31 district must have the approval of that other district to count those pupils in membership.

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

1 (a) Except as provided in subdivision (b) or (c), either of the following:

2 (i) The first Wednesday in October each school year.

3 (ii) For a district or building in which school is not in session on the Wednesday
4 described in subparagraph (i) due to conditions not within the control of school
5 authorities, with the approval of the superintendent, the immediately following day on
6 which school is in session in the district or building.

7 (b) Except as otherwise provided in subdivision (c), for a district or intermediate
8 district maintaining school during the entire school year, the following days:

9 (i) Fourth Wednesday in July.

10 (ii) First Wednesday in October.

11 (iii) Second Wednesday in February.

12 (iv) Fourth Wednesday in April.

13 (c) If a date listed in subdivision (a) or (b) is on a day of religious or cultural
14 significance, as determined by the district or intermediate district, the immediately
15 following day on which school is in session in the district or building.

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

1 1.0 full-time equated membership if the pupil resumed attendance in the district,
2 intermediate district, or public school academy within 45 days after the pupil membership
3 count day or supplemental count day of that particular year. Except as otherwise provided
4 in this section, a pupil not counted as 1.0 full-time equated membership due to an absence
5 from a class is counted as a prorated membership for the classes the pupil attended. For
6 purposes of this subsection:

7 (a) "Appropriately placed" means holding a valid Michigan educator credential with
8 the required grade range and discipline or subject area for the assignment, as defined by
9 the superintendent of public instruction.

10 (b) "Class" means ~~either of the following, as applicable:~~

11 ~~(i) A period of time in 1 day when pupils and an individual who is appropriately~~
12 ~~placed under a valid certificate, substitute permit, authorization, or approval issued by~~
13 ~~the department, are together and instruction is taking place. This subdivision does not~~
14 ~~apply for the 2020-2021, 2021-2022, 2022-2023, and 2023-2024 school years.~~

15 ~~(ii) For the 2020-2021, 2021-2022, 2022-2023, and 2023-2024 school years only, a~~
16 period of time in 1 day when pupils and a certificated teacher, a teacher engaged to teach
17 under section 1233b of the revised school code, MCL 380.1233b, or an individual working
18 under a valid substitute permit, authorization, or approval issued by the department are
19 together and instruction is taking place.

20 (9) "Rule" means a rule promulgated pursuant to the administrative procedures act of
21 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

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

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

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

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

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

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

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

13 (18) "Taxable value" means, except as otherwise provided in this article, the taxable
14 value of property as determined under section 27a of the general property tax act, 1893 PA
15 206, MCL 211.27a.

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

21 (20) "Total state aid" or "total state school aid", except as otherwise provided in
22 this article, means the total combined amount of all funds due to a district, intermediate
23 district, or other entity under this article.

24 Sec. 11. (1) ~~For the fiscal year ending September 30, 2024, there is appropriated for~~
25 ~~the public schools of this state and certain other state purposes relating to education the~~
26 ~~sum of \$18,418,357,800.00 from the state school aid fund, the sum of \$87,900,000.00 from~~
27 ~~the general fund, an amount not to exceed \$72,000,000.00 from the community district~~
28 ~~education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489,~~
29 ~~MCL 12.262, an amount not to exceed \$245,000,000.00 from the school consolidation and~~
30 ~~infrastructure fund created under section 11x, an amount not to exceed \$125,000,000.00 from~~
31 ~~the school transportation fund created under section 22k, an amount not to exceed~~
32 ~~\$71,000,000.00 from the enrollment stabilization fund created under section 29, an amount~~

1 ~~not to exceed \$90,000,000.00 from the school meals reserve fund created under section 30e,~~
2 ~~an amount not to exceed \$18,000,000.00 from the great start readiness program reserve fund~~
3 ~~created under section 32e, and an amount not to exceed \$240,650,000.00 from the MPSEERS~~
4 ~~retirement obligation reform reserve fund created under section 147b.~~ For the fiscal year
5 ending September 30, ~~2025,~~ **2026**, there is appropriated for the public schools of this state
6 and certain other state purposes relating to education the sum of ~~\$17,643,551,300.00~~
7 **\$18,486,998,000.00** from the state school aid fund, the sum of ~~\$78,830,600.00~~ **\$53,576,100.00**
8 from the general fund, ~~an amount not to exceed \$41,000,000.00 from the community district~~
9 ~~education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489,~~
10 ~~MCL 12.262,~~ an amount not to exceed \$125,000,000.00 from the school transportation fund
11 created under section 22k, an amount not to exceed \$71,000,000.00 from the enrollment
12 stabilization fund created under section 29, ~~an amount not to exceed \$30,000,000.00 from~~
13 ~~the school meals reserve fund created under section 30e,~~ an amount not to exceed
14 \$18,000,000.00 from the great start readiness program reserve fund created under section
15 32e, and an amount not to exceed \$30,000,000.00 from the educator fellowship public
16 provider fund created in section 27d. In addition, all available federal funds are only
17 appropriated as allocated in this article for the fiscal ~~years year~~ ending ~~September 30,~~
18 ~~2024 and~~ September 30, ~~2025.~~ **2026.**

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

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

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

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

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

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

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

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

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

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

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

23 (7) For ~~2024-2025~~, **2025-2026**, in addition to the appropriations in section 11, there
24 is appropriated from the school aid stabilization fund to the state school aid fund the
25 amount necessary to fully fund the allocations under this article.

26 Sec. 11j. From the state school aid fund money appropriated in section 11, there is
27 allocated an amount not to exceed \$23,000,000.00 for ~~2024-2025~~ **2025-2026** for payments to
28 the school loan bond redemption fund in the department of treasury on behalf of districts
29 and intermediate districts. Notwithstanding section 296 or any other provision of this act,
30 funds allocated under this section are not subject to proration and must be paid in full.

31 Sec. 11k. For ~~2024-2025~~, **2025-2026**, there is appropriated from the general fund to
32 the school loan revolving fund an amount equal to the amount of school bond loans assigned

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

5 Sec. 11m. From the state school aid fund money appropriated in section 11, there is
6 allocated for ~~2024-2025~~ **2025-2026** an amount not to exceed ~~\$1,000,000.00~~ **\$5,000,000.00** for
7 fiscal year cash-flow borrowing costs solely related to the state school aid fund
8 established under section 11 of article IX of the state constitution of 1963.

9 Sec. 11s. (1) From the state school aid fund money appropriated in section 11, there
10 is allocated \$5,000,000.00 for ~~2024-2025~~ **2025-2026** and from the general fund money
11 appropriated in section 11, there is allocated \$3,075,000.00 for ~~2024-2025~~ **2025-2026** for
12 the purpose of providing services and programs to children who reside within the boundaries
13 of a district with the majority of its territory located within the boundaries of a city
14 for which an executive proclamation of emergency concerning drinking water is issued in the
15 current or immediately preceding ~~9-10~~ fiscal years under the emergency management act, 1976
16 PA 390, MCL 30.401 to 30.421, and that has at least 4,500 pupils in membership for the
17 2016-2017 fiscal year or has at least ~~2,700~~ **2,600** pupils in membership for a fiscal year
18 after 2016-2017.

19 (2) From the general fund money allocated in subsection (1), there is allocated to a
20 district with the majority of its territory located within the boundaries of a city for
21 which an executive proclamation of emergency concerning drinking water is issued in the
22 current or immediately preceding ~~9-10~~ fiscal years under the emergency management act, 1976
23 PA 390, MCL 30.401 to 30.421, and that has at least 4,500 pupils in membership for the
24 2016-2017 fiscal year or has at least ~~2,700~~ **2,600** pupils in membership for a fiscal year
25 after 2016-2017, an amount not to exceed \$2,425,000.00 for ~~2024-2025~~ **2025-2026** for the
26 purpose of employing school nurses, classroom aides, school social workers, and community
27 health workers; for the provision of behavioral or mental health supports, parental
28 engagement activities, community coordination activities, and other support services; and
29 for purchasing program supplies. The district shall provide a report to the department in a
30 form, manner, and frequency prescribed by the department. The department shall provide a
31 copy of that report to the governor, the house and senate school aid subcommittees, the
32 house and senate fiscal agencies, and the state budget director within 5 days after

1 receipt. The report must provide at least the following information:

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

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

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

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

7 (3) For ~~2024-2025~~, **2025-2026**, from the general fund money allocated in subsection
8 (1), there is allocated an amount not to exceed \$650,000.00 for nutritional services to
9 children described in subsection (1).

10 (4) For ~~2024-2025~~, **2025-2026**, from the state school aid fund money allocated in
11 subsection (1), there is allocated an amount not to exceed \$5,000,000.00 to an intermediate
12 district that has a constituent district described in subsection (2) for interventions and
13 supports for students in grades K to 12 who were impacted by an executive proclamation of
14 emergency described in subsection (1) concerning drinking water. Funds under this
15 subsection must be used for behavioral supports, social workers, counselors, psychologists,
16 nursing services, including, but not limited to, vision and hearing services,
17 transportation services, parental engagement, community coordination, and other support
18 services.

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

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

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

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

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

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

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

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

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

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

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

26 (A) Budgeting and staffing.

27 (B) Payroll.

28 (C) Employee benefits.

29 (D) State reporting.

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

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

- 1 (A) Onboarding.
- 2 (B) Title IX administration.
- 3 (C) Hiring.
- 4 (D) Software consolidation to achieve common software throughout the intermediate
5 district.
- 6 (iii) Information technology, which may include, but is not limited to, the following:
- 7 (A) Software consolidation to achieve common software throughout the intermediate
8 district.
- 9 (B) Fiber projects.
- 10 (C) Cybersecurity.
- 11 (D) One-to-one device management.
- 12 (iv) Grant management and reporting, which may include, but is not limited to, the
13 following:
- 14 (A) Management of all state grant sites and databases.
- 15 (B) Grant reporting.
- 16 (v) Cash management, which may include, but is not limited to, the opportunities for
17 intermediate districts and districts to contract on cash flow management to maximize
18 interest earnings.
- 19 (vi) Debt issuance and management, including at least all of the following:
- 20 (A) Refunding opportunities.
- 21 (B) New bond issue analysis.
- 22 (vii) School facility consolidation.
- 23 (viii) Consolidation of transportation-related activities.
- 24 (ix) The physical consolidation of districts.
- 25 (8) An intermediate district that receives a grant under this section shall meet with
26 its constituent districts located within the intermediate district to discuss the results
27 of the study or analysis and to implement changes where feasible. The application for an
28 intermediate district must include a brief description of how the intermediate district
29 will conduct these meetings.
- 30 (9) To be eligible for the receipt of funding for infrastructure-related projects
31 appropriated from the school consolidation and infrastructure fund created under this
32 section, a district must allow for the facility condition assessments described in section

1 lly to be conducted in the district. It is the intent of the legislature that money in the
2 school consolidation and infrastructure fund will not be appropriated for infrastructure
3 projects until the completion of the facility condition assessments described in section
4 lly.

5 (10) For the fiscal year ending September 30, 2026 only, \$155,000,000.00 from the
6 state school aid fund is deposited into the school consolidation and infrastructure fund.

7 Sec. 12f. (1) From the state school aid fund money appropriated in section 11 there
8 is allocated for 2025-2026 only an amount not to exceed \$150,000,000.00 for grants to
9 districts and intermediate districts to support the closure or demolition of underutilized
10 or disused building; for the development, implementation, and state-wide scaling of shared
11 administrative systems to enhance operational efficiencies in districts and intermediate
12 districts; and for incentive payments for district consolidation.

13 (2) From the funds allocated under subsection (1) there is allocated an amount not to
14 exceed \$45,000,000.00 for grants to eligible districts and intermediate districts for costs
15 related to the closure or demolition of underutilized or disused school buildings. All of
16 the following apply to funding distributed under this subsection:

17 (a) Eligible districts and intermediate districts must apply for funding in a form
18 and manner determined by the department.

19 (b) The department must prioritize funding to applicants based on both of the
20 following:

21 (i) Applicants that demonstrate the highest level of long-term cost savings
22 associated with the closure or demolition.

23 (ii) Applicants that have secured a commitment from philanthropic financial resources
24 that will be used to offset the overall cost of the closure or demolition.

25 (3) From the funds allocated under subsection (1) there is allocated an amount not to
26 exceed \$100,000,000.00 for grants to eligible districts and intermediate districts for
27 costs related to the development, implementation, and state-wide scaling of shared
28 administrative systems. All of the following apply to funding distributed under this
29 subsection:

30 (a) Eligible districts and intermediate districts must apply for funding in a form
31 and manner determined by the department.

32 (b) Shared administrative systems funded with grants under this subsection may

1 include:

2 (i) Financial systems including grant management, cash management, and reporting.

3 (ii) Human resource management systems.

4 (iii) Information technology management systems and connectivity.

5 (iv) Student transportation and fleet management systems.

6 (c) The department must prioritize funding to applicants based on all of the

7 following:

8 (i) Applicants that demonstrate the highest level of long-term cost savings
9 associated deploying the shared administrative system.

10 (ii) Applicants that have secured a commitment from philanthropic financial resources
11 that will be used to offset the overall cost of developing, implementing, and scaling
12 state-wide shared administrative systems.

13 (iii) The number of, or the geographic distribution of, districts or intermediate
14 districts who have committed to utilize the shared administrative system.

15 (d) Districts and intermediate districts may use funding received under this
16 subsection for costs associated with the development of new shared administrative systems,
17 if sufficient systems do not exist, or for the adoption and statewide scaling of existing
18 shared administrative systems in a greater number of districts and intermediate districts.

19 (4) From the funds allocated under subsection (1) there is allocated an amount not to
20 exceed \$5,000,000.00 for incentive payments for district consolidation. Eligible districts
21 must apply for funding under this subsection in a form and manner determined by the
22 department. A district is eligible for funding under this subsection if the district was
23 formed or reconfigured as a result of the consolidation or annexation of 2 or more
24 districts after June 1, 2025. Except as otherwise provided in this subsection, payments to
25 eligible districts are equal to total membership in the resulting district multiplied by
26 \$200.00. If funding allocated in this subsection is insufficient to fully fund payments
27 under this subsection, payments must be prorated on an equal amount per pupil.

28 (5) The funds allocated under this section for 2025-2026 are a work project
29 appropriation, and any unexpended funds for 2025-2026 are carried forward into 2026-2027.
30 The purpose of the work project is to close or demolish underutilized or disused buildings
31 and for the development, implementation, and state-wide scaling of shared administrative
32 systems to enhance operational efficiencies in districts and intermediate districts. The

1 estimated completion date of the work project is September 30, 2030.

2 (6) At the close of each fiscal year, unspent funds allocated under this section that
3 are not carried forward in a work project must be deposited into the school consolidation
4 and infrastructure fund created in section 11x.

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

7 Sec. 11z. (1) The school aid countercyclical budget and foundation stabilization fund
8 is created as a separate account in the state school aid fund.

9 (2) The state treasurer may receive money or other assets from any source for deposit
10 into the school aid countercyclical budget and foundation stabilization fund.

11 (3) The state treasurer shall direct the investment of the school aid countercyclical
12 budget and foundation stabilization fund. The state treasurer shall credit to the school
13 aid countercyclical budget and foundation stabilization fund interest and earnings from
14 fund investments.

15 (4) Money in the school aid countercyclical budget and foundation stabilization fund
16 at the close of a fiscal year remains in the school aid countercyclical budget and
17 foundation stabilization fund and does not lapse to the state school aid fund or the
18 general fund.

19 (5) Except as provided in subsections (6) and (7), money available in the school aid
20 countercyclical budget and foundation stabilization fund may not be expended without a
21 specific appropriation from the school aid countercyclical budget and foundation
22 stabilization fund.

23 (6) If, for a given fiscal year, the department of treasury determines that proration
24 of payments under this article will be required under section 296, the amount necessary to
25 avoid proration, or an amount necessary to reduce proration, may be deposited from the
26 school aid countercyclical budget and foundation stabilization fund into the state school
27 aid fund. The state budget director shall notify the legislature of a deposit under this
28 subsection at least 30 calendar days or 6 legislative session days, whichever is more,
29 before a deposit is made. Funds deposited into the state school aid fund under this
30 subsection must be used only to eliminate or reduce proration under this article, as
31 required under section 296. If, after making final calculations under section 296, the
32 amount deposited into the state school aid fund under this section exceeds the amount

1 actually necessary to eliminate or reduce proration, the excess amount must be deposited
2 back into the school aid countercyclical budget and foundation stabilization fund.

3 (7) If year-over-year revenues for the state school aid fund are projected to
4 decline, as determined during the final revenue estimating conference of a given fiscal
5 year, the gross year-over-year decline in state school aid fund revenue may be deposited
6 from the school aid countercyclical budget and foundation stabilization fund into the state
7 school aid fund. The state budget director shall notify the legislature of a deposit under
8 this subsection at least 30 calendar days or 6 legislative session days, whichever is more,
9 before a deposit is made.

10 (8) Funds deposited into the state school aid fund under this section must be
11 appropriated only for purposes under article I.

12 (9) For the fiscal year ending September 30, ~~2025-2026~~ only, ~~\$25,000,000.00~~
13 **\$50,000,000.00** from the state school aid fund is deposited into the school aid
14 countercyclical budget and foundation stabilization fund.

15 (10) As used in this section:

16 (a) "Revenue estimating conference" means a revenue estimating conference occurring
17 in May as described in section 367b of the management and budget act, MCL 18.1367b.

18 (b) "Year-over-year" means a comparison of the fiscal year in which calculations are
19 being made to the fiscal year immediately preceding the fiscal year in which calculations
20 are being made.

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

1 special education or special education transportation payments may be recovered from
2 subsequent special education or special education transportation payments, from the
3 proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL
4 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of
5 the revised school code, MCL 380.1211.

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

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

32 (4) If the department makes an adjustment under this section based in whole or in

1 part on a membership audit finding that a district or intermediate district employed an
2 educator in violation of certification requirements under the revised school code and rules
3 promulgated by the department, the department shall prorate the adjustment according to the
4 period of noncompliance with the certification requirements.

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

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

12 (7) In addition to funds appropriated in section 11 for all programs and services,
13 there is appropriated for ~~2024-2025~~ **2025-2026** for obligations in excess of applicable
14 appropriations an amount equal to the collection of overpayments, but not to exceed amounts
15 available from overpayments.

16 **Sec. 16. (1) This section applies to districts with support category buildings.**
17 **Districts must comply with this section using funding made available to the district under**
18 **sections 22b and 31a.**

19 (2) As used in this section:

20 (a) "Available targeted student support dollars" means the sum of the following:

21 (i) The resulting quotient of the total amount received by the district from
22 allocations under section 22b divided by the total number of pupils enrolled in the
23 district multiplied by the number of pupils enrolled in support category buildings.

24 (ii) The resulting quotient of the total amount received by the district from
25 allocations under section 31a(3) divided by the total number of pupils determined to be
26 economically disadvantaged for the purposes of section 31a multiplied by the number of
27 pupils determined to be economically disadvantaged for the purposes of section 31a who are
28 enrolled in support category buildings.

29 (b) "Support category buildings" are defined as school buildings identified by the
30 state accountability system as comprehensive support and improvement schools, additional
31 targeted support schools, or targeted support and improvement schools.

32 (3) The district must allocate at least 10% of available targeted student support

1 dollars for targeted student interventions and supports described in section 16a for
2 students enrolled in support category buildings. These targeted student interventions and
3 supports must be utilized in a way to address goals outlined in the district's Michigan
4 Integrated Continuous Improvement Process (MICIP) plan. The district must ensure that the
5 operation of this section supplements rather than supplants the amount of per student
6 funding allocated to the support category building in the immediately preceding fiscal
7 year. The district must provide documentation in a form, manner, and timeline determined by
8 the Michigan School Turnaround Hub to its intermediate district or an agent of its
9 intermediate district to demonstrate compliance with this section.

10 (4) Districts must provide information regarding spending activities that were used
11 to comply with subsection (3) to the Michigan School Turnaround Hub, in a form and manner
12 determined by the Michigan School Turnaround Hub, necessary for the Michigan School
13 Turnaround Hub to make updates to the list of eligible targeted student interventions and
14 supports described in section 16a.

15 (5) By no later than 4 weeks after the start of the school year, the district must
16 provide notification to the parents or legal guardians of students enrolled in support
17 category buildings about available targeted student interventions and supports.

18 (6) By no later than August 31 of each year, the district must provide an annual
19 report to parents or legal guardians through mail, electronic mail, and through posting on
20 the district's website that summarizes, at a minimum, the services provided with
21 expenditures used to comply with subsection (3) in the immediately preceding school year,
22 the amount spent on those services in that school year, and contact information or methods
23 to enroll students in similar services in the current school year.

24 (7) The district must furnish to its intermediate district or an agent of its
25 intermediate district, and to the state any information necessary to ensure the district is
26 in compliance with spending requirements under this section.

27 (8) If a district is determined to be out of compliance with this section by its
28 intermediate district or an agent of the intermediate district, or by the state, the
29 department may seek to recapture an amount equal to up to 10% of available targeted student
30 support dollars awarded to the district.

31 (9) The operation of this section must not reduce or delay the release of any funding
32 for constitutional obligations of this state. The department must continue to release

1 funding allocated to districts under section 22b and section 31a(3) beginning in October of
2 each fiscal year.

3 Sec. 16a. (1) For the purposes of this article, "targeted student interventions and
4 supports" means items included in the MiStrategyBank. The MiStrategyBank must be updated
5 and maintained by the Michigan School Turnaround Hub to comply with this section.

6 (2) Items within the MiStrategyBank must consist of tutoring programs, including, but
7 not limited to, those created by for-profit vendors, nonprofit vendors, intermediate
8 districts, districts, and the Michigan Schools for the Deaf and Blind, that are aligned
9 with high-impact tutoring standards and that must include all the following criteria:

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

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

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

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

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

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

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

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

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

29 (ii) Implementation of standardized procedures for collecting data.

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

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

32 (v) Collecting data with fidelity, documented by direct observation using a checklist

1 with immediate performance feedback.

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

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

5 (i) Have a sufficient number of alternate forms.

6 (ii) Specify minimum acceptable growth.

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

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

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

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

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

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

19 (3) All tutoring programs in the MiStrategyBank must be reviewed by the Michigan
20 School Turnaround Hub established in section 16c. If necessary, the Michigan School
21 Turnaround Hub may convene a committee to review tutoring programs for inclusion in the
22 MiStrategyBank. The committee described in this subsection must include all of the
23 following members:

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

25 (b) A representative from the MiMTSS TA Center.

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

28 (d) Two representatives of the department.

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

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

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

32 Sec. 16b. (1) From the state school aid fund money appropriated in section 11, there

1 is allocated for 2025-2026 an amount not to exceed \$232,000,000.00 to support district
2 efforts to implement educational best practices. It is intended that, for 2026-2027, the
3 allocation from the state school aid fund money appropriated in section 11 for the purposes
4 described in this section will be \$107,000,000.00

5 (2) The department must pay at least 75% of the funding allocated in subsection (1)
6 to each district with one or more buildings identified by the state accountability system
7 as a comprehensive support and improvement school, an additional targeted support school,
8 or a targeted support and improvement school. All of the following apply to money paid
9 under this subsection:

10 (a) Payments must be made by the department to districts on an equal per pupil basis,
11 using for the calculation the number of pupils enrolled in buildings identified by the
12 state accountability system as comprehensive support and improvement schools, additional
13 targeted support schools, and targeted support and improvement schools.

14 (b) Money received by districts must be utilized only for the purpose of implementing
15 targeted student interventions and supports, as described in section 16a, in buildings
16 identified by the state accountability system as a comprehensive support and improvement
17 school, an additional targeted support school, or a targeted support and improvement
18 school.

19 (c) Targeted student interventions and supports implemented by recipient districts
20 must be aligned with the district's Michigan Integrated Continuous Improvement Process
21 (MICIP) plan.

22 (d) The department shall make payments to districts in full no later than December
23 20, 2025.

24 (3) The department must make available up to 20% of the funding allocated in
25 subsection (1) for matching awards to other eligible districts. As used in this subsection,
26 "other eligible districts" are districts that did not receive money from calculations under
27 subsection (2) and that have one or more building identified in the bottom 50th percentile
28 on the Michigan School Index System. All of the following apply to money paid under this
29 subsection:

30 (a) Other eligible districts must apply for funding in a form and manner determined
31 by the department. Districts must apply for funding under this subsection by December 20,
32 2025.

1 (b) Payments must be made by the department to other eligible districts on an equal
2 per pupil basis. The department must ensure that the per pupil amount paid under this
3 subsection does not exceed the per pupil amount paid under subsection (2).

4 (c) Other eligible districts must identify matching dollars from other fund sources
5 for money received under this subsection and must use those dollars for the same purposes
6 as funding received under this subsection. By no later than November 20, 2025, the
7 department must develop a sliding scale to determine the matching rate for districts. This
8 sliding scale must require a progressively higher district matching rate the closer the
9 identified building is to the 50th percentile on the Michigan School Index System.

10 (d) Money received by districts must be utilized only for the purpose of implementing
11 targeted student interventions and supports, as described in section 16a, in buildings
12 identified in the bottom 50th percentile on the Michigan School Index System.

13 (e) Targeted student interventions and supports implemented by recipient districts
14 must be aligned with the district's Michigan Integrated Continuous Improvement Process
15 (MICIP) plan.

16 (f) Notwithstanding section 17b, the department shall make payments under this
17 subsection by no later than January 20, 2026.

18 (4) By no later than August 31 of each year, districts receiving funding under
19 subsections (2) or (3) must report to parents or legal guardians through mail, electronic
20 mail, and through posting on the district's website that summarizes, at a minimum, the
21 services provided with funding described in subsection (1) in the immediately preceding
22 school year, the amount spent on those services in that school year, and contact
23 information or methods to enroll students in similar services in the current school year.

24 (5) The department must make available up to 5% of the funding allocated in
25 subsection (1) to pilot cell phone free school policies in buildings that educate students
26 in grades 9-12. All of the following apply to pilot programs funded under this subsection:

27 (a) Districts must apply for funding under this subsection in a form and manner
28 determined by the department.

29 (b) Eligible buildings must agree to adopt, implement, and enforce a policy that
30 prohibits students from possessing and accessing cell phones or other personal electronic
31 devices during times of student instruction. Buildings must agree to retain this policy for
32 at least 4 years.

1 (c) The department may award pilot programming status to up to 50 buildings. No one
2 district may receive pilot programming for multiple buildings. If more than 50 districts
3 apply for and are eligible for funding, the department must prioritize pilot program awards
4 to buildings with the lowest percentile scores on the Michigan School Index System.

5 (d) Payments under this section must be made on an equal per pupil basis.

6 (e) Buildings receiving funding may use those dollars for any purpose allowable under
7 section 22b, but must reserve a portion of funding to evaluate the impact of the cell phone
8 free policy, in a form and manner determined by the department.

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

11 (6) Districts receiving funding under this section must provide information regarding
12 the usage of funding under this section to the Michigan School Turnaround Hub, in a form
13 and manner determined by the Michigan School Turnaround Hub, necessary for the Michigan
14 School Turnaround Hub to make updates to the list of eligible targeted student
15 interventions and supports to include the most impactful programs.

16 Sec. 16c. (1) From the state school aid fund money appropriated in section 11, there
17 is allocated \$18,000,000.00 for the purposes of this section for intermediate districts and
18 consortia of intermediate districts to monitor and provide technical support to constituent
19 districts to improve student academic outcomes and to support the activities described in
20 in this section and in sections 16, 16a, 16b, and 16d.

21 (2) Payments must be allocated as follows:

22 (a) Except as otherwise provided in this subdivision, for each intermediate district
23 receiving funding under section 81, an amount equal to \$100,000.00 or the number of
24 buildings with pupils in membership in constituent districts of the intermediate district
25 multiplied by \$4,500.00, whichever is greater. The total amount allocated to all
26 intermediate districts under this subdivision must not exceed \$15,000,000.00. If payments
27 calculated under this subdivision exceed the amount in the immediately preceding sentence,
28 payments must be prorated on an equal percentage basis, ensuring no intermediate district
29 receives less than \$100,000.00. Intermediate districts must use funding received under this
30 subdivision to do all of the following or to contract with other intermediate districts for
31 the purposes of providing all of the following for constituent districts:

32 (i) Providing technical assistance to constituent districts to ensure constituent

1 districts comply with sections 16, 16b, and 16d and to review compliance submissions from
2 constituent districts to the Michigan School Turnaround Hub described in this section.

3 (ii) Supplementing staff resources in constituent districts necessary for reporting of
4 compliance activities associated with sections 16, 16b, and 16d.

5 (iii) Making determinations of compliance of constituent districts pertaining to the
6 requirements of sections 16, 16b, and 16d and reporting all incompliances to the Michigan
7 School Turnaround Hub in a form and manner determined by the Michigan School Turnaround
8 Hub.

9 (iv) If a constituent district is determined to be out of compliance with sections
10 16, 16b, or 16d, providing support and making recommendations to the constituent district
11 on methods to ensure compliance with those sections.

12 (b) An amount equal to \$3,000,000.00 to Clinton County Regional Educational Service
13 Agency to work with other intermediate districts and the Michigan Association of
14 Intermediate School Administrators (MAISA), to serve as the Michigan School Turnaround Hub
15 to do all of the following:

16 (i) Develop and implement methods to collect information necessary to make
17 determinations of district compliance with sections 16, 16b, and 16d. Methods developed and
18 implemented under this section must utilize, to the greatest extent practicable, existing
19 data collections and reporting mechanisms, including those utilized by the regional data
20 hubs, the center, the department, and the federal government.

21 (ii) Provide guidance to intermediate districts on methods to support constituent
22 district implementation of sections 16, 16b, and 16d.

23 (iii) Update and maintain the MiStrategyBank, including reviewing the eligibility of
24 programs for the inclusion in the MiStrategyBank.

25 (iv) Collect information from intermediate districts pertaining to districts
26 determined to be out of compliance with sections 16, 16b, or 16d and providing that
27 information to the department in a form and manner determined by the department.

28 (v) Provide recommendations and work with relevant organizations to better connect
29 existing data collection and intervention systems to ensure information is shared between
30 systems as efficiently as possible. This includes, but is not limited to, working with the
31 MiDataHub, the MiMTSS Technical Assistance Center, the Michigan Early Warning and
32 Intervention Monitoring System, the center, and the department to review and streamline the

1 sharing of data that may be useful in improving student academic outcomes.

2 (vi) Provide an annual report, by no later than December 1 of each year, to the
3 governor, the house and senate subcommittees responsible for school aid, the house and
4 senate fiscal agencies, and the state budget director on best practices being utilized by
5 districts and buildings to provide targeted student interventions and supports and
6 improving parental engagement, including recommendations for state-level changes that would
7 improve student academic outcomes.

8 (2) The department must make payments from funds allocated in this section in one
9 lump sum to each eligible recipient by no later than November 20, 2025.

10 Sec. 16d. (1) Districts receiving funding under section 22b or section 31a must use a
11 portion of those dollars to ensure the requirements of this section are met.

12 (2) Beginning during the fiscal year ending September 30, 2026, and each year
13 thereafter, for a district with a building identified by the state accountability system as
14 a comprehensive support and improvement school, an additional targeted support school, or a
15 targeted support and improvement school, the district must provide a mailed notification to
16 all parents or legal guardians of students in such buildings that includes the following:

17 (a) The standing of the building under the state accountability system, including
18 whether the building is a comprehensive support and improvement school, an additional
19 targeted support school, or a targeted support and improvement school, and how this
20 designation was determined.

21 (b) A summary of what the building is doing to improve the standing of the building,
22 including a summary of the strategies being implemented as part of the building's Michigan
23 Integrated Continuous Improvement Process (MICIP).

24 (c) A method, including contact information, to receive feedback from parents and
25 legal guardians on ways to improve the standing of the building.

26 (3) Beginning during the fiscal year ending September 30, 2026, and each year
27 thereafter, for a district receiving funding under section 31a through the opportunity
28 index formula, the district must provide a report to parents or legal guardians that
29 details the amount of funding received under that allocation, how the district distributed
30 that funding in a way to target buildings with the highest needs, and what evidenced-based
31 interventions were implemented with those dollars. The report must include a method,
32 including contact information, for parents or legal guardians to provide feedback on the

1 utilization of these dollars as well as to seek more information about services and
2 interventions available for their children.

3 (4) Beginning during the fiscal year ending September 30, 2026, and at least once
4 every 5 years thereafter, each district must perform a comprehensive review of literacy
5 curriculum utilized by the district in grades K to 5 to determine whether that curriculum
6 is evidence-based and aligned to state standards. If the district determines that
7 curriculum is not evidence-based or not aligned to state standards, the district must
8 provide mailed notification to all parents or legal guardians of students in grades K to 5
9 receiving instruction with that curriculum that includes all of the following:

10 (a) A statement informing parents that curriculum utilized by the district is not
11 evidence-based or not aligned to state standards which could negatively impact student
12 academic outcomes.

13 (b) A plan, including a projected timeline, for when new curriculum will be adopted
14 that is evidenced-based and aligned to state standards.

15 (5) Beginning during the fiscal year ending September 30, 2026, and each year
16 thereafter, each district must allow time during regular board meetings or board of
17 directors meetings, for presentations, discussions, and public comment on each the
18 following:

19 (a) Strategies to enhance parental engagement in academic outcomes of the district.

20 (b) Discussions on available transparency and accountability dashboards with special
21 focus on buildings within the district identified as support schools under the Michigan
22 School Index System, with a focus on what the district is doing to address deficiencies.

23 (c) Periodic reporting, no less than 3 times annually, on student progress on local
24 interim benchmark assessments and other state assessments.

25 (6) Beginning during the fiscal year ending September 30, 2026, and each year
26 thereafter, each district must make available on its website homepage and via an electronic
27 mail communication a link to and explanation for how to use the Parent Dashboard for School
28 Transparency made available on the MI School Data portal.

29 Sec. 16e. (1) It is intended that, beginning in 2026-2027, there is established an
30 appropriation to distribute funding to districts in a manner that recognizes student
31 performance on state assessments as calculated under this section. Money shall be paid to
32 districts that meet student academic performance funding goals under subsections (2) to

1 (5). Payments received under this section may be used for any purpose for which payments
2 under sections 22a and 22b may be used.

3 (2) The maximum amount of the incentive payment for student academic performance is
4 an amount equal to \$250.00 per pupil. Payments calculated and awarded to qualifying
5 districts under subsections (3) and (4) shall be calculated and awarded separately, and a
6 district may receive a payment under either or both of subsections (3) and (4).

7 (3) An amount not to exceed 50% of the maximum per pupil amount allocated under
8 subsection (2) shall be used to make performance incentive payments to qualifying districts
9 under this subsection based on pupil performance on state assessments in English Language
10 Arts in grades 3 to 8. The amount of a payment under this subsection is an amount equal to
11 \$125.00 per pupil for all pupils in membership in the district. The department shall
12 determine the qualifying districts under this subsection as follows:

13 (a) Using a model determined by the department that incorporates the most recent cut
14 scores adopted for the Michigan student test of educational progress (M-STEP) for each
15 pupil in grades 3 to 8 in the 2025-2026 school year, the department shall calculate a point
16 score using a metric that assigns points to each of those pupils as follows:

17 (i) For each pupil who began the school year not performing proficiently in English
18 Language Arts and who declines in proficiency, as determined by the department, over the
19 school year, 0 points.

20 (ii) For each pupil who began the school year performing proficiently in English
21 Language Arts and declines in proficiency, as determined by the department, over the school
22 year, 0 points.

23 (iii) For each pupil who began the school year not performing proficiently in English
24 Language Arts and who maintains proficiency, as determined by the department, over the
25 school year, 1 point.

26 (iv) For each pupil who began the school year performing proficiently in English
27 Language Arts and who maintains proficiency, as determined by the department, over the
28 school year, 2 points.

29 (v) For each pupil who began the school year not performing proficiently in English
30 Language Arts and who improves in proficiency, as determined by the department, over the
31 school year, 3 points.

32 (vi) For each pupil who began the school year performing proficiently in English

1 Language Arts and who improves in proficiency, as determined by the department, over the
2 school year, 2 points.

3 (b) The department shall then calculate a district average for this metric for the
4 2025-2026 school year by totaling the number of points for all pupils in grades 3 to 8
5 under subdivision (a) and dividing that total by the number of those pupils.

6 (c) A district is a qualifying district for the payment under this subsection if the
7 district average for the 2025-2026 school year under subdivision (b) is at least equal to a
8 factor of 1.5, and the district tested at least 95% of its pupils in English Language Arts,
9 and the district had at least 30 full academic year pupils in grades 3 to 8 English
10 Language Arts with a performance level change designation in English Language Arts.

11 (4) An amount not to exceed 50% of the maximum per pupil amount allocated under
12 subsection (2) shall be used to make performance incentive payments to qualifying districts
13 under this subsection based on pupil performance on state assessments in mathematics in
14 grades 3 to 8. The amount of a payment under this subsection is an amount equal to \$125.00
15 per pupil for all pupils in membership in a qualifying district. The department shall
16 determine the qualifying districts under this subsection as follows:

17 (a) Using a model determined by the department that incorporates the most recent cut
18 scores adopted for the Michigan student test of educational progress (M-STEP) for each
19 pupil in grades 3 to 8 in the 2025-2026 school year, the department shall calculate a point
20 score using a metric that assigns points to each of those pupils as follows:

21 (i) For each pupil who began the school year not performing proficiently in
22 mathematics and who declines in proficiency, as determined by the department, over the
23 school year, 0 points.

24 (ii) For each pupil who began the school year performing proficiently in mathematics
25 and declines in proficiency, as determined by the department, over the school year, 0
26 points.

27 (iii) For each pupil who began the school year not performing proficiently in
28 mathematics and who maintains his or her level of proficiency, as determined by the
29 department, over the school year, 1 point.

30 (iv) For each pupil who began the school year performing proficiently in mathematics
31 and who maintains his or her level of proficiency, as determined by the department, over
32 the school year, 2 points.

1 (v) For each pupil who began the school year not performing proficiently in
2 mathematics and who improves in proficiency, as determined by the department, over the
3 school year, 3 points.

4 (vi) For each pupil who began the school year performing proficiently in mathematics
5 and who improves in proficiency, as determined by the department, over the school year, 2
6 points.

7 (b) The department shall then calculate a district average for this metric for the
8 2025-2026 school year by totaling the number of points for all pupils in grades 3 to 8
9 under subdivision (a) and dividing that total by the number of those pupils.

10 (c) A district is a qualifying district for the payment under this subsection if the
11 district average for the 2025-2026 school year under subdivision (b) is at least equal to a
12 factor of 1.5, and the district tested at least 95% of its pupils in mathematics, and the
13 district had at least 30 full academic year pupils in grades 3 to 8 with a performance
14 level change designation in mathematics.

15 (5) If the allocation under subsection (1) is insufficient to fully fund payments as
16 otherwise calculated under this section, the department shall prorate payments under this
17 section on an equal percentage basis.

18 Sec. 20. (1) For ~~2024-2025, 2025-2026~~, the target foundation allowance is ~~\$9,608.00-~~
19 \$10,000.00.

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

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

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

30 (b) For a district that had a foundation allowance for the immediately preceding
31 fiscal year that was greater than the target foundation allowance for the immediately
32 preceding fiscal year, the district's foundation allowance is an amount equal to the lesser

1 of (the sum of the district's foundation allowance for the immediately preceding fiscal
2 year plus any per pupil amount calculated under section 20m(2) in the immediately preceding
3 fiscal year plus the increase in the target foundation allowance for the current fiscal
4 year, as compared to the immediately preceding fiscal year) or (the product of the
5 district's foundation allowance for the immediately preceding fiscal year times the
6 percentage increase in the United States Consumer Price Index in the calendar year ending
7 in the immediately preceding fiscal year as reported by the May revenue estimating
8 conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL
9 18.1367b).

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

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

24 (4) Except as otherwise provided in this subsection, the state portion of a
25 district's foundation allowance is an amount equal to the district's foundation allowance
26 or the target foundation allowance for the current fiscal year, whichever is less, minus
27 the local portion of the district's foundation allowance. Except as otherwise provided in
28 this subsection, for a district described in subsection (3)(b) and (c), the state portion
29 of the district's foundation allowance is an amount equal to the target foundation
30 allowance minus the district's foundation allowance supplemental payment per pupil
31 calculated under section 20m and minus the local portion of the district's foundation
32 allowance. For a district that has a millage reduction required under section 31 of article

1 IX of the state constitution of 1963, the department shall calculate the state portion of
2 the district's foundation allowance as if that reduction did not occur. For a receiving
3 district, if school operating taxes continue to be levied on behalf of a dissolved district
4 that has been attached in whole or in part to the receiving district to satisfy debt
5 obligations of the dissolved district under section 12 of the revised school code, MCL
6 380.12, the taxable value per membership pupil of property in the receiving district used
7 for the purposes of this subsection does not include the taxable value of property within
8 the geographic area of the dissolved district. For a community district, if school
9 operating taxes continue to be levied by a qualifying school district under section 12b of
10 the revised school code, MCL 380.12b, with the same geographic area as the community
11 district, the taxable value per membership pupil of property in the community district to
12 be used for the purposes of this subsection does not include the taxable value of property
13 within the geographic area of the community district.

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

25 (6) Except as otherwise provided in this subsection, for pupils in membership, other
26 than special education pupils, in a public school academy, the allocation calculated under
27 this section is an amount per membership pupil other than special education pupils in the
28 public school academy equal to the target foundation allowance specified in subsection (1),
29 or, for a public school academy that was issued a contract under section 552 of the revised
30 school code, MCL 380.552, to operate as a school of excellence that is a cyber school,
31 ~~\$9,150.00~~ **\$8,000.00**. Notwithstanding section 101, for a public school academy that begins
32 operations after the pupil membership count day, the amount per membership pupil calculated

1 under this subsection must be adjusted by multiplying that amount per membership pupil by
2 the number of hours of pupil instruction provided by the public school academy after it
3 begins operations, as determined by the department, divided by the minimum number of hours
4 of pupil instruction required under section 101(3). The result of this calculation must not
5 exceed the amount per membership pupil otherwise calculated under this subsection.

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

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

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

26 (10) State payments related to payment of the foundation allowance for a special
27 education pupil are not calculated under this section but are instead calculated under
28 section 51e.

29 (11) To assist the legislature in determining the target foundation allowance for the
30 subsequent fiscal year, each revenue estimating conference conducted under section 367b of
31 the management and budget act, 1984 PA 431, MCL 18.1367b, must calculate a pupil membership
32 factor, a revenue adjustment factor, and an index as follows:

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

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

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

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

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

1 reduced.

2 (14) As used in this section:

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

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

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

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

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

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

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

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

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

32 (j) "School operating purposes" means the purposes included in the operation costs of

1 the district as prescribed in sections 7 and 18 and purposes authorized under section 1211
2 of the revised school code, MCL 380.1211.

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

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

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

13 Sec. 20d. In making the final determination required under former section 20a of a
14 district's combined state and local revenue per membership pupil in 1993-94 and in making
15 calculations under section 20 for ~~2024-2025~~, **2025-2026**, the department and the department
16 of treasury shall comply with all of the following:

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

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

1 purposes of calculating the combined state and local revenue per membership pupil for 1993-
2 94, and if there is a signed agreement by all constituent districts of the intermediate
3 district agreeing to an adjustment under this subdivision, the department shall calculate
4 the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils
5 attending the intermediate district center program operated by the district that had the
6 adjustment as if their combined state and local revenue per membership pupil for 1993-94
7 included resident pupils attending the center program and excluded nonresident pupils
8 attending the center program.

9 (h) "Virtual learning pupil" means a pupil enrolled in 1 or more virtual courses.

10 Sec. 21h. (1) From the state school aid fund money appropriated in section 11, there
11 is allocated \$6,137,400.00 for ~~2024-2025~~ **2025-2026** for assisting districts assigned by the
12 superintendent to participate in a partnership ~~and districts that are required to submit a~~
13 ~~deficit elimination plan or an enhanced deficit elimination plan under section 1220 of the~~
14 ~~revised school code, MCL 380.1220, and are located in a city with a population between~~
15 ~~8,000 and 10,000 as determined by the department, that is in a county with a population~~
16 ~~between 150,000 and 160,000, as determined by the department,~~ **district agreement** to improve
17 student achievement and district financial stability. The superintendent shall identify any
18 conditions that may be contributing to low academic performance within a district being
19 considered for assignment to a partnership. The purpose of the partnership is to identify
20 district needs, develop intervention plans, and partner with public, private, and nonprofit
21 organizations to coordinate resources and improve student achievement. Assignment of a
22 district to a partnership is made by the superintendent.

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

28 (a) ~~For a partnership district under this section, within~~ **Within** 90 days of
29 assignment to the partnership described in this section, ~~and for a district described in~~
30 ~~subsection (1) that is not a partnership district under this section,~~ complete a
31 comprehensive needs assessment or evaluation in collaboration with an intermediate
32 district, community members, education organizations, and postsecondary institutions, as

1 applicable, that is approved by the superintendent. The comprehensive needs assessment or
2 evaluation must include at least all of the following:

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

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

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

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

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

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

20 (iii) ~~(e) Craft academic goals~~ **Measurable benchmarks** that put pupils on track to meet
21 or exceed grade level proficiency, increase high school graduation rates, reduce **K-3** class
22 sizes, and improve attendance rates.

23 (c) ~~(d)~~ Provide access to training for district leadership, including, but not
24 limited to, the superintendent or chief administrator and school board or board of
25 directors members, on areas of education fiscal and policy matters. **The department may**
26 **require training for district leadership and all board members on content at a rate and**
27 **frequency needed to support measurable academic outcomes for the district.**

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

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

8 (4) Funds allocated under this section, excluding funds allocated under subsection
9 (5), may be used to pay for district expenditures approved by the superintendent to improve
10 student achievement. Funds may be used for professional development for teachers or
11 district or school leadership, increased instructional time, teacher mentors, **literacy,**
12 **numeracy, reducing K-3 class sizes, reducing chronic absenteeism,** or other expenditures
13 that directly impact student achievement and cannot be paid from existing district
14 financial resources. Notwithstanding section 17b, the department shall make payments to
15 districts under this section on a schedule determined by the department.

16 (5) From the funds allocated under subsection (1), there is allocated for ~~2024-2025~~
17 **2025-2026** an amount not to exceed \$137,400.00 for the purchase of a data analytics tool to
18 be used by districts described in subsection (1). The superintendent of public instruction
19 shall require districts described in subsection (1) to purchase a data analytics tool
20 funded under this subsection as part of the agreements described in this section.

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

1 estimated completion date of the work project described in this subsection is September 30,
2 2026.

3 Sec. 22a. (1) From the state school aid fund money appropriated in section 11, there
4 is allocated an amount not to exceed ~~\$4,144,000,000.00 for 2023-2024~~ and there is allocated
5 ~~an amount not to exceed \$3,993,000,000.00~~ **\$3,803,000,000.00** for ~~2024-2025~~ **2025-2026** for
6 payments to districts and qualifying public school academies to guarantee each district and
7 qualifying public school academy an amount equal to its 1994-95 total state and local per-
8 pupil revenue for school operating purposes under section 11 of article IX of the state
9 constitution of 1963. Pursuant to section 11 of article IX of the state constitution of
10 1963, this guarantee does not apply to a district in a year in which the district levies a
11 millage rate for school district operating purposes less than it levied in 1994. However,
12 subsection (2) applies to calculating the payments under this section. Funds allocated
13 under this section that are not expended in the fiscal year for which they were allocated,
14 as determined by the department, may be used to supplement the allocations under sections
15 22b and 51c to fully fund those allocations for the same fiscal year.

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

20 (a) Except as otherwise provided in this subsection, the state portion of a
21 district's 1994-95 foundation allowance is an amount equal to the district's 1994-95
22 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum
23 of the product of the taxable value per membership pupil of all property in the district
24 that is nonexempt property times the district's certified mills and, for a district with
25 certified mills exceeding 12, the product of the taxable value per membership pupil of
26 property in the district that is commercial personal property times the certified mills
27 minus 12 mills and the quotient of the ad valorem property tax revenue of the district
28 captured under tax increment financing acts divided by the district's membership. For a
29 district that has a millage reduction required under section 31 of article IX of the state
30 constitution of 1963, the department shall calculate the state portion of the district's
31 foundation allowance as if that reduction did not occur. For a receiving district, if
32 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 ~~2023-2024~~ an
2 amount not to exceed ~~\$6,219,000,000.00~~ 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 2024-~~
5 ~~2025-2025-2026~~ an amount not to exceed ~~\$6,213,000,000.00~~ **\$6,576,000,000.00** from the state
6 school aid fund and general fund appropriations in section 11. ~~and an amount not to exceed~~
7 ~~\$41,000,000.00 from the community district education trust fund appropriation in section~~
8 ~~11. For 2023-2024, \$33,700,000.00 must be deposited from the general fund into the state~~
9 ~~school aid fund to reimburse the state school aid fund for community district education~~
10 ~~trust fund costs in excess of \$72,000,000.00, as required under section 12 of the Michigan~~
11 ~~trust fund act, 2000 PA 489, MCL 12.262. For 2024-2025, the amount necessary, estimated at~~
12 ~~\$70,200,000.00 must be deposited from the general fund into the state school aid fund to~~
13 ~~reimburse the state school aid fund for community district education trust fund costs in~~
14 ~~excess of \$41,000,000.00, as required under section 12 of the Michigan trust fund act, 2000~~
15 ~~PA 489, MCL 12.262. If the amount allocated under this subsection from the community~~
16 ~~district education trust fund appropriation under section 11 is insufficient to pay for an~~
17 ~~increase under this section, any amount exceeding that allocation may be paid from other~~
18 ~~allocations under this subsection. Except for money allocated under this section from the~~
19 ~~community district education trust fund appropriation in section 11, funds **Funds** allocated~~
20 under this section that are not expended in the fiscal year for which they were allocated,
21 as determined by the department, may be used to supplement the allocations under sections
22 22a and 51c to fully fund those allocations for the same fiscal year.

23 (2) Subject to subsection (3) and section 296, the allocation to a district under
24 this section is an amount equal to the sum of the amounts calculated under sections 20,
25 20m, 51a(2), 51a(3), 51a(11), and 51e, minus the sum of the allocations to the district
26 under sections 22a and 51c. For a community district, the allocation as otherwise
27 calculated under this section is increased by an amount equal to the amount of local school
28 operating tax revenue that would otherwise be due to the community district if not for the
29 operation of section 386 of the revised school code, MCL 380.386, ~~and this increase must be~~
30 ~~paid from the community district education trust fund allocation in subsection (1) to~~
31 offset the absence of local school operating revenue in a community district in the funding
32 of the state portion of the foundation allowance under section 20(4).

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

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

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

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

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

10 (e) Comply with section 21f.

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

13 **(g) Comply with sections 16, 16b, 16c, and 16d.**

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) As used in this section:

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

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

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

16 Sec. 22c. From the state school aid fund money appropriated in section 11, there is
17 allocated for ~~2024-2025-2025-2026~~ an amount not to exceed \$3,000,000.00 for payments to
18 eligible districts as provided under this section. The payment for an eligible district
19 under this section must be in an amount per membership pupil equal to \$171.00. As used in
20 this section:

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

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

26 (c) "Local school operating revenue per membership pupil" means a district's local
27 school operating revenue divided by the district's membership excluding special education
28 pupils.

29 Sec. 22d. (1) From the state school aid fund money appropriated under section 11, an
30 amount not to exceed ~~\$12,306,900.00~~ **\$12,816,900.00** is allocated for ~~2024-2025-2025-2026~~ for
31 supplemental payments to rural districts under this section.

32 (2) From the allocation under subsection (1), there is allocated for ~~2024-2025-2025-~~

1 **2026** an amount not to exceed ~~\$3,734,400.00~~ **\$3,889,100.00** for payments under this subsection
2 to eligible districts. A district that meets all of the following is an eligible district
3 under this subsection:

4 (a) Operates grades K to 12.

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

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

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

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

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

23 (4) Subject to subsection (7), from the allocation in subsection (1), there is
24 allocated for ~~2024-2025~~ **2025-2026** an amount not to exceed ~~\$8,042,100.00~~ **\$8,375,400.00** for
25 payments under this subsection to districts that have fewer than 10.0 pupils per square
26 mile, as determined by the department, or that have greater than 250 square miles.

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

28 (a) An amount equal to ~~\$6,093,400.00~~ **\$6,346,000.00** is allocated to districts with
29 fewer than 8.0 pupils per square mile, as determined by the department, on an equal per-
30 pupil basis.

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

32 (i) For districts with at least 8.0 but fewer than 9.0 pupils per square mile, as

1 determined by the department, the allocation is an amount per pupil equal to 75% of the
2 per-pupil amount allocated to districts under subdivision (a).

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

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

10 (c) If the total funding allocated under subdivision (b) is insufficient to fully
11 fund payments as calculated under that subdivision, the department shall prorate payments
12 to districts under subdivision (b) on an equal per-pupil basis. If funding allocated under
13 subdivision (b) remains unallocated after making calculations under that subdivision, the
14 department may provide the remaining unallocated funding on an equal per-pupil basis to
15 districts receiving funding under subdivision (b) (i) and (ii).

16 (6) Subject to subsection (7), from the allocation under subsection (1), there is
17 allocated for ~~2024-2025-2025-2026~~ an amount not to exceed ~~\$530,400.00~~ **\$552,400.00** for
18 payments under this subsection to districts where each school building operated by the
19 district is located on an island that is accessible by bridge.

20 (7) A district receiving funds allocated under subsection (2) is not eligible for
21 funding allocated under subsection (4) or (6). A district receiving funds allocated under
22 subsection (6) is not eligible for funding under subsection (2) or (4).

23 Sec. 22k. (1) The school transportation fund is created as a separate account within
24 the state school aid fund for the purpose of supporting district transportation costs.

25 (2) The state treasurer may receive money or other assets from any source for deposit
26 into the school transportation fund. The state treasurer shall direct the investment of the
27 school transportation fund. The state treasurer shall credit to the school transportation
28 fund interest and earnings from school transportation fund investments.

29 (3) Money in the school transportation fund at the close of the fiscal year remains
30 in the school transportation fund and does not lapse to the state school aid fund or the
31 general fund.

32 (4) The department of treasury is the administrator of the school transportation fund

1 for auditing purposes.

2 (5) Money available in the school transportation fund must not be expended without a
3 specific appropriation.

4 (6) For the fiscal year ending September 30, ~~2023-2026~~ only, ~~\$350,000,000.00~~
5 **\$136,000,000.00** from the state school aid fund must be deposited into the school
6 transportation fund.

7 Sec. 22^l. (1) From the school transportation fund money appropriated under section
8 11, there is allocated for ~~2024-2025-2025-2026~~ only an amount not to exceed \$125,000,000.00
9 to districts and intermediate districts for transportation costs. Funding for each district
10 or intermediate district is as follows:

11 (a) The department must assign each district and intermediate district to an octile
12 based on the number of riders per square mile and calculate the median cost per rider for
13 each octile.

14 (b) Funds must be distributed to each district and intermediate district as follows:

15 (i) An initial amount at the lesser of the octile's median cost per rider or the
16 actual transportation cost per general education rider at the district or intermediate
17 district.

18 (ii) An additional amount for districts and intermediate districts that have outlier
19 costs per rider that are deemed reasonable, as determined by the department.

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

22 (2) In addition to the funds allocated under subsection (1), from the school
23 transportation fund money appropriated under section 11, there is allocated for 2022-2023
24 only an amount not to exceed \$200,000.00 to an intermediate district for a study on
25 district transportation costs. The intermediate district receiving funds under this
26 subsection must submit a report to the department, the state budget director, the house and
27 senate appropriations subcommittees on school aid, and the house and senate fiscal agencies
28 by February 29, 2024 on the outcomes of the study under this subsection. Notwithstanding
29 section 18a, funds allocated under this subsection may be available for expenditure until
30 September 30, 2026. A recipient of funding under this subsection must return any unexpended
31 funds to the department in a manner prescribed by the department by not later than October
32 30, 2026.

1 (3) To remain eligible for funding under subsection (1), by not later than December 1
2 of the current fiscal year, a school district must submit, in a form and manner determined
3 by the department, to their intermediate district, and a public school academy must submit,
4 in a form and manner determined by the department, to the intermediate district in which
5 the public school academy is located, the number of nonpublic school students the district
6 expects to transport as required under section 1321 of the revised school code, MCL
7 380.1321. Intermediate districts shall submit this information to the department by not
8 later than February 1.

9 (4) The department shall compile the reports provided by intermediate districts under
10 subsection (3) into 1 legislative report. The department shall provide this report not
11 later than March 1 of each fiscal year for which funding is allocated under this section to
12 the house and senate subcommittees responsible for school aid, the house and senate fiscal
13 agencies, and the state budget director.

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

16 Sec. 22m. (1) From the state school aid fund money appropriated in section 11, there
17 is allocated for ~~2024-2025~~**2025-2026** an amount not to exceed \$3,500,000.00 for supporting
18 the integration of local data systems into the Michigan data hub network based on common
19 standards and applications that are in compliance with section 19(6).

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

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

27 (4) The center, in collaboration with the Michigan data hub network, shall determine
28 the amount of funds distributed under this section to each participating regional data hub
29 within the network, based upon a competitive grant process. The center shall ensure that
30 the entities receiving funding under this section represent geographically diverse areas in
31 this state.

32 (5) Notwithstanding section 17b, the department shall make payments under this

1 section on a schedule determined by the center.

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

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

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

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

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

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

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

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

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

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

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

28 (9) By not later than January 1 of each fiscal year, the center shall prepare a
29 summary report of information provided by each entity that received funds under this
30 section that includes measurable outcomes based on the objectives described under this
31 section and a summary of compiled data from each entity to provide a means to evaluate the
32 effectiveness of the project. The center shall submit the report to the house and senate

1 appropriations subcommittees on school aid and to the house and senate fiscal agencies.

2 Sec. 22p. (1) Subject to subsection (2), to receive funding under section 22b, a
3 district or public school academy that is assigned by the superintendent of public
4 instruction as a partnership district must have a signed 3-year partnership agreement with
5 the department that includes all of the following:

6 (a) Measurable academic outcomes that the district or public school academy will
7 achieve for each school operated by the district or public school academy that is subject
8 to the partnership agreement after 18 months and after 36 months from the date the
9 agreement was originally signed. Measurable academic outcomes under this subdivision must
10 include all of the following:

11 (i) Outcomes that put pupils on track to meet or exceed grade level proficiency and
12 that are based on district or public school academy needs identified as required under
13 section 21h.

14 (ii) Either of the following, as applicable:

15 (A) At least 1 proficiency or growth outcome based on state assessments described in
16 section 104b or 104c.

17 (B) At least 1 proficiency or growth outcome based on a benchmark assessment
18 described in section 104h.

19 (iii) Outcomes that are intended to measure improved high school graduation rates, as
20 applicable.

21 (iv) Outcomes that measure attendance rates.

22 (b) Accountability measures to be imposed if the district or public school academy
23 does not achieve the measurable academic outcomes described in subdivision (a) **and**
24 **subdivision (2) (b) of section 21h** for each school operated by the district or public school
25 academy that is subject to the partnership agreement. For a district assigned as a
26 partnership district as described in this subsection, accountability measures under this
27 subdivision must include the reconstitution of the school. For a public school academy
28 assigned as a partnership district as described in this subsection, accountability measures
29 under this subdivision may include the reconstitution of the school.

30 (c) For a public school academy assigned as a partnership district as described in
31 this subsection, a requirement that, if reconstitution is imposed on a school that is
32 operated by the public school academy and that is subject to the partnership agreement, the

1 school must be reconstituted as described in section 507, 528, or 561, as applicable, of
2 the revised school code, MCL 380.507, 380.528, and 380.561.

3 (d) For a district assigned as a partnership district as described in this
4 subsection, a provision that, if reconstitution is imposed on a school that is operated by
5 the district and that is subject to the partnership agreement, reconstitution may require
6 closure of the school building, but, if the school building remains open, reconstitution
7 must include, but is not limited to, all of the following:

8 (i) The district shall make significant changes to the instructional and
9 noninstructional programming of the school based on the needs identified through a
10 comprehensive review of data in compliance with section 21h.

11 (ii) The district shall review whether the current principal of the school should
12 remain as principal or be replaced.

13 (iii) The reconstitution plan for the school must require the adoption of goals
14 similar to the ~~goals~~ **measurable academic outcomes** included in the partnership agreement,
15 with a limit of 3 years to achieve the goals. If the goals are not achieved within 3 years,
16 the superintendent of public instruction shall impose a second reconstitution plan.

17 (2) If a district or public school academy is assigned as a partnership district as
18 described in subsection (1) during the current fiscal year, it shall ensure that it has a
19 signed partnership agreement as described in subsection (1) in place by not later than 90
20 days after the date that it is assigned as a partnership district. If a district or public
21 school academy described in this subsection does not comply with this subsection, the
22 department shall withhold funding under section 22b for that district or public school
23 academy until the district or public school academy has a signed partnership agreement as
24 described in subsection (1) in place.

25 Sec. 24. (1) From the state school aid fund money appropriated in section 11, there
26 is allocated for ~~2024-2025~~ **2025-2026** an amount not to exceed \$7,650,000.00 for payments to
27 the educating district or intermediate district for educating pupils assigned by a court or
28 the department of health and human services to reside in or to attend a juvenile detention
29 facility or child caring institution licensed by the department of health and human
30 services and approved by the department to provide an on-grounds education program. The
31 amount of the payment under this section to a district or intermediate district is
32 calculated as prescribed under subsection (2).

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

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

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

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

27 (4) Special education pupils funded under section 53a are not funded under this
28 section.

29 Sec. 24a. From the state school aid fund money appropriated in section 11, there is
30 allocated an amount not to exceed \$1,355,700.00 for ~~2024-2025~~**2025-2026** for payments to
31 intermediate districts for pupils who are placed in juvenile justice service facilities
32 operated by the department of health and human services. The amount of the payment to each

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

12 Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there
13 is allocated an amount not to exceed \$1,600,000.00 for ~~2024-2025~~**2025-2026** for payments to
14 strict discipline academies and qualified districts, as provided under this section.

15 (2) To receive funding under this section, a strict discipline academy or qualified
16 district must first comply with section 25e and use the pupil transfer process described in
17 that section for changes in enrollment as prescribed under that section and apply annually
18 for funding under section 24.

19 (3) The total amount allocated to a strict discipline academy or qualified district
20 under this section is equal to the strict discipline academy's or qualified district's
21 pupil membership in the immediately preceding year multiplied by an amount calculated by
22 dividing the total allocation under this section by the total pupil membership for eligible
23 strict discipline academies and qualified districts in the immediately preceding year.
24 However, the sum of the amounts received by a strict discipline academy or qualified
25 district under this section and under section 24 must not exceed the product of the strict
26 discipline academy's or qualified district's per-pupil allocation calculated under section
27 20 multiplied by the strict discipline academy's or qualified district's full-time equated
28 membership. The department shall allocate funds to strict discipline academies and
29 qualified districts under this section on a monthly basis.

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

32 (5) The department shall make payments to strict discipline academies and qualified

1 districts under this section according to the payment schedule under section 17b.

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

5 (7) As used in this section:

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

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

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

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

15 Sec. 25g. (1) From the state school aid fund money appropriated in section 11, there
16 is allocated an amount not to exceed ~~\$3,050,000.00~~ **\$750,000.00** for ~~2024-2025~~ **2025-2026** for
17 the purposes of this section. Except as otherwise provided in this section, if the
18 operation of the special membership counting provisions under section 6(4) (dd) and the
19 other membership counting provisions under section 6(4) result in a pupil being counted as
20 more than 1.0 FTE in a fiscal year, the payment made for the pupil under sections 22a and
21 22b must not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that
22 exceeds 1.0 is paid under this section in an amount equal to that portion multiplied by the
23 educating district's foundation allowance or per-pupil payment calculated under section 20.
24 ~~It is the intent of the legislature that, for 2025-2026, the allocation from the state~~
25 ~~school aid fund money appropriated in section 11 for the purposes described in this section~~
26 ~~will be \$750,000.00.~~

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

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

32 (4) The department shall make payments to districts under this section according to

1 the payment schedule under section 17b.

2 Sec. 26a. From the state school aid fund money appropriated in section 11, there is
3 allocated an amount not to exceed \$14,000,000.00 for ~~2024-2025~~**2025-2026** to reimburse
4 districts and intermediate districts under section 12 of the Michigan renaissance zone act,
5 1996 PA 376, MCL 125.2692, for taxes levied in ~~2024~~**2025**. The department shall pay the
6 allocations by not later than 60 days after the department of treasury certifies to the
7 department and to the state budget director that the department of treasury has received
8 all necessary information to properly determine the amounts due to each eligible recipient.

9 Sec. 26b. (1) From the state school aid fund money appropriated in section 11, there
10 is allocated an amount not to exceed ~~\$5,284,000.00~~**\$5,549,000.00** for ~~2024-2025~~**2025-2026**
11 for payments to districts, intermediate districts, and community college districts for the
12 portion of the payment in lieu of taxes obligation that is attributable to districts,
13 intermediate districts, and community college districts under section 2154 of the natural
14 resources and environmental protection act, 1994 PA 451, MCL 324.2154.

15 (2) If the amount appropriated under this section is insufficient to fully pay
16 obligations under this section, payments are prorated on an equal basis among all eligible
17 districts, intermediate districts, and community college districts.

18 Sec. 26c. (1) From the state school aid fund money appropriated under section 11,
19 there is allocated an amount not to exceed ~~\$28,300,000.00 for 2023-2024 and there is~~
20 ~~allocated an amount not to exceed \$34,500,000.00~~**\$43,300,000.00** for ~~2024-2025~~**2025-2026** to
21 the promise zone fund created in subsection (3). The funds allocated under this section
22 reflect the amount of revenue from the collection of the state education tax captured under
23 section 17 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677.

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

32 (3) The promise zone fund is created as a separate account within the state school

1 aid fund to be used solely for the purposes of the Michigan promise zone authority act,
2 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

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

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

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

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

14 Sec. 26d. (1) From the state school aid fund money appropriated under section 11,
15 there is allocated an amount not to exceed \$14,400,000.00 for ~~2024-2025-2025-2026~~ for
16 reimbursements to intermediate districts as required under section 15b of the brownfield
17 redevelopment financing act, 1996 PA 381, MCL 125.2665b.

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

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

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

25 Sec. 27a. (1) From the educator fellowship public provider fund money appropriated in
26 section 11, there is allocated for ~~2024-2025-2025-2026~~ an amount not to exceed
27 \$10,000,000.00, from the state school aid fund money appropriated in section 11, there is
28 allocated for ~~2024-2025-2025-2026~~ an amount not to exceed \$10,000,000.00, and from the
29 general fund money appropriated in section 11, there is allocated for ~~2024-2025-2025-2026~~
30 an amount not to exceed \$5,000,000.00 for the MI future educator fellowship program. The
31 funds allocated under this section must be used to offset tuition costs for individuals who
32 are working toward earning their initial teacher certification. At the close of the fiscal

1 year, money allocated under this section that is unspent must be deposited as follows:

2 (a) For state school aid fund money, into the educator fellowship public provider
3 fund in section 27d.

4 (b) For general fund money, into the educator fellowship private provider fund in
5 section 27e.

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

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

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

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

19 (d) Timely complete a grant application in a form and manner prescribed by the
20 department of lifelong education, advancement, and potential.

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

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

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

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

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

32 (3) To establish continuing eligibility for an award under this section at an

1 eligible educator preparation program, an individual must meet all of the following
2 conditions:

3 (a) Maintain full-time continuous enrollment in an eligible educator preparation
4 program, as determined by the educator preparation program, or the equivalent of full-time
5 participation for individuals enrolled in an alternative certification program, as defined
6 by the department, excluding any period of time missed due to a medical or other emergency,
7 as determined by the department of lifelong education, advancement, and potential.

8 (b) Maintain satisfactory academic progress, including a grade point average of at
9 least 3.0, in courses provided by the eligible educator preparation program and meet
10 requirements established by the eligible educator preparation program.

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

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

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

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

19 (4) An award under this section must not exceed \$10,000.00 per academic year or the
20 cost of tuition at the eligible educator preparation program attended, whichever is less.
21 As used in this subsection, the cost of tuition at an educator preparation program that is
22 an institution of higher education is the in-district resident rate plus other required
23 fees, as determined by the department of lifelong education, advancement, and potential;
24 and the cost of tuition at an educator preparation program that is an alternative
25 certification provider is the cost of tuition plus other required fees, as determined by
26 the department of lifelong education, advancement, and potential.

27 (5) Awards under this section must be distributed to eligible educator preparation
28 programs on behalf of an eligible recipient on a timeline determined by the department of
29 lifelong education, advancement, and potential.

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

32 (7) To be an eligible recipient of fellowship funding under this section, an

1 individual must pledge to work as a certified teacher in a public school or a qualifying
2 public preschool program in this state and must meet 1 of the following work requirements:

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

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

9 (c) For a recipient of funding under this section who received an award for 3
10 academic years, 5 years of work as a certified teacher in a public school or a qualifying
11 public preschool program in this state.

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

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

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

28 (10) If the amount allocated in subsection (1) is insufficient to fully fund awards
29 under this section, there is appropriated from the educator fellowship public provider fund
30 in section 27d or the educator fellowship private provider fund in section 27e, as
31 applicable, the amount necessary to fully fund these programs. The state budget director
32 shall provide notification to the house and senate appropriations subcommittees on K to 12

1 school aid and the house and senate fiscal agencies for any additional appropriation
2 described under this subsection.

3 (11) Notwithstanding section 17b, the department of lifelong education, advancement,
4 and potential shall make payments under this section on a schedule determined by the
5 department of lifelong education, advancement, and potential.

6 (12) The department of lifelong education, advancement, and potential shall report to
7 the chairpersons of the house appropriations subcommittee on school aid and education and
8 the senate appropriations subcommittee on pre-K to 12 by February 1-15 of the current
9 fiscal year. The report must include the following:

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

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

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

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

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

18 (c) Has not been deemed as ineligible to receive Michigan achievement scholarship
19 funding under section 248 as a result of exceeding tuition restraint requirements described
20 in section 248.

21 Sec. 27b. (1) From the state school aid fund money appropriated in section 11, there
22 is allocated for ~~2022-2023~~ **2025-2026** only an amount not to exceed ~~\$20,000,000.00~~ and from
23 ~~the federal funding appropriated under section 11, there is allocated for 2022-2023 only an~~
24 ~~amount not to exceed \$155,000,000.00 from the federal funding awarded to this state from~~
25 ~~the coronavirus state fiscal recovery fund under the American rescue plan act of 2021,~~
26 ~~title IX, subtitle M of Public Law 117-2, \$50,000,000.00~~ to districts and intermediate
27 districts for a grow your own program as described in subsection (2).

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

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

5 (b) Books.

6 (c) Testing fees.

7 (d) Travel to and from coursework.

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

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

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

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

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

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

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

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

1 (f) A pledge that, before providing funding under this section to an eligible
2 recipient, the district or intermediate district will require that the eligible recipient
3 pledge to serve as a full-time teacher at the district or intermediate district for at
4 least the same number of years as the recipient participated in a grow your own program. If
5 the district or intermediate district is unable to hire an eligible recipient as required
6 under subdivision (e), the eligible recipient may serve the years the recipient pledged to
7 serve under this subdivision at another district, intermediate district, or nonpublic
8 school.

9 (4) An individual may not concurrently receive funding for programs under this
10 section and programs funded under sections 27a and 27c.

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

13 (5) ~~(6)~~ Notwithstanding section 17b, the department shall make payments under this
14 section on a schedule determined by the department.

15 (6) ~~(7)~~ The funds allocated under this section for ~~2022-2023-2025-2026~~ are a work
16 project appropriation, and any unexpended funds for ~~2022-2023-2025-2026~~ are carried forward
17 into ~~2023-2024-2026-2027~~. The purpose of the work project is to continue support for grow
18 your own programs in districts and intermediate districts. The estimated completion date of
19 the work project is December 31, ~~2026-2028~~.

20 Sec. 27c. (1) From the state school aid fund money appropriated in section 11, there
21 is allocated \$30,000,000.00 for ~~2024-2025-2025-2026~~ and from the educator fellowship public
22 provider fund money appropriated in section 11, there is allocated \$20,000,000.00 for ~~2024-~~
23 ~~2025-2025-2026~~ for the MI future educator student teacher stipend program. Except as
24 otherwise provided in this section, the funds allocated under this section must be paid to
25 eligible educator preparation programs for payments to eligible student teachers working in
26 a district. At the close of the fiscal year, state school aid fund money allocated under
27 this section that is unspent must be deposited into the educator fellowship public provider
28 fund in section 27d.

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

30 (a) The individual must be admitted to an eligible educator preparation program, be
31 working toward a teacher certification, **and** be participating in required student teaching
32 coursework, ~~and be maintaining satisfactory academic progress.~~ As used in this

1 subdivision, "required student teaching coursework" means credit hours, or the program
2 equivalent, required by an eligible educator preparation program for successful completion
3 of the program. This coursework must include regular placement in a district where the
4 student gains real-world, first-hand experience working in a classroom, teaching students,
5 engaging in the day-to-day activities of a certified teacher, and working daily under the
6 guidance of a certified teacher.

7 (b) The individual must timely complete an application in a form and manner
8 prescribed by the department of lifelong education, advancement, and potential. The
9 application must include the district in which the individual is working as a student
10 teacher and must include a certification by the district and the individual's eligible
11 educator preparation program that the student is working as a student teacher. If the
12 individual's eligible educator preparation program is not provided by a public institution
13 of higher education, the district in which the individual is working must also provide an
14 assurance that they will forward any amount received under this section from the department
15 of lifelong education, advancement, and potential for purposes of the program described in
16 this section to the individual's eligible educator preparation program.

17 (c) The individual must not have received a payment from funds under this subsection
18 previously, unless the individual is enrolled in an eligible educator preparation program
19 that requires multiple semesters of student teaching **up to a maximum of two awards under**
20 **this subsection.**

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

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

25 (3) The department of lifelong education, advancement, and potential shall pay each
26 eligible educator preparation program an amount not to exceed \$9,600.00 per academic
27 semester for each eligible student teacher working in a district. If the individual's
28 eligible educator preparation program is not provided by a public institution of higher
29 education, the department of lifelong education, advancement, and potential shall pay an
30 amount not to exceed \$9,600.00 per academic semester to the district in which the
31 individual is working as a student teacher, and that district must forward the amount
32 received to the individual's eligible educator preparation program. ~~If funding allocated~~

1 ~~under this section is insufficient to fully fund all eligible student teachers, the~~
2 ~~department of lifelong education, advancement, and potential shall first award funding for~~
3 ~~eligible student teachers who are also Pell grant recipients and then shall distribute~~
4 ~~funding in the order in which applications were received.~~ It is intended that payments
5 under this subsection are made at the beginning of the semester in 1 lump sum for eligible
6 student teachers.

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

9 (5) Notwithstanding section 17b, the department of lifelong education, advancement,
10 and potential shall make payments under this section on a schedule determined by the
11 department of lifelong education, advancement, and potential.

12 (6) If the amount allocated in subsection (1) is insufficient to fully fund awards
13 under this section, there is appropriated from the educator fellowship public provider fund
14 in section 27d the amount necessary to fully fund the programs described in this section.
15 The state budget director shall notify the house and senate appropriations subcommittees on
16 K to 12 school aid and the house and senate fiscal agencies of any additional appropriation
17 described in this subsection.

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

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

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

23 (c) Has not been deemed as ineligible to receive Michigan achievement scholarship
24 funding under section 248 as a result of exceeding tuition restraint requirements described
25 in section 248.

26 Sec. 27p. (1) From the state school aid fund money appropriated in section 11, there
27 is allocated for 2024-2025 only an amount not to exceed \$12,500,000.00 to Marquette-Alger
28 RESA for an apprenticeship model grow your own program as part of a consortia of at least
29 45 intermediate districts.

30 (2) The intermediate district receiving funding under this section shall use the
31 funding to implement a grow your own program. A grow your own program described in this
32 section must be implemented to improve the teacher talent pipeline and provide a no-cost

1 pathway for support staff members to become certified teachers. Allowable expenses for grow
2 your own programs under this section include, but are not limited to, all of the following:

3 (a) Tuition and fees for an accelerated degree, for a traditional bachelor's degree
4 for current candidates who are not teachers, or for an advanced degree. **As used in this**
5 **subdivision, "advanced degree" includes, but is not limited to, a postbaccalaureate**
6 **credential or certificate.**

7 (b) Books.

8 (c) Testing fees.

9 (d) Travel to and from coursework.

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

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

17 (3) An intermediate district may not concurrently receive funding under this section
18 and receive funding under section 27b for 2022-2023, unless already awarded by the
19 department under section 27b before July 1, 2024. An intermediate district receiving
20 funding under this section shall not give funding received under this section to a
21 constituent district that is receiving funding under section 27b.

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

24 (5) The funds allocated under this section for 2024-2025 are a work project
25 appropriation, and any unexpended funds for 2024-2025 are carried forward into 2025-2026.
26 The purpose of the work project is to continue support for the grow your own programs under
27 this section. The estimated completion date of the work project is September 30, 2027.

28 Sec. 27r. (1) From the state school aid fund money appropriated in section 11, there
29 is allocated for 2024-2025 only an amount not to exceed \$7,000,000.00 to Kent ISD for the
30 West Michigan Teacher Collaborative as a part of a consortium of at least 3 intermediate
31 districts. The West Michigan Teacher Collaborative shall use the funding to implement a
32 grow your own program.

1 (2) A grow your own program described in this section must be implemented to improve
2 the teacher talent pipeline and provide a no-cost pathway for support staff members to
3 become certified teachers. Allowable expenses for grow your own programs under this section
4 include, but are not limited to, all of the following:

5 (a) Tuition and fees for an accelerated degree, for a traditional bachelor's degree
6 for current candidates who are not teachers, or for an advanced degree. **As used in this**
7 **subdivision, "advanced degree" includes, but is not limited to, a postbaccalaureate**
8 **credential or certificate.**

9 (b) Books and supplies.

10 (c) Testing fees.

11 (d) Travel to and from coursework.

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

14 (f) Costs for curriculum, materials, professional development, and hands-on learning
15 experiences to implement a program within the district or intermediate district to
16 encourage students in grades 6 to 12 to consider a career in education. Not more than 10%
17 of the funding may be used for this purpose.

18 (3) In addition to the allowable uses in subsection (2), the West Michigan Teacher
19 Collaborative may use the money received under this section for any of the following
20 purposes:

21 (a) Recruiting, retaining, and developing teachers to ensure greater efficacy,
22 satisfaction, and outcomes.

23 (b) Serving as a convener and model for other local and intermediate school districts
24 interested in developing and improving grow your own programs.

25 (c) Engaging in rigorous program evaluation and research so that this state can learn
26 from its investments and innovations and become a top state for educators.

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

29 (5) The funds allocated under this section for 2024-2025 are a work project
30 appropriation, and any unexpended funds for 2024-2025 are carried forward into 2025-2026.
31 The purpose of the work project is to continue support for the grow your own programs under
32 this section. The estimated completion date of the work project is September 30, 2028.

1 Sec. 28. (1) To recognize differentiated instructional costs for different types of
2 pupils as well as additional costs to provide essential services in ~~2024-2025, 2025-2026~~
3 the following sections provide a weighted foundation allocation or an additional payment of
4 some type in the following amounts, as allocated under those sections:

5 (a) Section 22d, isolated and rural districts, ~~\$12,306,900.00.~~ **\$12,816,900.00.**

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

7 (c) Section 29, declining enrollment, \$71,000,000.00.

8 (d) Section 31a, at risk, ~~\$1,034,924,000.00.~~ **\$1,077,224,000.00.**

9 (e) Section 32d, great start readiness program, ~~\$627,720,000.00.~~ **\$650,720,000.00.**

10 (f) Section 41, bilingual education for English language learners, ~~\$50,186,100.00.~~

11 **\$52,286,100.00.**

12 (g) Section 51c, special education, mandated percentages, ~~\$1,016,400,000.00.~~

13 **\$1,108,900,000.00.**

14 (h) Section 54d, early on, ~~\$23,670,700.00.~~ **\$28,404,700.00.**

15 (i) Section 61a, career and technical education, standard reimbursement,

16 ~~\$39,899,800.00.~~ **\$41,559,800.00.**

17 (j) Section 61d, career and technical education incentives, ~~\$5,304,300.00.~~

18 **\$5,554,300.00.**

19 ~~(k) Section 147a, Michigan public school employees' retirement system cost offset,~~

20 ~~\$709,939,000.00.~~

21 (2) The funding described in subsection (1) is not a separate allocation of any
22 funding but is instead a listing of funding allocated in the sections listed in subsection
23 (1).

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

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

31 (3) Money in the enrollment stabilization fund at the close of the fiscal year
32 remains in the enrollment stabilization fund and does not lapse to the state school aid

1 fund or the general fund.

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

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

6 (6) From the enrollment stabilization fund money appropriated under section 11, there
7 is allocated an amount not to exceed \$71,000,000.00 for ~~2024-2025-2025-2026~~ for districts
8 and intermediate districts for which membership in the immediately preceding fiscal year,
9 as calculated under section 6 in the immediately preceding fiscal year, exceeds membership
10 in the current fiscal year, as calculated under section 6 in the current fiscal year.

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

19 Sec. 30d. (1) From the state school aid fund money appropriated in section 11, there
20 is allocated an amount not to exceed ~~\$100,000,000.00 for 2023-2024, and an amount not to~~
21 ~~exceed \$170,000,000.00~~ **\$200,000,000.00** for ~~2024-2025, and from the school meals reserve~~
22 ~~fund money appropriated in section 11, there is allocated an amount not to exceed~~
23 ~~\$90,000,000.00 for 2023-2024 and an amount not to exceed \$30,000,000.00 for 2024-2025-2025-~~
24 **2026** for the purpose of making payments to participating entities to provide free school
25 lunch and breakfast to public school pupils in grades pre-K to 12.

26 (2) To receive funding under this section, a participating entity must participate in
27 the National School Lunch Program and must do all of the following:

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

31 (b) Submit information regarding the number of reimbursable breakfasts and
32 reimbursable lunches served in a manner prescribed by the department.

1 (c) Maximize federal reimbursement for reimbursable breakfasts and reimbursable
2 lunches by operating under the CEP if the participating entity has an identified student
3 percentage greater than or equal to the minimum requirement to be eligible to participate
4 in the CEP. For purposes of this subdivision, all eligible participating entities must
5 elect CEP on behalf of a single school, a group or groups of schools, or all schools in the
6 participating entity, as applicable, in a manner that maximizes federal reimbursement.

7 (d) Meet all applicable state and federal standards in its school breakfast and lunch
8 programs, as determined by the department.

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

13 (f) Forgive all school meal debt related to federally reimbursable meals, as
14 determined by the department.

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

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

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

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

1 children participating in the Great Start Readiness Program under section 32d at the
2 participating entity, less all other federal and state lunch payments made for those
3 children. For purposes of this subdivision, compliance with 7 CFR 226.9 is required. The
4 department shall assign rates of reimbursement pursuant to 7 CFR 226.9, at least annually,
5 on the basis of family size and income information reported by each eligible participating
6 entity. Assigned rates of reimbursement must be adjusted annually to reflect changes in the
7 national average payment rates.

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

10 (6) As used in this section:

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

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

15 (7) In addition to the appropriations in section 11, if the amount allocated in
16 subsection (1) is insufficient to fully reimburse districts for meals as required in this
17 section, there is appropriated from the school meals reserve fund created in section 30e
18 the amount necessary to fully fund these reimbursements.

19 Sec. 31a. (1) There is allocated for ~~2023-2024 an amount not to exceed~~
20 ~~\$1,035,150,000.00 from the state school aid fund money appropriated in section 11 and an~~
21 ~~amount not to exceed \$1,500,000.00 from the general fund money appropriated in section 11,~~
22 ~~and there is allocated for 2024-2025-2025-2026 an amount not to exceed \$1,078,074,000.00~~
23 **\$1,120,374,000.00** from the state school aid fund money appropriated in section 11 and an
24 amount not to exceed \$1,500,000.00 from the general fund money appropriated in section 11
25 for payments to eligible districts and eligible public school academies for the purposes of
26 ensuring that pupils are proficient in English language arts by the end of grade 3, that
27 pupils are proficient in mathematics by the end of grade 8, that pupils are attending
28 school regularly, that high school graduates are career and college ready, and for the
29 purposes under subsections (7), (8), **and** (23)., ~~and (24).~~

30 (2) For a district or public school academy to be eligible to receive funding under
31 this section, other than funding under subsection (7), (8), **or** (23), ~~or (24),~~ the district
32 or public school academy, for grades K to 12, must comply with the requirements under

1 section 1280f of the revised school code, MCL 380.1280f, **must comply with sections 16, 16b,**
2 **16c, and 16d,** and must use resources to address early literacy and numeracy, and for at
3 least grades K to 12 or, if the district or public school academy does not operate all of
4 grades K to 12, for all of the grades it operates, must implement a multi-tiered system of
5 supports that is an evidence-based framework that uses data driven problem solving to
6 integrate academic and behavioral instruction and that uses intervention delivered to all
7 pupils in varying intensities based on pupil needs. The multi-tiered system of supports
8 described in this subsection must provide at least all of the following essential
9 components:

- 10 (a) Team-based leadership.
- 11 (b) A tiered delivery system.
- 12 (c) Selection and implementation of instruction, interventions, and supports.
- 13 (d) A comprehensive screening and assessment system.
- 14 (e) Continuous data-based decision making.

15 (3) From the state school aid fund money allocated under subsection (1), there is
16 allocated for ~~2023-2024 an amount not to exceed \$952,000,000.00, and there is allocated for~~
17 ~~2024-2025-2025-2026~~ an amount not to exceed ~~\$1,034,924,000.00~~ **\$1,077,224,000.00** to continue
18 a weighted foundation per pupil payment for districts and public school academies enrolling
19 economically disadvantaged pupils. The department shall pay under this subsection to each
20 eligible district or eligible public school academy an amount per pupil equal to a
21 percentage calculated under subsection (4) multiplied by the target foundation allowance
22 for the following, as applicable:

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

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

29 (ii) If the district or public school academy is in the community eligibility program,
30 the number of pupils determined to be eligible based on the product of the identified
31 student percentage multiplied by the total number of pupils in the district or public
32 school academy, as reported to the center in the form and manner prescribed by the center

1 not later than the fifth Wednesday after the pupil membership count day of the immediately
2 preceding fiscal year. These calculations must be made at the building level. This
3 subparagraph only applies to an eligible district or eligible public school academy for the
4 fiscal year immediately following the first fiscal year in which it is in the community
5 eligibility program. As used in this subparagraph, "identified student percentage" means
6 the quotient of the number of pupils in an eligible district or eligible public school
7 academy who are determined to be economically disadvantaged, as reported to the center in a
8 form and manner prescribed by the center, not later than the fifth Wednesday after the
9 pupil membership count day in the fiscal year preceding the first fiscal year in which the
10 eligible district or eligible public school academy is in the community eligibility
11 program, divided by the total number of pupils counted in an eligible district or eligible
12 public school academy on the pupil membership count day in the fiscal year preceding the
13 first fiscal year in which the eligible district or eligible public school academy is in
14 the community eligibility program.

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

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

27 (d) If, for a particular fiscal year, the number of membership pupils in a district
28 or public school academy who are determined under subdivision (a) to be economically
29 disadvantaged or to be eligible based on the identified student percentage varies by more
30 than 20 percentage points from the number of those pupils in the district or public school
31 academy as calculated under subdivision (a) for the immediately preceding fiscal year
32 caused by an egregious reporting error by the district or public school academy, the

1 department may choose to have the calculations under subdivision (a) instead be made using
2 the number of membership pupils in the district or public school academy who are determined
3 to be economically disadvantaged, as reported to the center in the form and manner
4 prescribed by the center not later than the fifth Wednesday after the supplemental count
5 day of the immediately preceding fiscal year.

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

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

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

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

31 (d) A district or public school academy with an opportunity index score greater than
32 or equal to 59 but less than 73 must be assigned to band 4 and shall receive reimbursement

1 under subsection (3) at a rate of at least 39.0% and less than 42.0%. The reimbursement
2 rate under this subdivision must be an amount equal to the district's opportunity index
3 score minus 59, multiplied by the band adjustment factor applicable to this subdivision,
4 plus 39.0%.

5 (e) A district or public school academy with an opportunity index score greater than
6 or equal to 73 but less than 85 must be assigned to band 5 and shall receive reimbursement
7 under subsection (3) at a rate of at least 42.0% and less than 47.0%. The reimbursement
8 rate under this subdivision must be an amount equal to the district's opportunity index
9 score minus 73, multiplied by the band adjustment factor applicable to this subdivision,
10 plus 42.0%.

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

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

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

1 the fiscal year ending September 30, 2026, for a district with one or more buildings
2 identified by the state accountability system as a comprehensive support and improvement
3 school, an additional targeted support school, or a targeted support and improvement
4 school, the district must make efforts to equitably allocate dollars received under this
5 section such that the overall per student spending with dollars received under this section
6 is greater in such buildings compared to buildings not identified by the state
7 accountability system as comprehensive support and improvement schools, additional targeted
8 support schools, or a targeted support and improvement schools.

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

15 (7) From the state school aid fund money allocated under subsection (1), there is
16 allocated for ~~2023-2024 an amount not to exceed \$33,000,000.00, and there is allocated for~~
17 ~~2024-2025-2025-2026~~ an amount not to exceed \$33,000,000.00 to support primary health care
18 services provided to children and adolescents up to age 21. These funds must be expended in
19 a form and manner determined jointly by the department and the department of health and
20 human services. When making funding decisions for new adolescent health centers under this
21 subsection, the department and department of health and human services shall prioritize
22 support for primary health care services in unserved and underserved counties as determined
23 by the department of health and human services. ~~For 2023-2024, an amount not to exceed 4%~~
24 ~~of the funds allocated for 2023-2024 under this subsection, and for 2024-2025, an~~ **An** amount
25 equal to 4% of the funds allocated for ~~2024-2025-2025-2026~~ under this subsection must be
26 made available for technical support and coordination services from a nonprofit
27 organization exclusively dedicated to serving adolescent health centers in this state and
28 that has a membership that includes federally qualified health centers, local public health
29 departments, hospital systems, and public school districts. As a requirement of being
30 awarded the funds under this subsection as prescribed under this subsection, a nonprofit
31 organization described in this subsection shall make readily available technical support
32 and coordination services to all child and adolescent health centers in this state. ~~Funds~~

1 ~~appropriated under this subsection for 2023-2024 only are a work project appropriation and~~
2 ~~any unexpended funds for 2023-2024 are carried forward into 2024-2025. The purpose of the~~
3 ~~work project is to continue to improve child and adolescent health center program sites and~~
4 ~~improve delivery of patient care. The estimated completion date of the work project is~~
5 ~~September 30, 2025.~~

6 (8) From the state school aid fund money allocated under subsection (1), there is
7 allocated for ~~2023-2024 an amount not to exceed \$5,150,000.00 and for 2024-2025-2025-2026~~
8 an amount not to exceed \$10,150,000.00 for the state portion of the hearing and vision
9 screenings as described in part 93 of the public health code, 1978 PA 368, MCL 333.9301 to
10 333.9329, and, from the general fund money allocated under subsection (1), there is
11 allocated for ~~2023-2024 an amount not to exceed \$1,500,000.00 and for 2024-2025-2025-2026~~
12 an amount not to exceed \$1,500,000.00 for the state portion of the dental screenings as
13 described in part 93 of the public health code, 1978 PA 368, MCL 333.9301 to 333.9329. A
14 local public health department shall pay at least 50% of the total cost of the screenings.
15 The frequency of the vision screenings must be as required under R 325.13091 to R 325.13096
16 of the Michigan Administrative Code and the frequency of the hearing screenings must be as
17 required under R 325.3271 to R 325.3276 of the Michigan Administrative Code. Funds must be
18 awarded in a form and manner approved jointly by the department and the department of
19 health and human services. Notwithstanding section 17b, the department shall make payments
20 to eligible entities under this subsection on a schedule determined by the department.

21 (9) Each district or public school academy receiving funds under this section shall
22 submit to the department by July 15 of each fiscal year a report, in the form and manner
23 prescribed by the department, that includes a brief description of each program conducted
24 or services performed by the district or public school academy using funds under this
25 section, the amount of funds under this section allocated to each of those programs or
26 services, the total number of at-risk pupils served by each of those programs or services,
27 and the data necessary for the department and the department of health and human services
28 to verify matching funds for the temporary assistance for needy families program. In
29 prescribing the form and manner of the report, the department shall ensure that districts
30 are allowed to expend funds received under this section on any activities that are
31 permissible under this section. If a district or public school academy does not comply with
32 this subsection, the department shall withhold an amount equal to the August payment due

1 under this section until the district or public school academy complies with this
2 subsection. If the district or public school academy does not comply with this subsection
3 by the end of the fiscal year, the withheld funds are forfeited to the school aid fund.

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

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

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

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

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

28 (13) A district or public school academy that receives funds under subsection (3) may
29 use funds received under subsection (3) for support staff providing services to at-risk
30 pupils.

31 (14) ~~Beginning in 2024-2025, a~~ **A** district or public school academy may use up to 60%
32 of the funds it receives under this section for the following purposes:

1 (a) Up to 30% to reduce the teacher to pupil ratio in grades K to 3 in schools for
2 which the percentage of pupils in membership who were determined to be economically
3 disadvantaged in the immediately preceding fiscal year is equal to or greater than the
4 minimum percentage for a district or public school academy to be assigned to opportunity
5 index band 5.

6 (b) Up to 30% to support retention and recruitment efforts that help reduce staff
7 turnover and vacancies of instructional and support staff if the district or public school
8 academy is assigned to opportunity index band 5 or 6.

9 (15) Funds used as described in subsection (14) must align with the needs assessment
10 and the multi-tiered system of supports model. A district or public school academy shall
11 not use any of the money described in subsection (14) for administrative costs or to
12 supplant existing funding, including, but not limited to, maintaining existing salaries or
13 costs. A district or public school academy shall report its intent to use funds described
14 in subsection (14) to the department by not later than November 1 of the current fiscal
15 year.

16 (16) A district or public school academy determined to be eligible to use a portion
17 of funds received under subsection (3) for the purposes described in subsection (14)
18 retains the ability to use funding for the purposes described in subsection (14) for the
19 fiscal year in which eligibility was determined plus 2 additional fiscal years beyond that
20 fiscal year.

21 (17) By August 1 of each fiscal year, the department must provide a report to
22 districts and public school academies that lists the eligible schools under subsection
23 (14) (a) for the upcoming fiscal year.

24 (18) A district or public school academy that receives funds under this section may
25 use up to 10% of the funds received under this section to provide evidence-based
26 instruction for pre-kindergarten instructional and noninstructional services to children
27 who meet at least 1 of the criteria in subsection ~~(25) (a) (i)~~ **(24) (a) (i)** to (x).

28 (19) Except as otherwise provided in this subsection, if necessary, the department
29 shall prorate payments under this section, except payments under subsection (7), (8), **or**
30 (23), ~~or (24)~~, by reducing the amount of the allocation as otherwise calculated under this
31 section by an equal percentage per district. Subject to the availability of funds, if
32 proration is necessary under this subsection, the department must ensure that no district

1 receives an amount less than 11.5% of the target foundation for each economically
2 disadvantaged pupil enrolled in the district.

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

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

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

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

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

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

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

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

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

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

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

32 ~~(d) An amount equal to 4% of the funds allocated for 2023-2024 under this subsection~~

1 ~~must be made available for technical support and coordination services from a nonprofit~~
2 ~~organization exclusively dedicated to serving adolescent health centers in this state and~~
3 ~~that has a membership that includes federally qualified health centers, local public health~~
4 ~~departments, hospital systems, and public school districts. As a requirement of being~~
5 ~~awarded the funds under this subsection as prescribed under this subsection, a nonprofit~~
6 ~~organization described in this subsection shall make readily available technical support~~
7 ~~and coordination services to all child and adolescent health centers in this state.~~

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

13 **(23)** ~~(24)~~ From the state school aid fund money appropriated under section 11, there
14 is allocated for 2023-2024 only an amount not to exceed \$10,000,000.00 for an electronic
15 patient data and health care analytic system to be made available to each child and
16 adolescent health center program. The department of health and human services shall
17 collaborate on system implementation with a nonprofit organization exclusively dedicated to
18 serving child and adolescent health center programs in this state and that has a membership
19 that includes federally qualified health centers, local public health departments, hospital
20 systems, and public school districts, including, but not limited to, technology assessment,
21 design, coordination, and system implementation with child and adolescent health center
22 programs. Funds appropriated under this subsection are a work project appropriation and any
23 unexpended funds for 2023-2024 are carried forward into 2024-2025. The purpose of the work
24 project is to continue to implement an electronic patient data and health care analytic
25 system. The estimated completion date of the work project is September 30, 2028.

26 **(24)** ~~(25)~~ As used in this section:

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

- 29 (i) The pupil is economically disadvantaged.
- 30 (ii) The pupil is an English language learner.
- 31 (iii) The pupil is chronically absent as defined by and reported to the center.
- 32 (iv) The pupil is a victim of child abuse or neglect.

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

2 (vi) The pupil has a family history of school failure, incarceration, or substance
3 abuse.

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

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

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

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

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

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

22 Sec. 31d. (1) From the state school aid fund money appropriated in section 11, there
23 is allocated an amount not to exceed \$29,553,400.00 for ~~2024-2025~~**2025-2026** for the purpose
24 of making payments to districts and other eligible entities under this section.

25 (2) The amounts allocated from state sources under this section are used to pay the
26 amount necessary to reimburse districts for 6.0127% of the necessary costs of the state
27 mandated portion of lunch programs provided by those districts. The department shall
28 calculate the amount due to each district under this section using the methods of
29 calculation adopted by the Michigan supreme court in the consolidated cases known as Durant
30 v State of Michigan, 456 Mich 175 (1997).

31 (3) The payments made under this section include all state payments made to districts
32 so that each district receives at least 6.0127% of the necessary costs of operating the

1 state mandated portion of the lunch program in a fiscal year.

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

7 (5) From the federal funds appropriated in section 11, there is allocated for ~~2024-~~
8 ~~2025-2025-2026~~ all available federal funding, estimated at \$901,400,000.00 for child
9 nutrition programs and, for ~~2024-2025,~~ **2025-2026**, all available federal funding, estimated
10 at ~~\$15,000,000.00,~~ **\$22,000,000.00** for food distribution programs.

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

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

17 Sec. 31f. (1) From the state school aid fund money appropriated in section 11, there
18 is allocated an amount not to exceed \$16,900,000.00 for ~~2024-2025-2025-2026~~ for the purpose
19 of making payments to districts to reimburse for the cost of providing breakfast.

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

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

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

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

32 (4) Notwithstanding section 17b, the department may make payments under this section

1 pursuant to an agreement with the department.

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

5 Sec. 31j. (1) From the general fund money appropriated in section 11, there is
6 allocated for ~~2024-2025~~**2025-2026** an amount not to exceed \$500,000.00 and from the state
7 school aid fund money appropriated in section 11, there is allocated an amount not to
8 exceed \$4,000,000.00 for ~~2024-2025~~**2025-2026** for a program to support districts and other
9 non-school sponsors in the purchase of locally grown fruits, vegetables, and legumes as
10 described in this section.

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

14 (3) The department shall develop and implement a competitive grant program for
15 districts and other non-school sponsors to assist in paying for the costs incurred by the
16 district or other non-school sponsor to purchase or increase purchases of whole or
17 minimally processed fruits, vegetables, and legumes grown in this state. The maximum amount
18 that may be drawn down on a grant to a district or other non-school sponsor is based on the
19 number of meals served by the district during the previous school year under the Richard B.
20 Russell national school lunch act, 42 USC 1751 to 1769j, or meals served by the other non-
21 school sponsor in the previous school year. The department shall collaborate with the
22 Michigan department of agriculture and rural development to provide training to newly
23 participating schools and other non-school sponsors and electronic information on Michigan
24 agriculture.

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

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

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

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

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

6 (b) Pay for labor and food transportation of locally grown fruits, vegetables, and
7 legumes that directly support the activities and goals of the program described in this
8 section. The amount paid under this subdivision must not exceed 25% of the grant award.

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

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

19 (8) The department shall give preference to districts or other non-school sponsors
20 that propose educational activities that meet 1 or more of the following: promote healthy
21 food activities; have clear educational objectives; involve parents or the community;
22 connect to a school's or child care center's farm-to-school or farm-to-early-child-care
23 procurement activities; and market and promote the program, leading to increased pupil
24 knowledge and consumption of Michigan-grown products. The department shall give stronger
25 weighting and consideration to applications with robust marketing and promotional
26 activities.

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

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

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

32 (c) Existing or planned collaboration between child care sponsors, between districts,

1 or with agricultural businesses and essential local food infrastructure, such as farms,
2 farm cooperatives, processors, distributors, and local food hubs.

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

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

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

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

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

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

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

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

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

20 Sec. 31n. (1) From the state school aid fund money appropriated in section 11, there
21 is allocated for ~~2024-2025~~**2025-2026** for the purposes of this section an amount not to
22 exceed \$106,545,000.00 and from the general fund money appropriated in section 11, there is
23 allocated for ~~2024-2025~~**2025-2026** for the purposes of this section an amount not to exceed
24 \$1,300,000.00. The department and the department of health and human services shall
25 continue a program to distribute this funding to add licensed behavioral health providers
26 for general education pupils, and recipients of the funds under subsection (6) shall
27 continue to seek federal Medicaid match funding for all eligible mental health and support
28 services.

29 (2) The department and the department of health and human services shall maintain an
30 advisory council for programs funded under this section and any other funding under this
31 act to improve or maintain the mental health of students, except for programs funded under
32 section 31a(7) and (8). The advisory council shall define goals for implementation of

1 programs, and shall provide feedback on that implementation. At a minimum, the advisory
2 council shall consist of representatives of state associations representing school health,
3 school mental health, school counseling, education, health care, and other organizations,
4 representatives from the department and the department of health and human services, and a
5 representative from the school safety and mental health commission. The department and
6 department of health and human services, working with the advisory council, shall determine
7 an approach to increase capacity for mental health and support services in schools for
8 general education pupils, and shall determine where that increase in capacity qualifies for
9 federal Medicaid match funding.

10 (3) The advisory council shall develop a fiduciary agent checklist for intermediate
11 districts to facilitate development of a plan to submit to the department and to the
12 department of health and human services. The department and department of health and human
13 services shall determine the requirements and format for intermediate districts to submit a
14 plan for possible funding under subsection (6). The department shall make applications for
15 funding for this program available to districts and intermediate districts by not later
16 than December 1 of each fiscal year for which funds are allocated under this section and
17 shall award the funding by not later than February 1 of each fiscal year for which funds
18 are allocated under this section.

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

23 (5) From the state school aid fund money allocated under subsection (1), there is
24 allocated for ~~2024-2025~~**2025-2026** an amount not to exceed \$14,300,000.00 to be distributed
25 to the network of child and adolescent health centers to place a licensed master's level
26 behavioral health provider in schools that do not currently have services available to
27 general education students. Child and adolescent health centers that are part of the
28 network described in this subsection shall provide a commitment to maintain services and
29 implement all available federal Medicaid match methodologies. The department of health and
30 human services shall use all existing or additional federal Medicaid match opportunities to
31 maximize funding allocated under this subsection. The department shall provide funds under
32 this subsection to child and adolescent health centers that are part of the network

1 described in this subsection in the same proportion that funding under section 31a(7) is
2 provided to child and adolescent health centers that are part of the network described in
3 this subsection and that are located and operating in those districts. A payment from
4 funding allocated under this subsection must not be paid to an entity that is not part of
5 the network described in this subsection.

6 (6) From the state school aid fund money allocated under subsection (1), there is
7 allocated for ~~2024-2025~~**2025-2026** an amount not to exceed \$87,245,000.00 to be distributed
8 to intermediate districts for the provision of mental health and support services to
9 general education students. Recipients of funds under this subsection shall continue to
10 seek federal Medicaid match funding for all eligible mental health and support services. If
11 a district or intermediate district is not able to procure the services of a licensed
12 master's level behavioral health provider, the district or intermediate district shall
13 notify the department and the department of health and human services and, if the
14 department and department of health and human services verify that the district or
15 intermediate district attempted to procure services from a master's level behavioral health
16 provider and was not able to do so, then the district or intermediate district may instead
17 procure services from a provider with less than a master's degree in behavioral health. To
18 be able to use the exemption in the immediately preceding sentence, the district or
19 intermediate district must submit evidence satisfactory to the department and department of
20 health and human services demonstrating that the district or intermediate district took
21 measures to procure the services of a licensed master's level behavioral health provider
22 but was unable to do so, and the department and department of health and human services
23 must be able to verify this evidence. From the first \$56,173,600.00 of the funds allocated
24 under this subsection, the department shall distribute up to \$1,003,100.00 for ~~2024-2025~~
25 **2025-2026** to each intermediate district that submits a plan approved by the department and
26 the department of health and human services by February 1 of each fiscal year for which
27 funds are allocated under this section. The department shall distribute the remaining
28 \$31,071,400.00 of the funds allocated under this subsection for ~~2024-2025~~**2025-2026** to
29 intermediate districts on an equal per-pupil basis based on the combined total number of
30 pupils in membership in the intermediate district and its constituent districts, including
31 public school academies that are considered to be constituent districts under section
32 705(7) of the revised school code, MCL 380.705. The department and department of health and

1 human services shall work cooperatively in providing oversight and assistance to
2 intermediate districts and shall monitor the program upon implementation. An intermediate
3 district shall use funds awarded under this subsection to provide funding to its
4 constituent districts, including public school academies that are considered to be
5 constituent districts under section 705(7) of the revised school code, MCL 380.705, for the
6 provision of mental health and support services to general education students. In addition
7 to the criteria identified under subsection (9), an intermediate district shall consider
8 geography, cost, or other challenges when awarding funding to its constituent districts.
9 Districts receiving funding under this subsection are encouraged to provide suicide
10 prevention and awareness education and counseling.

11 (7) If funding awarded to an intermediate district remains after funds are provided
12 by the intermediate district to its constituent districts, the intermediate district shall
13 notify the department and department of health and human services and submit evidence
14 satisfactory to the department and department of health and human services demonstrating
15 how it would like to use funds for purposes other than hiring licensed behavioral health
16 providers for general education pupils. With permission from the department and department
17 of health and human services, the intermediate district may hire or contract for experts to
18 provide mental health and support services to general education students residing within
19 the boundaries of the intermediate district, including, but not limited to, expanding,
20 hiring, or contracting for staff and experts to provide those services directly or to
21 increase access to those services through coordination with outside mental health agencies;
22 the intermediate district may also contract with 1 or more other intermediate districts for
23 coordination and the facilitation of activities related to providing mental health and
24 support services to general education students residing within the boundaries of the
25 intermediate district; the intermediate district may also use the funds under this section
26 to create or strengthen school-based behavioral health assessment teams that focus on
27 providing age-appropriate interventions, identifying behaviors that suggest a pupil may be
28 struggling with mental health challenges, providing treatment and support of the pupil, and
29 using disciplinary interventions and the criminal justice system as methods of last resort;
30 and the intermediate district may also use the funds under this section to provide
31 evidence-based trainings that support student mental health.

32 (8) If funding awarded to an intermediate district under this section remains

1 unspent, or if the intermediate district submits an application requesting a lower
2 allocation than the maximum amount permitted, the department, in conjunction with the
3 intermediate district, may reallocate the funds to another intermediate district or other
4 intermediate districts capable of expending the funds before the funding deadline in
5 accordance with this section as if those funds were originally allocated to the
6 intermediate district or intermediate districts to which the funds are being reallocated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (a) For ~~2024-2025~~, **2025-2026**, an amount not to exceed \$1,000,000.00 for the purpose
10 of upgrading technology and systems infrastructure and other administrative requirements to
11 support the programs funded under this section.

12 (b) For ~~2024-2025~~, **2025-2026**, an amount not to exceed \$300,000.00 for the purpose of
13 administering the programs under this section and working on generating additional Medicaid
14 funds as a result of programs funded under this section.

15 (12) From the state school aid fund money allocated under subsection (1), there is
16 allocated for ~~2024-2025~~ **2025-2026** an amount not to exceed \$5,000,000.00 to intermediate
17 districts on an equal per intermediate district basis for the purpose of administering
18 programs funded under this section. Recipients of the funds under this subsection shall
19 continue to seek federal Medicaid match funding for all eligible mental health and support
20 services and participate in all learning collaboratives about C4S required by the
21 department and department of health and human services.

22 (13) The department and the department of health and human services shall work with
23 the advisory council to develop proposed measurements of outcomes and performance. Those
24 measurements must include, at a minimum, the number of pupils served, the number of schools
25 served, and where those pupils and schools were located. The department and the department
26 of health and human services shall compile data necessary to measure outcomes and
27 performance, and districts and intermediate districts receiving funding under this section
28 shall provide data requested by the department and department of health and human services
29 for the measurement of outcomes and performance. The department and department of health
30 and human services shall provide an annual report by not later than December 1 of each year
31 to the house and senate appropriations subcommittees on school aid and health and human
32 services, to the house and senate fiscal agencies, and to the state budget director. At a

1 minimum, the report must include measurements of outcomes and performance, proposals to
2 increase efficacy and usefulness, proposals to increase performance, and proposals to
3 expand coverage.

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

7 Sec. 31aa. (1) From the state school aid fund money appropriated in section 11, there
8 is allocated \$150,000,000.00 for ~~2024-2025~~, and ~~from the general fund money appropriated in~~
9 ~~section 11, there is allocated \$1,500,000.00 for 2024-2025 only,~~ **2025-2026** to provide
10 payments to districts, intermediate districts, ~~nonpublic schools,~~ and the Michigan Schools
11 for the Deaf and Blind that opt in and agree to receive funding under this section, for
12 activities to improve student mental health and improve student safety. ~~It is the intent of~~
13 ~~the legislature that, for 2025-2026, the allocation from the state school aid fund money~~
14 ~~appropriated in section 11 for purposes described in this section will be \$25,000,000.00,~~
15 ~~and that, for 2025-2026, the allocation from the state school aid fund money and general~~
16 ~~fund money appropriated in section 11 for purposes described in this section will not be~~
17 ~~used to make continued payments related to support staff hired or contracted for using~~
18 ~~funds received under this section.~~ The allowable expenditures of funds under this section
19 are as follows:

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

23 (b) Purchasing and implementing mental health screening tools.

24 (c) Purchasing a statewide, integrated technology platform, such as bhworks, that
25 streamlines behavioral health documentation and care coordination.

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

28 (e) Purchasing and implementing an online behavioral health tool moderated and led by
29 licensed behavioral health professionals.

30 (f) Hiring or contracting a behavioral health coordinator.

31 (g) Evidence-based trainings to support mental health.

32 (h) Costs associated with collaboration between school employees, families, and

1 community partners to address the academic, behavioral, and social needs of all students
2 through collaborative partnerships, resource coordination, data collection, and data
3 sharing.

4 (i) Costs associated with conducting a systematic school mental health needs
5 assessment and resource mapping that identifies programmatic and systemic needs and helps
6 staff determine priorities and create action plans.

7 (j) Coordination with local law enforcement.

8 (k) Training for school staff on threat assessment.

9 (l) Training for school staff and students on threat response.

10 (m) Training for school staff on crisis communication.

11 (n) Safety infrastructure, including, but not limited to, cameras, door blocks,
12 hardened vestibules, window screening, and technology necessary to operate buzzer systems.
13 This may also include firearm detection software that integrates to existing security
14 cameras to detect and alert school personnel and first responders to visible firearms on
15 school property.

16 (o) Age-appropriate training for students and families on responsible firearm
17 ownership, including safe handling and safe storage of firearms.

18 (p) School resource officers.

19 (q) 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 (r) 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 (s) Emergency infrastructure needs to respond to an immediate threat to the health or

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

10 (t) A contract with a vendor for a comprehensive safety and security assessment or a
11 comprehensive safety and security event assessment in schools operated by the district,
12 intermediate district, ~~nonpublic school,~~ or the Michigan Schools for the Deaf and Blind.

13 (u) An emergency response system.

14 **(v) Implementing cell phone free school policies. As used in this subdivision, a**
15 **"cell phone free school policy" is a policy that prohibits students from possessing and**
16 **accessing cell phones or other personal electronic devices during times of student**
17 **instruction.**

18 (2) By not later than December 31 of each fiscal year, from the state school aid fund
19 money allocated in subsection (1), the department shall make payments to districts,
20 intermediate districts, and the Michigan Schools for the Deaf and Blind that opt in and
21 agree to receive funding in an equal amount per pupil based on the total number of pupils
22 in membership in each district, intermediate district, and the Michigan Schools for the
23 Deaf and Blind that opts in and agrees to receive funding. ~~By December 31 of each fiscal~~
24 ~~year, from the general fund money allocated in subsection (1), the department shall make~~
25 ~~payments to nonpublic schools that opt in and agree to receive funding in an equal amount~~
26 ~~per pupil based on the total number of pupils in membership in each nonpublic school that~~
27 ~~opts in and agrees to receive funding, using pupil counts determined by the department. The~~
28 ~~department shall ensure that the amount per pupil paid to nonpublic schools does not exceed~~
29 ~~the amount per pupil paid to districts and intermediate districts. Districts, intermediate~~
30 districts, **and** the Michigan Schools for the Deaf and Blind, ~~and nonpublic schools~~ may opt
31 in and agree to receive funding in a form and manner determined by the department.

32 (3) Recipients of funding under this section must provide a final expense report to

1 the department by June 1 of each fiscal year. If the department determines that the
2 eligible recipient has misused the funds allocated under this section, the eligible
3 recipient shall reimburse the department for the amount of state funding misused.

4 (4) The department shall use the information received under subsection (3) to compile
5 a report that includes the number of recipients that have hired school resource officers
6 using funds received under this section and any supporting information provided by the
7 recipients. By not later than August 1 **of each year, 2025, and each August 1 thereafter,**
8 the department shall provide the report compiled under this subsection to the senate and
9 house appropriations subcommittees on school aid, the senate and house fiscal agencies, the
10 senate and house policy offices, the state budget office, and the Michigan commission on
11 law enforcement standards.

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

15 (6) **To receive funding under this section, a district, intermediate district, or the**
16 **Michigan Schools for the Deaf and Blind agrees to be subject to a comprehensive**
17 **investigation, including affirmatively agreeing to waive any privilege that may otherwise**
18 **protect information from disclosure, in the event of a mass casualty event and must agree**
19 **to comply with the investigation, as described in this subsection.**

20 (a) **The comprehensive investigation will assess the circumstances surrounding the**
21 **event, including but not limited to:**

22 (i) **Emergency response effectiveness.**

23 (ii) **Compliance with safety protocols.**

24 (iii) **Communication procedures.**

25 (iv) **Any factors contributing to the incident.**

26 (b) **The governor shall designate an appropriate person or investigative entity to**
27 **conduct the investigation. This person or investigative entity may include, but is not**
28 **limited to, state law enforcement agencies, independent review boards, or specially**
29 **appointed task forces. The person or designated investigative entity has the authority to:**

30 (i) **Access relevant records and data from the district.**

31 (ii) **Interview witnesses and district personnel involved.**

32 (iii) **Issue findings and recommendations based on the investigation.**

1 (c) The person or investigative entity designated in subdivision (b) shall prepare a
2 detailed report of its findings and submit it to the governor and relevant legislative
3 committees within 90 days following the conclusion of the investigation. The report must
4 include recommendations for preventing future incidents and improving school safety
5 protocols.

6 (d) As used in this subsection:

7 (i) "Mass casualty event" refers to any incident resulting in significant injuries or
8 fatalities on school grounds or at a school-sponsored event, as determined by the governor.

9 (ii) "School grounds" includes all properties owned or operated by the district,
10 including transportation vehicles owned or operated by the district.

11 (iii) "School-sponsored event" encompasses any activity organized or sanctioned by the
12 district.

13 (7) ~~(6)~~ Notwithstanding section 17b, the department shall make payments under this
14 section on a schedule determined by the department.

15 ~~(7) As provided under section 18a, recipients may expend funds under this section~~
16 ~~until the end of the fiscal year immediately following the fiscal year in which the funds~~
17 ~~are received.~~

18 Sec. 32d. (1) From the state school aid fund money appropriated in section 11, there
19 is allocated to eligible intermediate districts and consortia of intermediate districts for
20 great start readiness programs an amount not to exceed ~~\$609,720,000.00~~ **\$632,720,000.00** for
21 ~~2024-2025. It is the intent of the legislature that this section will support universal~~
22 ~~great start readiness programs in a future fiscal year. 2025-2026, and from the general~~
23 **fund money appropriated under section 11, there is allocated \$350,000.00 for the purposes**
24 **of this section, and from the great start readiness reserve fund money appropriated in**
25 **section 11, there is allocated \$18,000,000.00 for the purposes of this section.** An
26 intermediate district or consortium shall use funds allocated under this section for ~~great~~
27 ~~start readiness programs to provide part-day programs, school-day programs, GSRP extended~~
28 ~~programs, GSRP/Head Start school-day blended programs, or GSRP/Head Start extended blended~~
29 ~~programs that are comprehensive, free, compensatory classroom programs designed to improve~~
30 ~~the readiness and subsequent achievement of children who meet the participant eligibility~~
31 ~~and prioritization guidelines as defined by the department of lifelong education,~~
32 ~~advancement, and potential.~~ **eligible great start readiness program options.** For a child to

1 be eligible to participate in a program under this section, the child must be at least 4,
2 but less than 5, years of age as of September 1 of the school year in which the program is
3 offered and must meet those eligibility and prioritization guidelines. After eligible
4 children who will be 4 years of age as of September 1 are enrolled, a child who is not 4
5 years of age as of September 1, but who will be 4 years of age by not later than December
6 1, is eligible to participate if both of the following are met:

7 (a) The child's parent or legal guardian seeks a waiver from the September 1
8 eligibility date by submitting a request for enrollment in a program to the responsible
9 intermediate district.

10 (b) The child meets eligibility and prioritization guidelines.

11 (2) From the state school aid fund money allocated under subsection (1), an amount
12 not to exceed ~~\$607,720,000.00~~ **\$618,770,000.00** for ~~2024-2025~~ **2025-2026** is allocated to
13 intermediate districts or consortia of intermediate districts based on the formula in
14 section 39. An intermediate district or consortium of intermediate districts receiving
15 funding under this section shall act as the fiduciary for the great start readiness
16 programs. An intermediate district or consortium of intermediate districts receiving
17 funding under this section may collaborate with local governments to identify children
18 eligible for programs funded under this section and may contract with local governments to
19 provide services. To be eligible to receive funds allocated under this subsection from an
20 intermediate district or consortium of intermediate districts, a district, a consortium of
21 districts, a local government, or a public or private for-profit or nonprofit legal entity
22 or agency must comply with this section and section 39. ~~If, due to the number of GSRP~~
23 ~~extended program or GSRP/Head Start extended blended program slots awarded,~~ the amount
24 allocated in this subsection is insufficient to ~~award at least the same number of part-day~~
25 ~~program and school-day program slots as awarded in the immediately preceding fiscal year,~~
26 **fully fund allocations calculated under section 39,** there is appropriated from the great
27 start readiness program reserve fund the amount necessary **and available** to fully ~~award the~~
28 ~~same number of part-day program and full-day program slots as awarded in the immediately~~
29 ~~preceding fiscal year.~~ **fund those allocations.**

30 (3) ~~In addition to the allocation under subsection (1), from~~ **From** the general fund
31 money appropriated under ~~section 11, subsection (1)~~ there is allocated an amount not to
32 exceed ~~\$600,000.00~~ **\$350,000.00** for ~~2024-2025~~ **2025-2026** for a competitive grant to continue

1 a longitudinal evaluation of children who have participated in great start readiness
2 programs. ~~It is the intent of the legislature that the allocation under this subsection~~
3 ~~will be \$350,000.00 for 2025-2026.~~

4 (4) Except as otherwise provided in subsection (5), to be eligible for funding under
5 this section, a program must prepare children for success in school through ~~comprehensive~~
6 ~~part-day programs, school-day programs, CSRP extended programs, CSRP/Head Start school-day~~
7 ~~blended programs, or CSRP/Head Start extended blended programs~~ **eligible great start**
8 **readiness program options** that contain all of the following program components, as
9 determined by the department of lifelong education, advancement, and potential:

10 (a) Participation in a collaborative recruitment and enrollment process to ensure
11 that each child is enrolled in the program most appropriate to the child's needs and to
12 maximize the use of federal, state, and local funds. **As part of this requirement, programs**
13 **receiving funding must provide current enrollment data, including slots open for enrollment**
14 **and slots filled, to the intermediate district or consortium of intermediate districts from**
15 **which funding is received for that program. The enrollment process must ensure that**
16 **children in families with lower income and children with other risk factors, as determined**
17 **by the department of lifelong education, advancement, and potential, are enrolled before**
18 **children with lesser needs.**

19 (b) An age-appropriate educational curriculum that is in compliance with the early
20 childhood standards of quality for ~~prekindergarten~~ **birth to kindergarten** children adopted
21 by the state board, including, at least, the Connect4Learning curriculum.

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

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

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

28 (f) Active and continuous involvement of the parents or guardians of the program
29 participants.

30 (g) A plan to conduct and report annual great start readiness program evaluations and
31 continuous improvement plans using criteria approved by the department of lifelong
32 education, advancement, and potential.

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

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

10 (j) Participation in this state's great start to quality process with a ~~rating-level~~
11 of at least enhancing quality level.

12 (5) To help expand access to great start readiness programs, the department of
13 lifelong education, advancement, and potential may waive the requirements under subsection
14 (4) and a program may be eligible for funding under this section for new or expanding
15 programs if the program demonstrates to the satisfaction of the department of lifelong
16 education, advancement, and potential that the program meets all of the following:

17 (a) Is a licensed **group or** child care center or is a licensed program.

18 (b) Provides the minimum instructional time as required by the department of lifelong
19 education, advancement, and potential.

20 (c) Participates in this state's quality ~~rating-improvement~~ system at a level
21 determined by the department of lifelong education, advancement, and potential.

22 (d) Implements a professional educator preparation plan, as defined by the department
23 of lifelong education, advancement, and potential, for educators not meeting teacher
24 credentialing standards described in subsection (8).

25 (e) Uses a developmentally appropriate curriculum, as determined by the department of
26 lifelong education, advancement, and potential.

27 (f) Conducts a developmental screening and referral process, as determined by the
28 department of lifelong education, advancement, and potential.

29 (g) Commits to participating in program financial review and monitoring, as
30 determined by the department of lifelong education, advancement, and potential.

31 (h) Provides a plan to implement an approved great start readiness program curriculum
32 and meet additional great start readiness program standards, as determined by the

1 department of lifelong education, advancement, and potential.

2 (6) A waiver under subsection (5) may be granted for up to 3 years for requirements
3 related to program credentialing and may be granted for up to 2 years for all other
4 requirements, as determined by the department of lifelong education, advancement, and
5 potential.

6 (7) The department of lifelong education, advancement, and potential shall provide a
7 report to the house and senate appropriations subcommittees on school aid, the state budget
8 director, and the house and senate fiscal agencies that summarizes the number and types of
9 exemptions granted under subsection (5) and progress made by programs granted waivers under
10 subsection (5) by September 30 of each fiscal year. It is the intent of the legislature to
11 review the waiver allowability under subsection (5) before the fiscal year ending September
12 30, 2027.

13 (8) ~~An application for~~ **Recipients of** funding under this section must **apply for**
14 **funding in a form and manner determined by the department of lifelong education,**
15 **advancement, and potential. The application process must demonstrate, at a minimum,**
16 **compliance with program requirements described in subsection (4) or (5) and must ensure**
17 **that recipients will only utilize qualified personnel, as determined by the department of**
18 **lifelong education, advancement, and potential, for eligible great start readiness program**
19 **options.** ~~provide for the following, in a form and manner determined by the department of~~
20 ~~lifelong education, advancement, and potential:~~

21 ~~(a) Ensure either of the following:~~

22 ~~(i) That the applicant complies with all program components described in subsection~~
23 ~~(4).~~

24 ~~(ii) That the applicant meets the requirements of a waiver under subsection (5).~~

25 ~~(b) Except as otherwise provided in this subdivision, ensure that children~~
26 ~~participating in an eligible great start readiness program for whom the intermediate~~
27 ~~district is receiving funds under this section are children who live with families with a~~
28 ~~household income that is equal to or less than 400% of the federal poverty guidelines. If~~
29 ~~the intermediate district determines that all eligible children are being served and that~~
30 ~~there are no children on the waiting list who live with families with a household income~~
31 ~~that is equal to or less than 400% of the federal poverty guidelines, the intermediate~~
32 ~~district may then enroll children who live with families with a household income that is~~

1 ~~greater than 400% of the federal poverty guidelines. The enrollment process must consider~~
2 ~~income and risk factors, such that children determined with higher need are enrolled before~~
3 ~~children with lesser need. For purposes of this subdivision, all age-eligible children~~
4 ~~served in foster care or who are experiencing homelessness or who have individualized~~
5 ~~education programs recommending placement in an inclusive preschool setting are considered~~
6 ~~to live with families with household income equal to or less than 400% of the federal~~
7 ~~poverty guidelines regardless of actual family income and are prioritized for enrollment~~
8 ~~within the lowest quintile. The department of lifelong education, advancement, and~~
9 ~~potential shall publish the household income thresholds under this subdivision in a clear~~
10 ~~manner on its website and the great start to quality website.~~

11 ~~(c) Ensure that the applicant only uses qualified personnel for this program, as~~
12 ~~follows:~~

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

31 ~~(ii) Paraprofessionals possessing proper training in early childhood education,~~
32 ~~including an associate degree in early childhood education or child development or the~~

1 equivalent, or a child development associate (CDA) credential. However, if an applicant
2 demonstrates to the department of lifelong education, advancement, and potential that it is
3 unable to fully comply with this subparagraph after making reasonable efforts to comply,
4 the applicant may use paraprofessionals who have completed at least 1 course that earns
5 college credit in early childhood education or child development or enroll in a child
6 development associate credential with at least 6 months of verified experience in early
7 education and care, if the applicant provides to the department of lifelong education,
8 advancement, and potential, and the department of lifelong education, advancement, and
9 potential approves, a plan for each paraprofessional to come into compliance with the
10 standards in this subparagraph. A paraprofessional's compliance plan must be completed
11 within 3 years of the date of employment. Progress toward completion of the compliance plan
12 consists of at least 2 courses, 60 clock hours, or an equivalent of training per calendar
13 year.

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

22 ~~(9) For a grant recipient that enrolls pupils in a school-day program or GSRP~~
23 ~~extended program funded under this section, each child enrolled in the school-day program~~
24 ~~or GSRP extended program is counted as described in section 39 for purposes of determining~~
25 ~~the amount of the grant award.~~

26 ~~(9) (10) For a grant recipient that enrolls pupils in a GSRP/Head Start school-day~~
27 ~~blended program or GSRP/Head Start extended blended program, **an eligible great start**~~
28 ~~**readiness program option that blends GSRP and Head Start programming,** the grant recipient~~
29 shall ensure that all Head Start and GSRP policies and regulations are applied to the
30 blended slots, with adherence to the highest standard from either program, to the extent
31 allowable under federal law. A grant recipient may request a waiver from the department of
32 lifelong education, advancement, and potential to align GSRP policies and regulations with

1 Head Start national standards for quality, including ratios, and the department of lifelong
2 education, advancement, and potential may approve the waiver. Not later than March 1 of
3 each year, the department of lifelong education, advancement, and potential will report to
4 the legislature and post on a publicly available website a list by intermediate district or
5 consortium with the number and type of each waiver requested and approved.

6 **(10) ~~(11)~~** To help expand access to great start readiness programs, the department of
7 **lifelong education, advancement, and potential** may allow great start readiness programs to
8 implement Head Start national performance standards for quality as an alternative to great
9 start readiness program policies and regulations if the great start readiness program
10 demonstrates to the satisfaction of the department **of lifelong education, advancement, and**
11 **potential** that the great start readiness program is meeting the requirements of the Head
12 Start national performance standards.

13 **(11) An ISD or consortium of ISDs receiving funding under this section must publish**
14 **on an easily accessible website a data dashboard containing the number of allocations**
15 **requested from the state, a list of programs offering GSRP in their boundaries, and current**
16 **enrollment data for each subrecipient, including total slots open for enrollment, slots**
17 **filled, and waitlist information if applicable. A link to this website must be provided to**
18 **families on waitlists for any GSRP in their boundaries.**

19 (12) An intermediate district or consortium of intermediate districts receiving a
20 grant under this section shall designate an early childhood coordinator, and may provide
21 services directly or may contract with 1 or more districts or public or private for-profit
22 or nonprofit providers that meet all requirements of subsections (4) and (8).

23 (13) An intermediate district or consortium of intermediate districts may retain for
24 administrative services provided by the intermediate district or consortium of intermediate
25 districts an amount not to exceed 4% of the grant amount. Expenses incurred by
26 subrecipients engaged by the intermediate district or consortium of intermediate districts
27 for directly running portions of the program are considered program costs or a contracted
28 program fee for service. Subrecipients operating ~~with a federally approved indirect rate~~
29 ~~for other~~ early childhood programs may include indirect costs, not to exceed the federal
30 ~~10%~~ de minimis.

31 (14) An intermediate district or consortium of intermediate districts may expend not
32 more than 2% of the total grant amount for outreach, recruiting, and public awareness of

1 the program, if the intermediate district or consortium of intermediate districts also
2 participates in related statewide marketing and outreach efforts.

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

21 **(15)** ~~(16)~~—An intermediate district or consortium of intermediate districts receiving
22 a grant under this section shall allow parents of eligible children who are residents of
23 the intermediate district or within the consortium to choose a program operated by or
24 contracted with another intermediate district or consortium of intermediate districts and
25 shall enter into a written agreement regarding payment, in a manner prescribed by the
26 department of lifelong education, advancement, and potential.

27 **(16)** ~~(17)~~—An intermediate district or consortium of intermediate districts receiving
28 a grant under this section shall conduct a local process to contract with interested and
29 eligible public and private for-profit and nonprofit community-based providers that meet
30 all requirements of subsection (4) for at least 30% of its total allocation. ~~For the~~
31 ~~purposes of this 30% allocation, an intermediate district or consortium of intermediate~~
32 ~~districts may count children served by a Head Start grantee or delegate in a GSRP/Head~~

1 ~~Start school-day blended program, CSRP/Head Start extended blended program, CSRP extended~~
2 ~~program, and great start readiness school-day program. Children served in a program funded~~
3 ~~only through Head Start are not counted toward this 30% allocation. The department of~~
4 **lifelong education, advancement, and potential shall provide guidance to intermediate**
5 **districts and consortia of intermediate districts on counting children served by Head Start**
6 **programming for the purposes of this 30% allocation.** An intermediate district or consortium
7 shall report to the department of lifelong education, advancement, and potential, in a
8 manner prescribed by the department of lifelong education, advancement, and potential, ~~a~~
9 ~~detailed list of community-based providers by provider type, including private for-profit,~~
10 ~~private nonprofit, community college or university, Head Start grantee or delegate, and~~
11 ~~district or intermediate district, and the number and proportion of its total allocation~~
12 ~~allocated to each provider as subrecipient. information necessary for the department of~~
13 **lifelong education, advancement, and potential to determine the intermediate district's or**
14 **consortium of intermediate districts' compliance with this subsection.** If the intermediate
15 district or consortium is not able to contract for at least 30% of its total allocation,
16 the intermediate district or consortium shall notify the department of lifelong education,
17 advancement, and potential and, if the department of lifelong education, advancement, and
18 potential verifies that the intermediate district or consortium attempted to contract for
19 at least 30% of its total allocation and was not able to do so, the intermediate district
20 or consortium may retain and use all of its allocation as provided under this section. To
21 be able to use this exemption, the intermediate district or consortium shall demonstrate to
22 the department of lifelong education, advancement, and potential that the intermediate
23 district or consortium increased the percentage of its total allocation for which it
24 contracts with a community-based provider and the intermediate district or consortium shall
25 submit evidence satisfactory to the department of lifelong education, advancement, and
26 potential, and the department of lifelong education, advancement, and potential must be
27 able to verify this evidence, demonstrating that the intermediate district or consortium
28 took measures to contract for at least 30% of its total allocation as required under this
29 subsection, including, but not limited to, at least all of the following measures:

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

1 of lifelong education, advancement, and potential.

2 (b) The intermediate district or consortium provided to each nonparticipating
3 licensed child care center located in the service area of the intermediate district or
4 consortium information regarding great start readiness program requirements and a
5 description of the application and selection process for community-based providers.

6 (c) The intermediate district or consortium provided to the public and to
7 participating families a list of community-based great start readiness program
8 subrecipients with a great start to quality ~~rating-level~~ of at least enhancing quality
9 level.

10 (17) ~~(18)~~ If an intermediate district or consortium of intermediate districts
11 receiving a grant under this section fails to submit satisfactory evidence to demonstrate
12 its effort to contract for at least 30% of its total allocation, as required under
13 subsection ~~(17)~~, ~~(16)~~, the department of lifelong education, advancement, and potential
14 ~~shall~~ **may** reduce the allocation to the intermediate district or consortium by a percentage
15 equal to the difference between the percentage of an intermediate district's or
16 consortium's total allocation awarded to community-based providers and 30% of its total
17 allocation.

18 (18) ~~(19)~~ To assist intermediate districts and consortia in complying with the
19 requirement to contract with community-based providers, for at least 30% of their total
20 allocation, the department of lifelong education, advancement, and potential shall do all
21 of the following:

22 (a) Ensure that a great start resource center or the department of lifelong
23 education, advancement, and potential provides each intermediate district or consortium
24 receiving a grant under this section with the contact information for each licensed child
25 care center located in the service area of the intermediate district or consortium by March
26 1 of each year.

27 ~~(b) Provide, or ensure that an organization with which the department of lifelong~~
28 ~~education, advancement, and potential contracts provides, a community-based provider with a~~
29 ~~validated great start to quality rating within 90 days of the provider's having submitted a~~
30 ~~request and self-assessment.~~

31 (b) ~~(c)~~ Ensure that all intermediate district, district, community college or
32 university, Head Start grantee or delegate, private for-profit, and private nonprofit

1 providers are subject to a single great start to quality ~~rating~~ **continuous quality**
2 **improvement** system. The ~~rating-quality improvement~~ system must ensure that regulators
3 process all prospective providers at the same pace on a first-come, first-served basis and
4 must not allow 1 type of provider to receive a great start to quality ~~rating-level~~ ahead of
5 any other type of provider.

6 **(c)** ~~(d)~~ By not later than March 1 of each year, compile the results of the
7 information reported by each intermediate district or consortium under subsection ~~(17)~~ **(15)**
8 and report to the legislature and post on a publicly available website a list by
9 intermediate district or consortium with the number and percentage of each intermediate
10 district's or consortium's total allocation allocated to community-based providers by
11 provider type, including private for-profit, private nonprofit, community college or
12 university, Head Start grantee or delegate, and district or intermediate district.

13 **(d)** ~~(e)~~ Allow intermediate districts and consortia and eligible community-based
14 providers to utilize materials and supplies purchased for great start readiness programs
15 within their facilities for other early care and education activities, in the following
16 order of priority:

- 17 (i) Early care and education activities under a federal award.
- 18 (ii) Early care and education activities under other state awards.
- 19 (iii) Early care and education activities under local or regional awards.

20 **(19)** ~~(20)~~ A recipient of funds under this section shall report to the center in a
21 form and manner prescribed by the center the information necessary to derive the number of
22 children participating in the ~~program who meet the program eligibility criteria under~~
23 ~~subsection (9) (b)~~, the number of eligible children not participating in the program and on
24 a waitlist, and the total number of children participating in the program by various
25 demographic groups and eligibility factors necessary to analyze equitable and priority
26 access to services for the purposes of subsection (3).

27 **(20)** ~~(21)~~ As used in this section:

28 **(a) "Child care center" means that term as defined in section 1 of 1973 PA 116, MCL**
29 **722.111.**

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

1 ~~(b) "CSRP extended program" means a program that operates for at least the same~~
2 ~~length of day as a district's first grade program for a minimum of 5 days per week, 36~~
3 ~~weeks per year.~~

4 ~~(c) "CSRP/Head Start extended blended program" means a program funded under this~~
5 ~~section and a Head Start program that are combined for an extended program.~~

6 ~~(d) "CSRP/Head Start school-day blended program" means a part-day program funded~~
7 ~~under this section and a Head Start program, which are combined for a school-day program.~~

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

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

15 **(b) "Eligible great start readiness program options" means a program option that**
16 **operates on a school-day, part-day, or extended schedule length, as determined by the**
17 **department. The department of lifelong education, advancement, and potential must maintain**
18 **and publish on its website requirements for each eligible schedule length including the**
19 **minimum day length, the minimum number of days per week, and the minimum number of weeks**
20 **per year. These programs may be blended with Head Start programs, if allowable by federal**
21 **rules and regulations.**

22 **(c) "Licensed child care center" means a child care center that has been issued a**
23 **license under 1973 PA 116, MCL 722.111 to 722.128, to operate a child care center.**

24 **(21) ~~(22)~~ From the ~~amount~~ state school aid fund money allocated in subsection ~~(2)~~,**
25 **(1), there is allocated for ~~2024-2025-2025-2026~~ an amount not to exceed \$10,000,000.00 and,**
26 **from the great start readiness program reserve fund ~~appropriated in section 11, money~~**
27 **allocated in subsection (1) there is allocated for ~~2024-2025-2025-2026~~ an amount not to**
28 **exceed \$18,000,000.00 for reimbursement of transportation costs for children attending**
29 **great start readiness programs funded under this section. To receive reimbursement under**
30 **this subsection, by not later than November 1 of each year, a program funded under this**
31 **section that provides transportation shall submit to the intermediate district that is the**
32 **fiscal agent for the program a projected transportation budget. The amount of the**

1 reimbursement for transportation under this subsection is no more than the projected
2 transportation budget or \$500.00 multiplied by the number of children funded for the
3 program under this section. If the amount allocated under this subsection is insufficient
4 to fully reimburse the transportation costs for all programs that provide transportation
5 and submit the required information, the department of lifelong education, advancement, and
6 potential shall prorate the reimbursement in an equal amount per child funded. The
7 department of lifelong education, advancement, and potential shall make payments to the
8 intermediate district that is the fiscal agent for each program, and the intermediate
9 district shall then reimburse the program provider for transportation costs as prescribed
10 under this subsection.

11 ~~(22) (23)~~ Subject to, and from the funds allocated under, subsection ~~(22)~~, **(21)** the
12 department of lifelong education, advancement, and potential shall ~~reimburse a program~~
13 **allow programs to utilize those funds** for ~~transportation costs~~ related to **parent- or**
14 **guardian provided transportation, or for costs related to** parent- or guardian-accompanied
15 transportation provided by transportation service companies, buses, or other public
16 transportation services. **For reimbursements related to parent- or guardian provided**
17 **transportation, the department of lifelong education, advancement, and potential shall**
18 **develop parameters to ensure dollars are utilized in a way that improves access to eligible**
19 **great start readiness program options for low-income and geographically isolated families.**
20 ~~To be eligible for reimbursement under this subsection,~~ **To utilize funding under this**
21 **subsection,** a program must submit to the intermediate district or consortia of intermediate
22 districts all of the following:

23 (a) The names of families provided with transportation support along with a
24 documented reason for the need for transportation support and the type of transportation
25 provided.

26 (b) Financial documentation of actual transportation costs incurred by the program,
27 including, but not limited to, receipts and mileage reports, as determined by the
28 department of lifelong education, advancement, and potential.

29 (c) Any other documentation or information determined necessary by the department of
30 lifelong education, advancement, and potential.

31 ~~(23) (24)~~ The department of lifelong education, advancement, and potential shall
32 implement a process to review and approve age-appropriate comprehensive classroom level

1 quality assessments for GSRP grantees that support the early childhood standards of quality
2 for prekindergarten children adopted by the state board. The department of lifelong
3 education, advancement, and potential shall make available to intermediate districts at
4 least 2 classroom level quality assessments **that have been approved by the department of**
5 **lifelong education, advancement, and potential.** ~~that were approved in 2018.~~

6 (24) ~~(25)~~ An intermediate district that is a GSRP grantee may approve the use of a
7 supplemental curriculum that aligns with and enhances the age-appropriate educational
8 curriculum in the classroom. If the department of lifelong education, advancement, and
9 potential objects to the use of a supplemental curriculum approved by an intermediate
10 district, the director of the department of lifelong education, advancement, and potential
11 shall establish a review committee independent of the department of lifelong education,
12 advancement, and potential. The review committee shall meet within 60 days of the
13 department of lifelong education, advancement, and potential registering its objection in
14 writing and provide a final determination on the validity of the objection within 60 days
15 of the review committee's first meeting.

16 (25) ~~(26)~~ The department of lifelong education, advancement, and potential shall
17 implement a process to evaluate and approve age-appropriate educational curricula that are
18 in compliance with the early childhood standards of quality for prekindergarten children
19 adopted by the state board.

20 (26) ~~(27)~~ From the **state school aid fund money funds** allocated under subsection (1),
21 there is allocated for ~~2024-2025~~ **2025-2026** an amount not to exceed \$2,000,000.00 for
22 payments to intermediate districts or consortia of intermediate districts for professional
23 development and training materials for educators in programs implementing new curricula or
24 child assessment tools approved for use in the great start readiness program.

25 (27) ~~(28)~~ ~~A great start readiness program, a GSRP extended program, a GSRP/Head Start~~
26 ~~school day blended program, or a GSRP/Head Start extended blended program~~ **Eligible great**
27 **start readiness programs** funded under this section ~~is~~ **are** permitted to utilize AmeriCorps
28 Pre-K Reading Corps members in classrooms implementing research-based early literacy
29 intervention strategies.

30 (28) ~~(29)~~ In addition to the allocation under subsection (1), from the state school
31 aid fund money appropriated under section 11, there is allocated an amount not to exceed
32 \$25,000,000.00 for ~~2024-2025~~ **2025-2026** only for classroom start up grants to intermediate

1 districts and consortia of intermediate districts for new or expanding great start
2 readiness classrooms. All of the following apply to funding allocated under this
3 subsection:

4 (a) To receive funding under this subsection, intermediate districts and consortia of
5 intermediate districts must apply for the funding in a form and manner prescribed by the
6 department of lifelong education, advancement, and potential.

7 (b) The department of lifelong education, advancement, and potential shall pay an
8 amount not to exceed \$50,000.00 for each new or expanded classroom. If funding is
9 insufficient to fully fund all eligible applicants, the department of lifelong education,
10 advancement, and potential must prorate the per-classroom amount on an equal basis. If the
11 allocation is not fully paid in the current fiscal year, the department of lifelong
12 education, advancement, and potential may award any remaining funding during fiscal year
13 ~~2025-2026~~ **2026-2027** for each new or expanded classroom at an equal amount per classroom,
14 based on remaining available funds, not to exceed \$50,000.00 per classroom.

15 (c) Funds received under this subsection by intermediate districts and consortia of
16 intermediate districts must be paid in full to the entity operating the classroom and may
17 be used for 1 or more of the following purposes:

18 (i) Costs associated with attracting, recruiting, retaining, and licensing required
19 classroom education personnel to staff new or expanded classrooms.

20 (ii) Supporting facility improvements or purchasing facility space or modular
21 classroom units necessary to provide a safe, high-quality learning environment for children
22 in each new or expanded classroom including costs to become a licensed facility such as
23 architectural drawings, permits, and other prelicensure inspection fees. Supporting
24 facility improvements or purchasing facility space or **modular classroom units** necessary to
25 provide a safe, high-quality learning environment for children in each new or expanded
26 classroom **including costs to become a licensed facility such as architectural drawings,**
27 **permits, and other prelicensure inspection fees.**

28 (iii) Outreach material necessary for public awareness that the great start readiness
29 program has openings in the area and for costs associated with enrolling eligible children
30 in new or expanded classrooms.

31 (iv) Supporting costs in each new or expanded classroom associated with improving a
32 provider's great start to quality ~~rating~~ **level.**

1 ~~(d) The funds allocated under this subsection for 2022-2023 are a work project~~
2 ~~appropriation, and any unexpended funds for 2022-2023 do not lapse to the state school aid~~
3 ~~fund and are carried forward into 2023-2024. The purpose of the work project is to continue~~
4 ~~support for new or expanded great start readiness classrooms. The estimated completion date~~
5 ~~of the work project is September 30, 2024.~~

6 ~~(d) (e)~~ The funds allocated under this subsection for ~~2024-2025~~ **2025-2026** are a work
7 project appropriation, and any unexpended funds for ~~2024-2025~~ **2025-2026** do not lapse to the
8 state school aid fund and are carried forward into ~~2025-2026.~~ **2026-2027**. The purpose of the
9 work project is to continue support for new or expanded great start readiness classrooms.
10 The estimated completion date of the work project is September 30, ~~2026.~~ **2027**.

11 **(e) Notwithstanding section 17b, the department of lifelong education, advancement,**
12 **and potential shall make payments under this subsection on a schedule determined by the**
13 **department of lifelong education, advancement, and potential.**

14 ~~(29) (30)~~ In addition to funds ~~From~~ the **state school aid fund money** allocated in
15 subsection (1), there is allocated ~~from the general fund money appropriated under section~~
16 ~~11 for 2024-2025 only~~ **2025-2026** an amount not to exceed \$1,950,000.00 for an intermediate
17 district or a consortium of intermediate districts to partner with the department of
18 lifelong education, advancement, and potential and community-based organizations to
19 continue implementing statewide outreach and enrollment campaign activities to raise
20 awareness about the availability of services through the great start readiness program, ~~and~~
21 to promote enrollment, **and to develop a common enrollment and sub-recipient agreement form.**

22 ~~(31) The funds allocated under subsection (30) 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 raise awareness of and participation in great start~~
25 ~~readiness programming. The estimated completion date of the work project is September 30,~~
26 ~~2027.~~

27 ~~(30) (32)~~ Notwithstanding section 17b, the department of lifelong education,
28 advancement, and potential shall make payments under subsection ~~(30)~~ **(28)** on a schedule
29 determined by the department of lifelong education, advancement, and potential.

30 ~~(33) As used in this section:~~

31 ~~(a) "Child care center" means that term as defined in section 1 of 1973 PA 116, MCL~~
32 ~~722.111.~~

1 ~~(b) "Licensed child care center" means a child care center that has been issued a~~
2 ~~license under 1973 PA 116, MCL 722.111 to 722.128, to operate a child care center.~~

3 Sec. 32n. (1) From the state school aid fund money appropriated in section 11, there
4 is allocated for ~~2024-2025-2025-2026~~ an amount not to exceed ~~\$75,000,000.00~~ **\$50,000,000.00**
5 to Clinton County RESA to collaborate with the department of lifelong education,
6 advancement, and potential, for the purposes of this section. ~~It is the intent of the~~
7 ~~legislature that, for 2025-2026, the allocation from the state school aid fund money~~
8 ~~appropriated in section 11 for the purposes described in this section will be~~
9 ~~\$50,000,000.00.~~

10 (2) From the state school aid fund money allocated in subsection (1), an amount not
11 to exceed ~~\$57,000,000.00~~ **\$50,000,000.00** is allocated for a grant program for eligible
12 applicants to expand access to quality, affordable programming before and after the school
13 day or during the summer for young people. **An amount not to exceed 0.5% of the amount**
14 **allocated in this subsection or \$250,000.00, whichever is greater, may be retained by**
15 **Clinton County RESA for administrative costs.** The department of lifelong education,
16 advancement, and potential shall establish competitive grant criteria for the program
17 described in this subsection. To be eligible for a grant under this subsection, the
18 applicant must meet, at a minimum, all of the following criteria:

19 (a) Serve children in any of grades K to 12.

20 (b) Be a community-based organization that is exempt from federal income tax under
21 section 501(c)(3) of the internal revenue code, 26 USC 501, an institution of higher
22 education, a public library, a local government, or an intermediate district.

23 (c) Provide before-school, after-school, before-and-after-school, or summer school
24 programming to children described in subdivision (a). These programs must be used to
25 support expanded learning opportunities, including, but not limited to, mentoring,
26 leadership, community engagement, agriculture, visual and performing arts, literacy,
27 science, technology, engineering, mathematics, health and wellness, recreation, financial
28 literacy, physical fitness, career and college exploration, youth voice, 21st century
29 skills, conflict resolution, and social engagement programming.

30 (d) Address measurable goals, including, but not limited to, improved school
31 attendance, academic outcomes, improved attitudes toward school, improved positive
32 behaviors, skill development and retention, higher education aspirations, and improved

1 family engagement and include activities linked to research or quality practices.

2 (e) Be 1 of the following:

3 (i) A licensed child care organization.

4 (ii) An entity that has an active application to be a licensed child care
5 organization.

6 (iii) An exempt entity.

7 (3) The department of lifelong education, advancement, and potential shall establish
8 a competitive grant process for awarding funding under subsection (2). The department of
9 lifelong education, advancement, and potential shall develop the form and manner for
10 applying for the grants. The application must include a request for information on the
11 applicant's outreach to children, youth, and families who are eligible for free or reduced-
12 price meals under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j.
13 The application must be open for not less than 30 calendar days. At least 30 days before
14 the application is opened, the department of lifelong education, advancement, and potential
15 must publish on its public website the criteria that will be used in evaluating the
16 application that must include, but are not limited to, priorities under subsection (5).

17 (4) Subject to subsection (8), in determining award amounts under subsection (2), the
18 department of lifelong education, advancement, and potential shall, to the extent
19 practicable, ensure that eligible entities in all geographic regions of this state are
20 represented in the distribution of grant funding under subsection (2).

21 (5) Subject to subsection (8), the department of lifelong education, advancement, and
22 potential shall prioritize the distribution of grant funding under subsection (2) based on,
23 at a minimum, the following:

24 (a) An applicant's demonstrated need.

25 (b) The percentage of low-income families in the geographic area being served.

26 Prioritization must be determined by the average percentage of pupils in the district who
27 are eligible for free and reduced-priced meals as determined under the Richard B. Russell
28 national school lunch act, 42 USC 1751 to 1769j, where eligible entities will provide
29 before-and-after-school or summer school programs.

30 (c) Whether the application provides services for the full school year.

31 (d) The applicant's track record for providing quality, affordable before-and-after-
32 school or summer school services.

1 (e) Whether an applicant serving children in any of grades K to 8 is a licensed child
2 care organization, is an entity that has an active application to be a licensed child care
3 organization, or has implemented the Michigan Out-of-School Time Standards of Quality if
4 the applicant is an exempt entity **and serves at least 15 school-age youth at a single**
5 **location in grades K-12.**

6 (6) Subject to subsection (7), an eligible entity that receives grant funding under
7 subsection (2) shall use the funding only to provide before-school, after-school, before-
8 and-after-school, or summer school programming to children described in subsection (2)(a).
9 The programming offered under subsection (2) must meet all of the following:

10 (a) For programing that is offered by a licensed child care organization, be provided
11 to children **and youth** in a manner in which the children are physically present at the
12 building or location for which the licensed child care organization received its license
13 under 1973 PA 116, MCL 722.111 to 722.128, or, for programing that is offered by an exempt
14 entity **serving grades K-12**, be provided to children **and youth** in a manner in which the
15 children **and youth** are physically present at a building or location designated by the
16 exempt entity.

17 (b) Provide educational programming in core subject areas, including, but not limited
18 to, mathematics, reading, and science.

19 (c) Provide data to evaluate the program in a form and manner as prescribed by the
20 department of lifelong education, advancement, and potential.

21 (7) Subject to subsections (4) and (5), up to 2% of funding allocated under
22 subsection (2) must be allocated to a nonprofit entity with experience serving youth-
23 serving organizations to provide start-up grants and capacity building, professional
24 development, and technical assistance for implementation of high-quality, evidence-based
25 out-of-school time learning opportunities.

26 (8) The department of lifelong education, advancement, and potential shall award no
27 less than 60% of the funding under subsection (2) to community-based organizations.

28 (9) Notwithstanding section 17b, the department of lifelong education, advancement,
29 and potential shall make payments under this section in full upon grant award. Grantees
30 that do not comply with reporting requirements, fail to provide the services proposed in
31 their grant application, or close during the grant period may be required to repay the
32 funding they received under this section to the department of lifelong education,

1 advancement, and potential.

2 (10) The department of lifelong education, advancement, and potential, in
3 collaboration with the Michigan Afterschool Partnership, shall convene an advisory
4 committee to review the program components listed within this section and make
5 recommendations to the department of lifelong education, advancement, and potential for
6 changes on the program described in this section. The advisory committee shall meet at a
7 schedule set by the department of lifelong education, advancement, and potential, or at
8 least quarterly. The advisory committee shall provide for the involvement of, but not
9 limited to, community-based organizations, regional intermediaries, district
10 administrators, youth, parents, and representatives from the business and philanthropic
11 communities, as appropriate.

12 ~~(11) From the state school aid fund money allocated in subsection (1), Clinton County~~
13 ~~RESA shall allocate \$18,000,000.00 to recipients under this subsection as follows:~~

14 ~~(a) \$4,000,000.00 to support the efforts of FFA.~~

15 ~~(b) \$3,000,000.00 to the Boys and Girls Club of Southeast Michigan to expand~~
16 ~~programming. Programming expansion includes, but is not limited to, construction or~~
17 ~~remodeling of facilities to allow for new or extended programs.~~

18 ~~(c) \$3,000,000.00 to the HYPE Athletics Center to provide programming that may~~
19 ~~include, but is not limited to, science, technology, engineering, arts, and mathematics~~
20 ~~(STEAM) programs; literacy and reading programs; after-school programs; youth fitness and~~
21 ~~athletic programs; and mental health and behavioral health services.~~

22 ~~(d) \$1,500,000.00 to Brilliant Detroit to support delivery of high-dosage~~
23 ~~neighborhood-based tutoring and direct noninstructional services for at-risk pupils who are~~
24 ~~3 to 12 years of age. Funding under this subdivision is intended to ensure that pupils are~~
25 ~~proficient in English language arts by the end of grade 3 and proficient in mathematics by~~
26 ~~the end of grade 8, that all participants are kindergarten ready, and that pupils are~~
27 ~~prepared to attend school regularly. As used in this subdivision, "at-risk pupil" means~~
28 ~~that term as defined in section 31a.~~

29 ~~(e) \$1,200,000.00 to the State Alliance of Michigan YMCAs to provide students in~~
30 ~~grades 6 to 12 with hands-on civics and model government programs that offer statewide~~
31 ~~engagement with peers across this state for the purpose of expanding those students'~~
32 ~~opportunities to improve their social studies knowledge, thinking skills, and intellectual~~

1 ~~processes and dispositions required for active engagement in fulfilling responsibilities of~~
2 ~~civic participation.~~

3 ~~(f) \$1,000,000.00 to the Downtown Boxing Gym in Detroit to expand programming.~~
4 ~~Programming expansion includes, but is not limited to, construction or remodeling of~~
5 ~~facilities to allow for new or extended programs.~~

6 ~~(g) \$1,000,000.00 to support the operations of the Flint Center for Educational~~
7 ~~Excellence.~~

8 ~~(h) \$800,000.00 to the Detroit Opera for educational programming for grades pre-K to~~
9 ~~12, including field trips, summer camps, and other learning opportunities. The funds~~
10 ~~allocated under this subdivision are a work project appropriation, and any unexpended funds~~
11 ~~for 2024-2025 are carried forward into 2025-2026. The purpose of the work project is to~~
12 ~~support the Detroit Opera educational programming as described in this subdivision. The~~
13 ~~estimated completion date of the work project is September 30, 2028.~~

14 ~~(i) \$500,000.00 to Special Olympics Michigan, a nonprofit organization organized~~
15 ~~under the laws of this state that is exempt from federal income tax under section 501(c)(3)~~
16 ~~of the internal revenue code of 1986, 26 USC 501, that has a mission statement to provide~~
17 ~~year-round sports training and athletic competition for children and adults with~~
18 ~~intellectual disabilities. Funding under this subdivision must be used by the organization~~
19 ~~to expand the organization's programming.~~

20 ~~(j) \$500,000.00 to the Horatio Williams Foundation to support efforts to provide~~
21 ~~college preparation services, math leagues, sports programming, and literacy services in~~
22 ~~Detroit.~~

23 ~~(k) \$500,000.00 to Friends of the Children, a nonprofit organization that employs~~
24 ~~salaried professional mentors who support youth and their families from grades K to 12. The~~
25 ~~salaried professional mentorship program in this subdivision must employ a 2-generational~~
26 ~~approach to supporting youth in and outside of the classroom, particularly in reading and~~
27 ~~math comprehension; support students and their families by connecting them to concrete~~
28 ~~supports like education and employment pathways, housing, utility assistance, and food~~
29 ~~security; and be located in a city with a population greater than 600,000 in a county with~~
30 ~~a population greater than 1,500,000 according to the most recent federal decennial census.~~

31 ~~(l) \$500,000.00 to the Detroit Police Athletic League to support operations and~~
32 ~~programming including, but not limited to, athletic programs and youth enrichment programs.~~

1 ~~(m) \$500,000.00 to the Detroit Science Center, a nonprofit organization that is tax-~~
2 ~~exempt under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and~~
3 ~~located in a city with a population greater than 600,000 in a county with a population~~
4 ~~greater than 1,700,000 according to the most recent federal decennial census. Funds under~~
5 ~~this subdivision must be used by the nonprofit organization to expand the nonprofit~~
6 ~~organization's mission of providing opportunities for students to discover, explore, and~~
7 ~~appreciate science, technology, engineering, and mathematics in a creative, dynamic~~
8 ~~learning environment.~~

9 ~~(12) Recipients of grants under subsection (11) may not apply for funding under~~
10 ~~subsection (2).~~

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

12 (a) "An entity that has an active application to be a licensed child care
13 organization" means an entity that has an active application to be a licensed child care
14 organization under 1973 PA 116, MCL 722.111 to 722.128, and will be a licensed child care
15 organization before the entity provides services for which a child care organization is
16 required to be licensed under 1973 PA 116, MCL 722.111 to 722.128.

17 (b) "Child care organization" means that term as defined in section 1 of 1973 PA 116,
18 MCL 722.111.

19 (c) "Exempt entity" means an entity described in section 1(1)(i) (i) to (v) of 1973 PA
20 116, MCL 722.111.

21 (d) "Licensed child care organization" means a child care organization that has been
22 issued a license under 1973 PA 116, MCL 722.111 to 722.128, to operate a child care
23 organization.

24 **(e) "School age" and "school-ager" mean a child who is eligible to attend a grade of**
25 **kindergarten or higher, but is less than 13 years of age. A child is considered a school-**
26 **ager on the first day of the school year in which he or she is eligible under R**
27 **400.8101(e) (iv) of 1973 PA 116, MCL 722.111.**

28 Sec. 32p. (1) From the state school aid fund money appropriated in section 11, there
29 is allocated an amount not to exceed \$19,400,000.00 to intermediate districts for ~~2024-2025~~
30 **2025-2026** for the purpose of providing early childhood funding to intermediate districts to
31 support the goals and outcomes under subsections (2) and (4), and to provide supports for
32 early childhood programs for children from birth through age 8. The funding provided to

1 each intermediate district under this section is determined by the distribution formula
2 established by the department of lifelong education, advancement, and potential's office of
3 great start to provide equitable funding statewide. To receive funding under this section,
4 each intermediate district must provide an application to the office of great start by not
5 later than September 15 of the immediately preceding fiscal year indicating the strategies
6 planned to be provided.

7 (2) Each intermediate district or consortium of intermediate districts that receives
8 funding under this section shall convene a local great start collaborative and a family
9 coalition that includes an active partnership with ~~at least 1~~ **multiple** community-based
10 ~~organization.~~ **organizations**. The goal of each great start collaborative and family
11 coalition is to ensure the coordination and expansion of local early childhood systems and
12 programs that achieve the following outcomes:

13 (a) Children born healthy.

14 (b) Children healthy, thriving, and developmentally on track from birth to grade 3.

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

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

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

22 (a) Physical and social-emotional health.

23 (b) Family supports, including, but not limited to, the provision of basic needs and
24 economic self-sufficiency.

25 (c) Parent leadership and family engagement.

26 (d) Early education, including the child's development of skills linked to success in
27 foundational literacy, and care.

28 (e) Community infrastructure.

29 (4) From the funds allocated in subsection (1), at least \$3,500,000.00 must be used
30 for the purpose of providing home visits to at-risk children and their families. The home
31 visits must be conducted as part of a locally coordinated, family-centered, evidence-based,
32 data-driven home visit strategic plan that is approved by the department of lifelong

1 education, advancement, and potential. The goals of the home visits funded under this
2 subsection are to improve school readiness using evidence-based methods, including a focus
3 on developmentally appropriate outcomes for early literacy, to improve positive parenting
4 practices, and to improve family economic self-sufficiency while reducing the impact of
5 high-risk factors through community resources and referrals. The department of lifelong
6 education, advancement, and potential shall coordinate the goals of the home visit
7 strategic plans approved under this subsection with other state agency home visit programs
8 in a way that strengthens Michigan's home visiting infrastructure and maximizes federal
9 funds available for the purposes of at-risk family home visits. The coordination among
10 departments and agencies is intended to avoid duplication of state services and spending,
11 and should emphasize efficient service delivery of home visiting programs. **An intermediate
12 district or consortia of intermediate districts that receives funding for the purposes
13 described in this subsection for the 2025-2026 shall not carry forward into the next fiscal
14 year an amount exceeding 25% of the amount awarded to the intermediate district or
15 consortia of intermediate districts in 2025-2026. It is intended that the carry forward
16 amount for 2026-2027 will be limited to 20% of the amount awarded to the intermediate
17 district or consortia of intermediate districts for that year and the carry forward amount
18 for 2027-2028 will be limited to 15% of the amount awarded to the intermediate district or
19 consortia of intermediate districts for that year. Each intermediate school district and
20 consortia of intermediate districts shall provide three quarterly interim reports to the
21 department of lifelong education, advancement, and potential, in a form and manner
22 determined by and on a timeline determined by the department of lifelong education,
23 advancement, and potential, detailing the expenditure status and utilization of allocated
24 funds.**

25 (5) By not later than December 1 of each year, each intermediate district shall
26 provide a report to the department of lifelong education, advancement, and potential
27 detailing the strategies actually implemented during the immediately preceding school year
28 and the families and children actually served. At a minimum, the report must include an
29 evaluation of the services provided with additional funding under subsection (4) for home
30 visits, using the goals identified in subsection (4) as the basis for the evaluation,
31 including the degree to which school readiness was improved, the degree to which positive
32 parenting practices were improved, the degree to which there was improved family economic

1 self-sufficiency, and the degree to which community resources and referrals were utilized.
2 The department of lifelong education, advancement, and potential shall compile and
3 summarize these reports and submit its summary to the house and senate appropriations
4 subcommittees on school aid and to the house and senate fiscal agencies by not later than
5 February 15 of each year.

6 (6) In addition to the funds allocated in subsection (1), from the state school aid
7 fund money appropriated in section 11, there is allocated an amount not to exceed
8 \$4,000,000.00 for ~~2024-2025~~**2025-2026** only for the purpose of improving access to books and
9 other literacy materials for children from birth to age 5. The formula described in
10 subsection (1) must be used to allocate funds to intermediate districts under this
11 subsection. An intermediate district may use the funding to support programs, including,
12 but not limited to, the Dolly Parton Imagination Library, Reach Out and Read Michigan, or
13 any other program that provides books and literacy materials to children from birth to age
14 5. If funding under this subsection is insufficient to enroll all interested families in
15 the service, each intermediate district must prioritize enrollment to those families with
16 the highest levels of economic need. If an intermediate district will not fully utilize
17 funding under this subsection, those funds must be returned to the department of lifelong
18 education, advancement, and potential for redistribution for the purposes under this
19 subsection.

20 (7) An intermediate district or consortium of intermediate districts that receives
21 funding under this section may carry over any unexpended funds received under this section
22 into the next fiscal year and may expend those unused funds through June 30 of the next
23 fiscal year. However, an intermediate district or consortium of intermediate districts that
24 receives funding for the purposes described in subsection (2) in the current fiscal year
25 shall not carry over into the next fiscal year any amount exceeding 15% of the amount
26 awarded to the intermediate district or consortium in the current fiscal year. A recipient
27 of a grant shall return any unexpended grant funds to the department of lifelong education,
28 advancement, and potential in the manner prescribed by the department of lifelong
29 education, advancement, and potential not later than September 30 of the next fiscal year
30 after the fiscal year in which the funds are received.

31 Sec. 32t. (1) From the state school aid fund money appropriated in section 11, there
32 is allocated for ~~2023-2024~~**2025-2026** only an amount not to exceed ~~\$18,000,000.00~~

1 **\$61,000,000.00** to Clinton County RESA (CCRESA) for a ~~3-year-old~~ preschool pilot program to
2 provide services to **3-year-old** children ~~who do not meet the age eligibility criteria for~~
3 ~~the great start readiness program, but meet all other eligibility criteria for the great~~
4 ~~start readiness program.~~ **Eligible children will be those whose age is less than 4 years on**
5 **September 1 and greater than or equal to 3 years on December 1 of the current school year**
6 **and whose family income is at or below 250% of the federal poverty level, with priority**
7 **given to families with lower incomes. Additional factors such as developmental delay,**
8 **language barriers, or challenging behaviors may also be considered for eligibility.** These
9 services must be designed for children who are age 3 and must be similar to the services
10 provided through the great start readiness program. The program described in this section
11 must be administered by CCRESA Strong Beginnings Implementation Team under the direction of
12 the department, ~~office of great start,~~ **of lifelong education, advancement, and potential**
13 with assessment, data, and collection analysis for the program being provided by Michigan
14 State University.

15 (2) The department must pay the funding under this section to Clinton County RESA in
16 installments over ~~3-4~~ years. The department **of lifelong education, advancement, and**
17 **potential** shall determine the amount to be used in each year.

18 (3) This section is intended to ~~provide funding to serve at least 1,000 children over~~
19 ~~the next 3 school years, evaluate outcomes, and create a scalable 3-year-old preschool~~
20 ~~model. Clinton County RESA shall maintain funding at no less than the amount received in~~
21 ~~2022-2023 under this section for current participants.~~ **provide planning for and implement**
22 **phase 2 of the pilot preschool program for 3-year-old children, which will scale the**
23 **program to nearly 4,000 children and 100 classrooms by the 2028-2029 school year. The 2nd**
24 **phase of the pilot will examine variations of the current program, such as part-day, 5-day**
25 **per week, multiage grouping with the great start readiness program, and inclusion.**

26 (4) In order to evaluate the outcomes and impact of strong beginnings, Clinton County
27 RESA and Michigan state university will compare outcomes for children who attend strong
28 beginnings and the great start readiness program with:

29 (a) Outcomes for children who attend the great start readiness program only.

30 (b) Outcomes for children who did not attend either program. Data will include, at a
31 minimum, strong beginnings waitlist data, strong beginnings child assessment data, the
32 great start readiness program child assessment data, kindergarten attendance data, and

1 elementary standardized testing data.

2 (5) At the end of ~~the pilot, phase 2~~, Clinton County RESA shall provide a report to
3 the department detailing all of the following:

4 (a) How the **phase 2** pilot was conducted.

5 (b) Demographics of the children served.

6 (c) Outcomes achieved.

7 (d) ~~Challenges~~ **Scope of expansion, including successes and challenges** the pilot faced
8 and how the implementation team responded.

9 (e) ~~A~~ **An updated model, including phase 2 variations**, this state could use to scale
10 the program statewide, if funding were available.

11 (4) The funds allocated under this section for ~~2023-2024-2025-2026~~ are a work project
12 appropriation, and any unexpended funds for ~~2023-2024-2025-2026~~ are carried forward into
13 ~~2024-2025-2026-2027~~. The purpose of the work project is to ~~pilot a 3-year-old preschool~~
14 ~~program as provided under this section.~~ **expand phase 1 of the pilot to additional**
15 **classrooms and initiate phase 2 of the pilot.** The estimated completion date of the work
16 project is September 30, ~~2027-2029~~.

17 (5) Notwithstanding section 17b, the department **of lifelong education, advancement,**
18 **and potential** shall make payments under this section on a schedule determined by the
19 department.

20 Sec. 35a. (1) From the appropriations in section 11, there is allocated for ~~2024-2025~~
21 **2025-2026** for the purposes of this section an amount not to exceed ~~\$82,900,000.00~~
22 **\$106,050,000.00** from the state school aid fund. ~~It is the intent of the legislature that,~~
23 ~~for 2025-2026, the allocation from the state school aid fund money appropriated in section~~
24 ~~11 for the purposes described in this section will be \$67,900,000.00.~~ Excluding staff or
25 contracted employees funded under subsection (8), the superintendent shall designate staff
26 or contracted employees funded under this section as critical shortage. By not later than
27 December 31 of each fiscal year in which funding is allocated under this section, the
28 superintendent of public instruction shall do both of the following:

29 (a) Report in person to the house and senate appropriations subcommittees on school
30 aid regarding progress on early literacy and be available for questioning as prescribed
31 through a process developed by the chairs of the house and senate appropriations
32 subcommittees on school aid.

1 (b) Submit a written report to the house and senate appropriations subcommittees on
2 school aid regarding progress on early literacy.

3 (2) A district that receives funds under subsection (5) may spend up to 5% of those
4 funds for professional development for educators in a department-approved research-based
5 training program related to current state literacy standards for pupils in grades pre-K to
6 5. The professional development must also include training in the use of screening and
7 diagnostic tools, progress monitoring, and intervention methods used to address barriers to
8 learning and delays in learning that are diagnosed through the use of these tools.

9 (3) A district that receives funds under subsection (5) may use up to 5% of those
10 funds to administer department-approved screening and diagnostic tools to monitor the
11 development of early literacy and early reading skills, and risk factors for word-level
12 reading difficulties of pupils in grades pre-K to 5 and to support evidence-based
13 professional learning described in subsection (11) for educators in administering and using
14 screening, progress monitoring, and diagnostic assessment data to inform instruction
15 through prevention and intervention in a multi-tiered system of supports framework. A
16 department-approved screening and diagnostic tool administered by a district using funding
17 under this section must include all of the following components: phonemic awareness,
18 phonics, fluency, rapid automatized naming (RAN), and comprehension. Further, all of the
19 following sub-skills must be assessed within each of these components:

20 (a) Phonemic awareness - segmentation, blending, and sound manipulation (deletion and
21 substitution).

22 (b) Phonics - decoding (reading) and encoding (spelling).

23 (c) Fluency.

24 (d) Comprehension - making meaning of text.

25 (4) From the allocation under subsection (1), there is allocated an amount not to
26 exceed ~~\$42,000,000.00~~ **\$45,250,000.00** for ~~2024-2025~~ **2025-2026** for the purpose of providing
27 early literacy coaches at intermediate districts to assist teachers in developing and
28 implementing instructional strategies for pupils in grades pre-K to 5 so that pupils are
29 reading at grade level by the end of grade 3. All of the following apply to funding under
30 this subsection:

31 (a) The department shall develop an application process consistent with the
32 provisions of this subsection. An application must provide assurances that literacy coaches

1 funded under this subsection are knowledgeable about at least the following:

2 (i) Current state literacy standards for pupils in grades pre-K to 3.

3 (ii) Implementing an instructional delivery model based on frequent use of formative,
4 screening, and diagnostic tools, known as a multi-tiered system of supports, to determine
5 individual progress for pupils in grades pre-K to 5 so that pupils are reading at grade
6 level by the end of grade 3.

7 (iii) The use of data from diagnostic tools to determine the necessary additional
8 supports and interventions needed by individual pupils in grades pre-K to 5 to read at
9 grade level.

10 (b) From the allocation under this subsection, the department shall award grants to
11 intermediate districts for the support of early literacy coaches. The department shall
12 provide this funding in the following manner:

13 (i) The department shall award each intermediate district grant funding to support
14 the cost of 2 early literacy coaches in an equal amount per early literacy coach, not to
15 exceed \$125,000.00.

16 (ii) After distribution of the grant funding under subparagraph (i), the department
17 shall distribute the remainder of grant funding for additional early literacy coaches in an
18 amount not to exceed \$125,000.00 per early literacy coach. The number of funded early
19 literacy coaches for each intermediate district is based on the percentage of the total
20 statewide number of pupils in grades K to 3 who meet the income eligibility standards for
21 the federal free and reduced-price lunch programs who are enrolled in districts in the
22 intermediate district. **The department must ensure that each intermediate district is
23 eligible to receive support for at least 1 early literacy coach under this subparagraph.**

24 **(iii) When awarding grant funding under subparagraphs (i) and (ii), the department must
25 ensure that each intermediate district is eligible to receive support for at least 3 early
26 literacy coaches.**

27 (c) If an intermediate district that receives funding under this subsection uses an
28 assessment tool that screens for characteristics of dyslexia, the intermediate district
29 shall use the assessment results from that assessment tool to identify pupils who
30 demonstrate characteristics of dyslexia.

31 (d) All literacy coaches funded under this subsection must have already received, or
32 be making progress toward receiving, professional learning by the approved provider

1 described in subsection (11).

2 (e) To be eligible to receive funding under this subsection, an intermediate district
3 must provide the department with a list by September 1 of the immediately preceding fiscal
4 year containing contact information for all literacy coaches funded under this subsection,
5 in a form and manner determined by the department. An intermediate district shall
6 communicate any personnel changes and changes to contact information for literacy coaches
7 funded under this subsection to the department within 30 days of the personnel change or
8 change in contact information.

9 (5) From the allocation under subsection (1), there is allocated an amount not to
10 exceed ~~\$19,900,000.00~~ **\$39,800,000.00** for ~~2024-2025~~ **2025-2026** to districts that provide
11 additional instructional time to those pupils in grades pre-K to 5 who have been identified
12 by using department-approved screening and diagnostic tools as needing additional supports
13 and interventions to read at grade level by the end of grade 3. Additional instructional
14 time may be provided before, during, and after regular school hours or as part of a year-
15 round balanced school calendar. All of the following apply to funding under this
16 subsection:

17 (a) To be eligible to receive funding, a district must demonstrate to the
18 satisfaction of the department that the district has done all of the following:

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

24 (A) Team-based leadership.

25 (B) A tiered delivery system.

26 (C) Selection and implementation of instruction, interventions, and supports.

27 (D) A comprehensive screening and assessment system.

28 (E) Continuous data-based decision making.

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

31 (iii) Used a reading instruction method that focuses on the 5 fundamental building
32 blocks of reading: phonics, phonemic awareness, fluency, vocabulary, and comprehension and

1 content knowledge.

2 (iv) Provided teachers of pupils in grades pre-K to 5 with research-based
3 professional development in diagnostic data interpretation.

4 (v) Complied with the requirements under section 1280f of the revised school code,
5 MCL 380.1280f.

6 (b) The department shall distribute funding allocated under this subsection to
7 eligible districts on an equal ~~per first grade pupil basis.~~ **amount per pupil, using for**
8 **that calculation the number of third grade pupils in each eligible district scoring "not**
9 **proficient" or "partially proficient" on the English language arts portion of the Michigan**
10 **student test of educational progress (M-STEP) in the immediately preceding school year.**

11 ~~(c) If the funds allocated under this subsection are insufficient to fully fund the~~
12 ~~payments under this subsection, payments under this subsection are prorated on an equal~~
13 ~~per-pupil basis based on grade 1 pupils.~~

14 (6) By not later than September 1 of each year, a district that receives funding
15 under subsection (5) in conjunction with the Michigan student data system, if possible,
16 shall provide to the department a report that includes at least both of the following, in a
17 form and manner prescribed by the department:

18 (a) For pupils in grades pre-K to 5, the teachers, pupils, schools, and grades served
19 with funds under this section and the categories of services provided.

20 (b) For pupils in grades pre-K to 5, pupil proficiency and growth data that allows
21 analysis both in the aggregate and by each of the following subgroups, as applicable:

22 (i) School.

23 (ii) Grade level.

24 (iii) Gender.

25 (iv) Race.

26 (v) Ethnicity.

27 (vi) Economically disadvantaged status.

28 (vii) Disability.

29 (viii) Pupils identified as having reading deficiencies.

30 (7) From the allocation under subsection (1), there is allocated an amount not to
31 exceed \$6,000,000.00 for ~~2024-2025~~ **2025-2026** to an intermediate district in which the
32 combined total number of pupils in membership of all of its constituent districts is the

1 fewest among all intermediate districts. All of the following apply to the funding under
2 this subsection:

3 (a) Funding under this subsection must be used by the intermediate district, in
4 partnership with an association that represents intermediate district administrators in
5 this state, to implement all of the following:

6 (i) Literacy essentials teacher and principal training modules.

7 (ii) Face-to-face and online professional learning of literacy essentials teacher and
8 principal training modules for literacy coaches, principals, and teachers.

9 (iii) The placement of regional lead literacy coaches to facilitate professional
10 learning for early literacy coaches. These regional lead literacy coaches shall provide
11 support for new literacy coaches, building teachers, and administrators and shall
12 facilitate regional data collection to evaluate the effectiveness of statewide literacy
13 coaches funded under this section.

14 (iv) Provide \$500,000.00 from this subsection for literacy training, modeling,
15 coaching, and feedback for district principals or chief administrators, as applicable. The
16 training described in this subparagraph must use the pre-K and K to 3 essential
17 instructional practices in literacy created by the general education leadership network as
18 the framework for all training provided under this subparagraph.

19 (v) Job-embedded professional learning opportunities for mathematics teachers through
20 mathematics instructional coaching. Funding must be used for professional learning for
21 coaches, professional developers, administrators, and teachers; coaching for early
22 mathematics educators; the development of statewide and regional professional learning
23 networks in mathematics instructions; and the development and support of digital
24 professional learning modules.

25 (b) By not later than September 1 of each year, the intermediate district described
26 in this subsection, in consultation with grant recipients, shall submit a report to the
27 chairs of the senate and house appropriations subcommittees on school aid, the chairs of
28 the senate and house standing committees responsible for education legislation, the house
29 and senate fiscal agencies, and the state budget director. The report described under this
30 subdivision must include student achievement results in English language arts and
31 mathematics and survey results with feedback from parents and teachers regarding the
32 initiatives implemented under this subsection.

1 (c) Up to 2% of funds allocated under this subsection may be used by the association
2 representing intermediate district administrators that is in partnership with the
3 intermediate district specified in this subsection to administer this subsection.

4 (8) From the allocation under subsection (1), the department shall allocate the
5 amount of \$5,000,000.00 for ~~2024-2025 only~~ **2025-2026** to an intermediate district or a
6 consortium of intermediate districts to partner with the Michigan Education Corps for the
7 PreK Reading Corps, the K3 Reading Corps, and the Math Corps. An intermediate district or a
8 consortium of intermediate districts receiving funding under this subsection must forward
9 the amount received under this subsection to the Michigan Education Corps for statewide
10 services. As conditions of receiving funding from an intermediate district or a consortium
11 of intermediate districts, all of the following apply to funding received by the Michigan
12 Education Corps under this subsection:

13 (a) By September 1 of the current fiscal year, the Michigan Education Corps shall
14 provide a report concerning its use of the funding to the senate and house appropriations
15 subcommittees on school aid, the senate and house fiscal agencies, and the senate and house
16 caucus policy offices on outcomes and performance measures of the Michigan Education Corps,
17 including, but not limited to, the degree to which the Michigan Education Corps'
18 replication of the PreK Reading Corps, the K3 Reading Corps, and the Math Corps programs is
19 demonstrating sufficient efficacy and impact. The report must include data pertaining to at
20 least all of the following:

21 (i) The current impact of the programs on this state in terms of numbers of children
22 and schools receiving support. This portion of the report must specify the number of
23 children tutored, including dosage and completion, and the demographics of those children.

24 (ii) Whether the assessments and interventions are implemented with fidelity. This
25 portion of the report must include details on the total number of assessments and
26 interventions completed and the range, mean, and standard deviation.

27 (iii) Whether the literacy or math improvement of children participating in the
28 programs is consistent with expectations. This portion of the report must detail at least
29 all of the following:

30 (A) Growth rate by grade or age level, in comparison to targeted growth rate.

31 (B) Average linear growth rates.

32 (C) Exit rates.

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

2 (iv) The impact of the programs on organizations and stakeholders, including, but not
3 limited to, school administrators, internal coaches, and AmeriCorps members.

4 (b) If the department determines that the Michigan Education Corps has misused the
5 funds allocated under this subsection, the Michigan Education Corps shall reimburse this
6 state for the amount of state funding misused.

7 (c) An intermediate district or a consortium of intermediate districts may not
8 reserve any portion of the allocation provided under this subsection for an evaluation of
9 the Michigan Education Corps, the Michigan Education Corps' funding, or the Michigan
10 Education Corps' programming unless agreed to in writing by the Michigan Education Corps.
11 An intermediate district or a consortium of intermediate districts shall award the entire
12 amount allocated under this subsection to the Michigan Education Corps and shall not
13 condition the forwarding of this funding on the implementation of an independent
14 evaluation.

15 (9) If a district or intermediate district expends any funding received under
16 subsection (4) or (5) for professional development in research-based effective reading
17 instruction, the district or intermediate district shall select a professional development
18 program from the list described under subdivision (a). All of the following apply to the
19 requirement under this subsection:

20 (a) The department shall issue a request for proposals for professional development
21 programs in research-based effective reading instruction to develop an initial approved
22 list of professional development programs in research-based effective reading instruction.
23 The department shall make the initial approved list public and shall determine if it will,
24 on a rolling basis, approve any new proposals submitted for addition to its initial
25 approved list.

26 (b) To be included as an approved professional development program in research-based
27 effective reading instruction under subdivision (a), an applicant must demonstrate to the
28 department in writing the program's competency in all of the following topics:

29 (i) Understanding of phonemic awareness, phonics, fluency, vocabulary, and
30 comprehension.

31 (ii) Appropriate use of assessments and differentiated instruction.

32 (iii) Selection of appropriate instructional materials.

1 (iv) Application of research-based instructional practices.

2 (c) As used in this subsection, "effective reading instruction" means reading
3 instruction scientifically proven to result in improvement in pupil reading skills.

4 (10) From the allocation under subsection (1), there is allocated an amount not to
5 exceed \$10,000,000.00 for ~~2024-2025 only~~ **2025-2026 to an intermediate district identified**
6 **by the department** for the provision of professional learning by the approved provider
7 described in subsection (11), first to educators in pre-K, kindergarten, and grade 1 next
8 to educators in grade 2 and grade 3; and then to additional elementary school educators and
9 pre-K to grade 12 certificated special education personnel with endorsements in learning
10 disabilities, emotional impairments, or speech and language impairments. For purposes of
11 this subsection, the department must establish and manage professional learning
12 opportunities that are open to all school personnel described in this subsection as
13 follows:

14 (a) The ~~department~~ **approved provider** must first open voluntary enrollment for any
15 pre-K through grade 3 teacher on a first-come, first-served basis, with voluntary
16 enrollment prioritized for pre-K, kindergarten, and grade 1 teachers. The ~~department~~
17 **approved provider** shall then open voluntary enrollment for the remaining school personnel
18 described in this subsection.

19 (b) The ~~department~~ **approved provider** must maintain open enrollment until all funds
20 are expended.

21 (11) For the provision of professional learning to the school personnel described in
22 subsection (10), ~~the department shall approve~~ LETRS ~~as is~~ the approved provider of
23 professional learning, ~~if as long as~~ LETRS continues to meet all of the following:

24 (a) Be offered through a system of training that provides educators with the
25 knowledge base to effectively implement any class-wide, supplemental, or intervention
26 reading approach and to determine why some students struggle with reading, writing,
27 spelling, and language.

28 (b) Provide training activities that direct educators to implement effective reading
29 and spelling instruction supported by scientifically based research and foster a direct
30 explicit instructional sequence that uses techniques to support teachers' independence in
31 using their newly-learned skills with students in the classroom.

32 (c) Include integrated components for educators and administrators in pre-K to grade

1 3 with embedded evaluation or assessment of knowledge. Evaluation or assessment of
2 knowledge under this subdivision must incorporate evaluations of learning throughout each
3 unit and include a summative assessment that must be completed to demonstrate successful
4 course completion.

5 (d) Build teacher content knowledge and pedagogical knowledge of the critical
6 components of literacy including how the brain learns to read, phonological and phonemic
7 awareness; letter knowledge; phonics; advanced phonics; vocabulary and oral language;
8 fluency; comprehension; spelling and writing; and the organization of language.

9 (e) Support educators in understanding how to effectively use screening, progress
10 monitoring, and diagnostic assessment data to improve literacy outcomes through prevention
11 and intervention for reading difficulties in a multi-tiered system of supports. The multi-
12 tiered system of supports must include at least all of the following essential components:

13 (i) Team-based leadership.

14 (ii) A tiered delivery system.

15 (iii) Selection and implementation of instruction, interventions, and supports.

16 (iv) A comprehensive screening and assessment system.

17 (v) Continuous data-based decision making.

18 (12) Notwithstanding section 17b, the department shall make payments made under
19 subsections (7) and (8) on a schedule determined by the department.

20 (13) As used in this section:

21 (a) "Dyslexia" means both of the following:

22 (i) A specific learning disorder that is neurobiological in origin and characterized
23 by difficulties with accurate or fluent word recognition and by poor spelling and decoding
24 abilities that typically result from a deficit in the phonological component of language
25 that is often unexpected in relation to other cognitive abilities and the provision of
26 effective classroom instruction.

27 (ii) A specific learning disorder that may include secondary consequences, such as
28 problems in reading comprehension and a reduced reading experience that can impede the
29 growth of vocabulary and background knowledge and lead to social, emotional, and behavioral
30 difficulties.

31 (b) "Evidence-based" means an activity, program, process, service, strategy, or
32 intervention that demonstrates statistically significant effects on improving pupil

1 outcomes or other relevant outcomes and that meets at least both of the following:

2 (i) At least 1 of the following:

3 (A) Is based on strong evidence from at least 1 well-designed and well-implemented
4 experimental study.

5 (B) Is based on moderate evidence from at least 1 well-designed and well-implemented
6 quasi-experimental study.

7 (C) Is based on promising evidence from at least 1 well-designed and well-implemented
8 correlational study with statistical controls for selection bias.

9 (D) Demonstrates a rationale based on high-quality research findings or positive
10 evaluation that the activity, program, process, service, strategy, or intervention is
11 likely to improve pupil outcomes or other relevant outcomes.

12 (ii) Includes ongoing efforts to examine the effects of the activity, program,
13 process, service, strategy, or intervention.

14 (c) "Explicit" means direct and deliberate instruction through continuous pupil-
15 teacher interaction that includes teacher modeling, guided practice, and independent
16 practice.

17 (d) "Fluency" means the ability to read with speed, accuracy, and proper expression.

18 (e) "Multi-tiered system of supports" means a comprehensive framework that includes 3
19 distinct tiers of instructional support and is composed of a collection of evidence-based
20 strategies designed to meet the individual needs and assets of a whole pupil at all
21 achievement levels.

22 (f) "Phonemic awareness" means the conscious awareness of all of the following:

23 (i) Individual speech sounds, including, but not limited to, consonants and vowels,
24 in spoken syllables.

25 (ii) The ability to consciously manipulate through, including, but not limited to,
26 matching, blending, segmenting, deleting, or substituting, individual speech sounds
27 described in subparagraph (i).

28 (iii) All levels of the speech sound system, including, but not limited to, word
29 boundaries, rhyme recognition, stress patterns, syllables, onset-rime units, and phonemes.

30 (g) "Phonological" means relating to the system of contrastive relationships among
31 the speech sounds that constitute the fundamental components of a language.

32 (h) "Progress monitoring" means the assessing of students' academic performance,

1 quantifying students' rates of improvement or progress toward goals, and determining how
2 students are responding to instruction.

3 (i) "Rapid automatized naming (RAN)" means a task that measures how quickly
4 individuals can name objects; pictures; colors; or symbols, including letters and digits,
5 aloud, which can predict later reading abilities for preliterate children.

6 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an
7 application, in a form and manner prescribed by the department of lifelong education,
8 advancement, and potential, by a date specified by the department of lifelong education,
9 advancement, and potential in the immediately preceding fiscal year. An eligible applicant
10 is not required to amend the applicant's current accounting cycle or adopt this state's
11 fiscal year accounting cycle in accounting for financial transactions under this section.
12 The application must include all of the following:

13 (a) The estimated total number of ~~children in the community who meet the criteria of~~
14 ~~section 32d and the total number of~~ age-eligible children in the community, as provided to
15 the applicant by the department of lifelong education, advancement, and potential utilizing
16 the most recent population data available from the American Community Survey conducted by
17 the United States Census Bureau. The department of lifelong education, advancement, and
18 potential shall ensure that it provides updated American Community Survey population data
19 at least once every 3 years.

20 (b) The estimated number of **age-eligible** children in the community who ~~meet the~~
21 ~~criteria of section 32d and~~ are being served exclusively by Head Start programs operating
22 in the community.

23 (c) The number of children whom the applicant ~~has~~ **will have** the capacity to serve **in**
24 **each eligible great start readiness program option** who meet the **age-eligible** criteria of
25 section 32d. ~~including a verification of physical facility and staff resources capacity.~~

26 (2) **As used in this section, "great start readiness target foundation" means an**
27 **amount equal to \$10,577.00**

28 (3) ~~(2)~~ After notification of funding allocations, an applicant receiving funds under
29 section 32d shall also submit an implementation plan for approval, in a form and manner
30 prescribed by the department of lifelong education, advancement, and potential, by a date
31 specified by the department of lifelong education, advancement, and potential, that details
32 how the applicant complies with the program components established by the department of

1 lifelong education, advancement, and potential under section 32d.

2 **(4) ~~(3)~~ The Subject to subsection (5), the** initial allocation to each eligible
3 applicant under section 32d is ~~the lesser of the following:~~ **equal to the sum of:**

4 ~~(a) The sum of:~~

5 **(a) The number of children in the current school year served in a program determined**
6 **by the department of lifelong education, advancement, and potential to be a school-day**
7 **program multiplied by the great start readiness target foundation.**

8 **(b) The number of children in the current school year served in a program determined**
9 **by the department of lifelong education, advancement, and potential to be a part-day**
10 **program or a school-day blended with Head Start multiplied by the great start readiness**
11 **target foundation divided by 2.**

12 **(c) The total number of children in the current school year served in a program**
13 **determined by the department of lifelong education, advancement, and potential to be an**
14 **extended program multiplied by the great start readiness target foundation multiplied by**
15 **1.2.**

16 **(d) The number of children in the current school year served in a program determined**
17 **by the department of lifelong education, advancement, and potential to be an extended**
18 **program blended with Head Start or a part-day extended program multiplied by the great**
19 **start readiness target foundation multiplied by 0.6.** ~~the number of children served in a~~
20 ~~school-day program in the preceding school year multiplied by \$10,185.00, the number of~~
21 ~~children served in a CSRFP extended program in the preceding school year multiplied by~~
22 ~~\$12,222.00, the number of children served in a CSRFP/Head Start school-day blended program~~
23 ~~or a part-day program in the preceding school year multiplied by \$5,093.00, and the number~~
24 ~~of children served in a CSRFP/Head Start extended blended program in the preceding school~~
25 ~~year multiplied by \$6,111.00.~~

26 ~~(b) The sum of the number of children the applicant has the capacity to serve in the~~
27 ~~current school year in a school-day program multiplied by \$10,185.00, the number of~~
28 ~~children served in a CSRFP extended program the applicant has the capacity to serve in the~~
29 ~~current school year multiplied by \$12,222.00, the number of children served in a CSRFP/Head~~
30 ~~Start school-day blended program or a part-day program the applicant has the capacity to~~
31 ~~serve in the current school year multiplied by \$5,093.00, and the number of children served~~
32 ~~in a CSRFP/Head Start extended blended program the applicant has the capacity to serve in~~

1 ~~the current school year multiplied by \$6,111.00.~~

2 (5) Subject to subsection (6), if the calculations under subsection (4) result in a
3 total allocation exceeding the amount available as allocated or appropriated under section
4 32d(2), initial allocations to each eligible applicant under section 32d are calculated as
5 the sum of the following:

6 (a) An amount equal to the calculations described in subsection (4) but using for
7 those calculations the lesser of the number of children served in the immediately preceding
8 fiscal year or the number of children the applicant has the capacity to serve in the
9 current fiscal year instead of the number of children served in the current fiscal year.

10 (b) An amount equal to the remaining available dollars after calculations in
11 subdivision (a) distributed proportionately to eligible applicants where calculations under
12 subdivision (a) are less than the amount originally calculated under subsection (4).

13 (6) If the calculations under subsection (4) result to a total allocation exceeding
14 the amount available as allocated or appropriated under section 32d(2), the initial
15 allocation to each eligible applicant is the amount calculated under subsection (4)
16 prorated on an equal percentage basis.

17 ~~(4) If funds remain after the allocations under subsection (3), the department of~~
18 ~~lifelong education, advancement, and potential shall distribute the remaining funds to each~~
19 ~~intermediate district or consortium of intermediate districts that serves less than the~~
20 ~~state percentage benchmark determined under subsection (5). The department of lifelong~~
21 ~~education, advancement, and potential shall distribute these remaining funds to each~~
22 ~~eligible applicant based upon each applicant's proportionate share of the remaining~~
23 ~~unserved children necessary to meet the statewide percentage benchmark in intermediate~~
24 ~~districts or consortia of intermediate districts serving less than the statewide percentage~~
25 ~~benchmark. When all applicants have been given the opportunity to reach the statewide~~
26 ~~percentage benchmark, the statewide percentage benchmark may be reset, as determined by the~~
27 ~~department of lifelong education, advancement, and potential, until greater equity of~~
28 ~~opportunity to serve eligible children across all intermediate school districts has been~~
29 ~~achieved.~~

30 ~~(5) For the purposes of subsection (4), the department of lifelong education,~~
31 ~~advancement, and potential shall calculate a percentage of children served by each~~
32 ~~intermediate district or consortium of intermediate districts by adding the number of~~

1 ~~children served in the immediately preceding year by that intermediate district or~~
2 ~~consortium with the number of eligible children under section 32d served exclusively by~~
3 ~~Head Start, as reported in a form and manner prescribed by the department of lifelong~~
4 ~~education, advancement, and potential, within the intermediate district or consortia~~
5 ~~service area and dividing that total by the total number of children within the~~
6 ~~intermediate district or consortium of intermediate districts who meet the criteria of~~
7 ~~section 32d as determined by the department of lifelong education, advancement, and~~
8 ~~potential utilizing the most recent population data available from the American Community~~
9 ~~Survey conducted by the United States Census Bureau. The department of lifelong education,~~
10 ~~advancement, and potential shall compare the resulting percentage of eligible children~~
11 ~~served to a statewide percentage benchmark to determine if the intermediate district or~~
12 ~~consortium is eligible for additional funds under subsection (4). The statewide percentage~~
13 ~~benchmark is 100%.~~

14 (7) ~~(6)~~ If, taking into account the total amount to be allocated to the applicant as
15 calculated under this section, an applicant determines that it is able to include
16 additional eligible children in the great start readiness program without additional funds
17 under section 32d, the applicant may include additional eligible children but does not
18 receive additional funding under section 32d for those children.

19 (8) ~~(7)~~ The department of lifelong education, advancement, and potential shall review
20 the program components under section 32d and under this section at least biennially. The
21 department of lifelong education, advancement, and potential also shall convene a committee
22 of internal and external stakeholders at least once every 5 years to ensure that the
23 funding structure under this section reflects current system needs under section 32d.

24 ~~(8) As used in this section, "CSRP/Head Start blended program", "CSRP extended~~
25 ~~program", "part-day program", and "school-day program" mean those terms as defined in~~
26 ~~section 32d.~~

27 Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated
28 for ~~2024-2025~~ **2025-2026** to districts, intermediate districts, and other eligible entities
29 all available federal funding, estimated at ~~\$754,700,000.00,~~ **\$824,700,000.00**, for the
30 federal programs under the no child left behind act of 2001, Public Law 107-110, or the
31 every student succeeds act, Public Law 114-95. These funds are allocated as follows:

32 (a) An amount estimated at \$1,200,000.00 for ~~2024-2025~~ **2025-2026** to provide students

1 with drug- and violence-prevention programs and to implement strategies to improve school
2 safety, funded from DED-OESE, drug-free schools and communities funds.

3 (b) An amount estimated at \$100,000,000.00 for ~~2024-2025~~**2025-2026** for the purpose of
4 preparing, training, and recruiting high-quality teachers and class size reduction, funded
5 from DED-OESE, improving teacher quality funds.

6 (c) An amount estimated at \$13,000,000.00 for ~~2024-2025~~**2025-2026** for programs to
7 teach English to limited English proficient (LEP) children, funded from DED-OESE, language
8 acquisition state grant funds.

9 (d) An amount estimated at \$2,800,000.00 for ~~2024-2025~~**2025-2026** for rural and low-
10 income schools, funded from DED-OESE, rural and low income school funds.

11 (e) An amount estimated at ~~\$535,000,000.00~~**\$585,000,000.00** for ~~2024-2025~~**2025-2026** to
12 provide supplemental programs to enable educationally disadvantaged children to meet
13 challenging academic standards, funded from DED-OESE, title I, disadvantaged children
14 funds.

15 (f) An amount estimated at \$9,200,000.00 for ~~2024-2025~~**2025-2026** for the purpose of
16 identifying and serving migrant children, funded from DED-OESE, title I, migrant education
17 funds.

18 (g) An amount estimated at \$40,400,000.00 for ~~2024-2025~~**2025-2026** for the purpose of
19 providing high-quality extended learning opportunities, after school and during the summer,
20 for children in low-performing schools, funded from DED-OESE, twenty-first century
21 community learning center funds.

22 (h) An amount estimated at \$14,000,000.00 for ~~2024-2025~~**2025-2026** to help support
23 local school improvement efforts, funded from DED-OESE, title I, local school improvement
24 grants.

25 (i) An amount estimated at ~~\$35,000,000.00~~**\$55,000,000.00** for ~~2024-2025~~**2025-2026** to
26 improve the academic achievement of students, funded from DED-OESE, title IV, student
27 support and academic enrichment grants.

28 (j) An amount estimated at \$3,100,000.00 for ~~2024-2025~~**2025-2026** for literacy
29 programs that advance literacy skills for students from birth through grade 12, including,
30 but not limited to, English-proficient students and students with disabilities, funded from
31 DED-OESE, striving readers comprehensive literacy program.

32 (k) An amount estimated at \$1,000,000.00 for ~~2024-2025~~**2025-2026** for grants to

1 support and demonstrate innovative partnerships to train school-based mental health service
2 providers, funded from DED-OESE, mental health service professional demonstration grant
3 program.

4 (2) From the federal funds appropriated in section 11, there is allocated to
5 districts, intermediate districts, and other eligible entities all available federal
6 funding, estimated at ~~\$60,500,000.00~~ **\$66,415,000.00** for ~~2024-2025~~ **2025-2026** for the
7 following programs that are funded by federal grants:

8 (a) An amount estimated at \$3,000,000.00 for ~~2024-2025~~ **2025-2026** to provide services
9 to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

10 (b) An amount estimated at ~~\$24,000,000.00~~ **\$30,000,000.00** for ~~2024-2025~~ **2025-2026** for
11 providing career and technical education services to pupils, funded from DED-OVAE, basic
12 grants to states.

13 (c) An amount estimated at \$14,000,000.00 for ~~2024-2025~~ **2025-2026** for the Michigan
14 charter school subgrant program, funded from DED-OII, public charter schools program funds.

15 (d) An amount estimated at ~~\$18,000,000.00~~ **\$17,700,000.00** for ~~2024-2025~~ **2025-2026** for
16 the purpose of promoting and expanding high-quality preschool services, funded from HHS-
17 OCC, preschool development funds.

18 (e) An amount estimated at ~~\$1,500,000.00~~ **\$1,715,000.00** for ~~2024-2025~~ **2025-2026** for
19 the purpose of addressing priority substance abuse treatment, prevention, and mental health
20 needs, funded from HHS-SAMHSA.

21 (3) The department, or, for subsections (1)(g) and (2)(d), the department of lifelong
22 education, advancement, and potential, shall distribute all federal funds allocated under
23 this section in accordance with federal law and with flexibility provisions outlined in
24 Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law
25 106-25. Notwithstanding section 17b, the department or the department of lifelong
26 education, advancement, and potential, as applicable, shall make payments of federal funds
27 to districts, intermediate districts, and other eligible entities under this section on a
28 schedule determined by the department.

29 (4) For the purposes of applying for federal grants appropriated under this article,
30 the department, or, for subsections (1)(g) and (2)(d), the department of lifelong
31 education, advancement, and potential, shall allow an intermediate district to submit a
32 consortium application on behalf of 2 or more districts with the agreement of those

1 districts as appropriate according to federal rules and guidelines.

2 (5) For the purposes of funding federal title I grants under this article, in
3 addition to any other federal grants for which the strict discipline academy is eligible,
4 the department, or, for subsections (1)(g) and (2)(d), the department of lifelong
5 education, advancement, and potential, shall allocate to a strict discipline academy out of
6 title I, part A an amount equal to what the strict discipline academy would have received
7 if included and calculated under title I, part D, or what it would receive under the
8 formula allocation under title I, part A, whichever is greater.

9 (6) As used in this section:

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

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

12 (c) "DED-OII" means the DED Office of Innovation and Improvement.

13 (d) "DED-OVAE" means the DED Office of Vocational and Adult Education.

14 (e) "HHS" means the United States Department of Health and Human Services.

15 (f) "HHS-OCC" means the HHS Office of Child Care.

16 (g) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services Project.

17 Sec. 41. (1) For a district to be eligible to receive funding under this section, the
18 district must administer to English language learners the English language proficiency
19 assessment known as the "WIDA ACCESS for English language learners" or the "WIDA Alternate
20 ACCESS". From the state school aid fund money appropriated in section 11, there is
21 allocated an amount not to exceed ~~\$50,186,100.00~~ **\$52,286,100.00** for ~~2024-2025~~ **2025-2026** for
22 payments to eligible districts for services for English language learners who have been
23 administered the WIDA ACCESS for English language learners.

24 (2) The department shall distribute funding allocated under subsection (1) to
25 eligible districts based on the number of full-time equivalent English language learners as
26 follows:

27 (a) ~~\$1,863.00~~ **\$1,940.00** per full-time equivalent English language learner who has
28 been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate
29 ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 1.0 and 1.9, or
30 less, as applicable to each assessment. It is the intent of the legislature to increase
31 this amount until it reaches 75% of the target foundation allowance.

32 (b) ~~\$1,286.00~~ **\$1,340.00** per full-time equivalent English language learner who has

1 been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate
2 ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 2.0 and 2.9, or
3 less, as applicable to each assessment. It is the intent of the legislature to increase
4 this amount until it reaches 50% of the target foundation allowance.

5 (c) ~~\$210.00~~ **\$220.00** per full-time equivalent English language learner who has been
6 assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS
7 with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 3.0 and 3.9, or less,
8 as applicable to each assessment. It is the intent of the legislature to increase this
9 amount until it reaches 35% of the target foundation allowance.

10 (3) If funds allocated under subsection (1) are insufficient to fully fund the
11 payments as prescribed under subsection (2), the department shall prorate payments on an
12 equal percentage basis, with the same percentage proration applied to all funding
13 categories.

14 (4) By October 15 of the fiscal year following the receipt of funding under
15 subsection (1), each district receiving funds under subsection (1) shall submit to the
16 department a report, not to exceed 10 pages, on the usage by the district of funds under
17 subsection (1) in a form and manner determined by the department, including a brief
18 description of each program conducted or services performed by the district using funds
19 under subsection (1) and the amount of funds under subsection (1) allocated to each of
20 those programs or services. If a district does not comply with this subsection, the
21 department shall withhold an amount equal to the December payment due under this section
22 until the district complies with this subsection. If the district does not comply with this
23 subsection by the end of the fiscal year, the withheld funds are forfeited to the state
24 school aid fund.

25 (5) To receive funds under subsection (1), a district must allow access for the
26 department or the department's designee to audit all records related to the program for
27 which it receives those funds. The district shall reimburse this state for all
28 disallowances found in the audit.

29 (6) Beginning July 1, 2020, and every 3 years thereafter, the department shall review
30 the per-pupil distribution under subsection (2), to ensure that funding levels are
31 appropriate and make recommendations for adjustments to the members of the senate and house
32 subcommittees on K to 12 school aid appropriations.

1 (7) ~~By not later than March 1, 2025, the~~ **The** department shall establish English
2 language learner program models that establish a minimum number of minutes per week that
3 districts must provide direct English language development instruction for students
4 according to the student's proficiency levels. These models must be compliant with federal
5 requirements related to English language learner program services. ~~It is the intent of the~~
6 ~~legislature that, beginning in 2025-2026, to~~ **To** be considered an eligible recipient of
7 funding under this section, a district must agree to meet or exceed the minimum number of
8 minutes per week, as determined by the department, that the district provides direct
9 English language development instruction.

10 Sec. 51a. (1) From the state school aid fund money in section 11, there is allocated
11 an amount not to exceed ~~\$1,822,546,100.00 for 2023-2024 and there is allocated an amount~~
12 ~~not to exceed \$2,064,096,100.00~~ **\$2,230,596,100.00** for ~~2024-2025~~ **2025-2026** from state
13 sources and all available federal funding under sections 1411 to 1419 of part B of the
14 individuals with disabilities education act, 20 USC 1411 to 1419, estimated at
15 ~~\$390,000,000.00 for 2023-2024 and \$450,000,000.00~~ **\$500,000,000.00** for ~~2024-2025,~~ **2025-2026,**
16 plus any carryover federal funds from previous year appropriations. ~~In addition, from the~~
17 ~~state school aid fund money in section 11, there is allocated an amount not to exceed~~
18 ~~\$76,150,000.00 for 2023-2024 only to supplement the allocations in this section.~~ The
19 allocations under this subsection are for the purpose of reimbursing districts and
20 intermediate districts for special education programs, services, and special education
21 personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1761;
22 net tuition payments made by intermediate districts to the Michigan Schools for the Deaf
23 and Blind; and special education programs and services for pupils who are eligible for
24 special education programs and services according to statute or rule. For meeting the costs
25 of special education programs and services not reimbursed under this article, a district or
26 intermediate district may use money in general funds or special education funds, not
27 otherwise restricted, or contributions from districts to intermediate districts, tuition
28 payments, gifts and contributions from individuals or other entities, or federal funds that
29 may be available for this purpose, as determined by the intermediate district plan prepared
30 under article 3 of the revised school code, MCL 380.1701 to 380.1761. Notwithstanding
31 section 17b, the department shall make payments of federal funds to districts, intermediate
32 districts, and other eligible entities under this section on a schedule determined by the

1 department.

2 (2) From the funds allocated under subsection (1), there is allocated the amount
3 necessary, estimated at ~~\$404,200,000.00 for 2023-2024 and estimated at \$456,800,000.00~~
4 **\$491,700,000.00** for ~~2024-2025, 2025-2026~~, for payments toward reimbursing districts and
5 intermediate districts for 28.6138% of total approved costs of special education, excluding
6 costs reimbursed under section 53a, and 70.4165% of total approved costs of special
7 education transportation.

8 (3) If the department determines that the amount allocated for a fiscal year to a
9 district or intermediate district under subsection (2) is insufficient to fulfill the
10 specified percentages in subsection (2), the department shall pay the shortfall to the
11 district or intermediate district during the fiscal year beginning on the October 1
12 following the determination. If the department determines that the amount allocated for a
13 fiscal year to a district or intermediate district under subsection (2) exceeds the sum of
14 the amount necessary to fulfill the specified percentages in subsection (2), the department
15 shall deduct the amount of the excess from the district's or intermediate district's
16 payments under this article for the fiscal year beginning on the October 1 following the
17 determination.

18 (4) State funds are allocated on a total approved cost basis. Federal funds are
19 allocated under applicable federal requirements.

20 (5) From the amount allocated in subsection (1), there is allocated an amount not to
21 exceed ~~\$3,200,000.00 for 2023-2024 and there is allocated an amount not to exceed~~
22 **\$3,200,000.00** for ~~2024-2025, 2025-2026~~ to reimburse 100% of the net increase in necessary
23 costs incurred by a district or intermediate district in implementing the revisions in the
24 administrative rules for special education that became effective on July 1, 1987. As used
25 in this subsection, "net increase in necessary costs" means the necessary additional costs
26 incurred solely because of new or revised requirements in the administrative rules minus
27 cost savings permitted in implementing the revised rules. The department shall determine
28 net increase in necessary costs in a manner specified by the department.

29 (6) For purposes of this section and sections 51b to 58, all of the following apply:

30 (a) "Total approved costs of special education" are determined in a manner specified
31 by the department and may include indirect costs, but must not exceed 115% of approved
32 direct costs for section 52 and section 53a programs. The total approved costs include

1 salary and other compensation for all approved special education personnel for the program,
2 including payments for Social Security and Medicare and public school employee retirement
3 system contributions. The total approved costs do not include salaries or other
4 compensation paid to administrative personnel who are not special education personnel as
5 that term is defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed
6 by federal funds, other than those federal funds included in the allocation made under this
7 article, are not included. Special education approved personnel not utilized full time in
8 the evaluation of students or in the delivery of special education programs, ancillary, and
9 other related services are reimbursed under this section only for that portion of time
10 actually spent providing these programs and services, with the exception of special
11 education programs and services provided to youth placed in child caring institutions or
12 juvenile detention programs approved by the department to provide an on-grounds education
13 program.

14 (b) Reimbursement for ancillary and other related services, as that term is defined
15 by R 340.1701c of the Michigan Administrative Code, is not provided when those services are
16 covered by and available through private group health insurance carriers or federal
17 reimbursed program sources unless the department and district or intermediate district
18 agree otherwise and that agreement is approved by the state budget director. Expenses,
19 other than the incidental expense of filing, must not be borne by the parent. In addition,
20 the filing of claims must not delay the education of a pupil. A district or intermediate
21 district is responsible for payment of a deductible amount and for an advance payment
22 required until the time a claim is paid.

23 (c) If an intermediate district purchases a special education pupil transportation
24 service from a constituent district that was previously purchased from a private entity; if
25 the purchase from the constituent district is at a lower cost, adjusted for changes in fuel
26 costs; and if the cost shift from the intermediate district to the constituent does not
27 result in any net change in the revenue the constituent district receives from payments
28 under sections 22b and 51c, then upon application by the intermediate district, the
29 department shall direct the intermediate district to continue to report the cost associated
30 with the specific identified special education pupil transportation service and shall
31 adjust the costs reported by the constituent district to remove the cost associated with
32 that specific service.

1 (7) A pupil who is enrolled in a full-time special education program conducted or
2 administered by an intermediate district or a pupil who is enrolled in the Michigan Schools
3 for the Deaf and Blind is not included in the membership count of a district, but is
4 counted in membership in the intermediate district of residence.

5 (8) Special education personnel transferred from 1 district to another to implement
6 the revised school code are entitled to the rights, benefits, and tenure to which the
7 individual would otherwise be entitled had that individual been employed by the receiving
8 district originally.

9 (9) If a district or intermediate district uses money received under this section for
10 a purpose other than the purpose or purposes for which the money is allocated, the
11 department may require the district or intermediate district to refund the amount of money
12 received. The department shall deposit money that is refunded in the state treasury to the
13 credit of the state school aid fund.

14 (10) From the funds allocated in subsection (1), there is allocated the amount
15 necessary, estimated at ~~\$1,700,000.00 for 2023-2024 and estimated at \$1,700,000.00~~
16 **\$1,500,000.00** for ~~2024-2025, 2025-2026~~, to pay the foundation allowances for pupils
17 described in this subsection. The department shall calculate the allocation to a district
18 under this subsection by multiplying the number of pupils described in this subsection who
19 are counted in membership in the district times the sum of the foundation allowance under
20 section 20 of the pupil's district of residence, plus the amount of the district's per-
21 pupil allocation under section 20m, not to exceed the target foundation allowance for the
22 current fiscal year, or, for a pupil described in this subsection who is counted in
23 membership in a district that is a public school academy, times an amount equal to the
24 amount per membership pupil under section 20(6). The department shall calculate the
25 allocation to an intermediate district under this subsection in the same manner as for a
26 district, using the foundation allowance under section 20 of the pupil's district of
27 residence not to exceed the target foundation allowance for the current fiscal year and
28 that district's per-pupil allocation under section 20m. This subsection applies to all of
29 the following pupils:

30 (a) Pupils described in section 53a.

31 (b) Pupils counted in membership in an intermediate district who are not special
32 education pupils and are served by the intermediate district in a juvenile detention or

1 child caring facility.

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

4 (11) If it is determined that funds allocated under subsection (2) or (10) or under
5 section 51c will not be expended, funds up to the amount necessary and available may be
6 used to supplement the allocations under subsection (2) or (10) or under section 51c to
7 fully fund those allocations. After payments under subsections (2) and (10) and section
8 51c, the department shall expend the remaining funds from the allocation in subsection (1)
9 in the following order:

10 (a) One hundred percent of the reimbursement required under section 53a.

11 (b) One hundred percent of the reimbursement required under subsection (5).

12 (c) One hundred percent of the payment required under section 54.

13 (d) One hundred percent of the payments under section 56.

14 (12) The allocations under subsections (2) and (10) are allocations to intermediate
15 districts only and are not allocations to districts, but instead are calculations used only
16 to determine the state payments under section 22b.

17 (13) If a public school academy that is not a cyber school, as that term is defined
18 in section 551 of the revised school code, MCL 380.551, enrolls under this section a pupil
19 who resides outside of the intermediate district in which the public school academy is
20 located and who is eligible for special education programs and services according to
21 statute or rule, or who is a child with a disability, as that term is defined under the
22 individuals with disabilities education act, Public Law 108-446, the intermediate district
23 in which the public school academy is located and the public school academy shall enter
24 into a written agreement with the intermediate district in which the pupil resides for the
25 purpose of providing the pupil with a free appropriate public education, and the written
26 agreement must include at least an agreement on the responsibility for the payment of the
27 added costs of special education programs and services for the pupil. If the public school
28 academy that enrolls the pupil does not enter into an agreement under this subsection, the
29 public school academy shall not charge the pupil's resident intermediate district or the
30 intermediate district in which the public school academy is located the added costs of
31 special education programs and services for the pupil, and the public school academy is not
32 eligible for any payouts based on the funding formula outlined in the resident or

1 nonresident intermediate district's plan. If a pupil is not enrolled in a public school
2 academy under this subsection, the provision of special education programs and services and
3 the payment of the added costs of special education programs and services for a pupil
4 described in this subsection are the responsibility of the district and intermediate
5 district in which the pupil resides.

6 (14) For the purpose of receiving its federal allocation under part B of the
7 individuals with disabilities education act, Public Law 108-446, a public school academy
8 that is a cyber school, as that term is defined in section 551 of the revised school code,
9 MCL 380.551, and is in compliance with section 553a of the revised school code, MCL
10 380.553a, directly receives the federal allocation under part B of the individuals with
11 disabilities education act, Public Law 108-446, from the intermediate district in which the
12 cyber school is located, as the subrecipient. If the intermediate district does not
13 distribute the funds described in this subsection to the cyber school by the part B
14 application due date of July 1, the department may distribute the funds described in this
15 subsection directly to the cyber school according to the formula prescribed in 34 CFR
16 300.705 and 34 CFR 300.816. Beginning July 1, 2021, this subsection is subject to section
17 8c. It is the intent of the legislature that the immediately preceding sentence apply
18 retroactively and is effective July 1, 2021.

19 (15) For a public school academy that is a cyber school, as that term is defined in
20 section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a
21 of the revised school code, MCL 380.553a, that enrolls a pupil under this section, the
22 intermediate district in which the cyber school is located shall ensure that the cyber
23 school complies with sections 1701a, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised
24 school code, MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757;
25 applicable rules; and the individuals with disabilities education act, Public Law 108-446.
26 Beginning July 1, 2021, this subsection is subject to section 8c. It is the intent of the
27 legislature that the immediately preceding sentence apply retroactively and is effective
28 July 1, 2021.

29 (16) For the purposes of this section, the department or the center shall only
30 require a district or intermediate district to report information that is not already
31 available from the financial information database maintained by the center.

32 Sec. 51c. As required by the court in the consolidated cases known as Durant v State

1 of Michigan, 456 Mich 175 (1997), from the allocation under section 51a(1), there is
2 allocated for ~~2023-2024 and for 2024-2025, 2025-2026~~, the amount necessary, estimated at
3 ~~\$903,300,000.00 for 2023-2024 and \$1,016,400,000.00 for 2024-2025, \$1,108,900,000.00~~, for
4 payments to reimburse districts for 28.6138% of total approved costs of special education
5 excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of
6 special education transportation. Funds allocated under this section that are not expended
7 in the fiscal year for which they were allocated, as determined by the department, may be
8 used to supplement the allocations under sections 22a and 22b to fully fund those
9 allocations for the same fiscal year.

10 Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated
11 for ~~2023-2024 all available federal funding, estimated at \$72,000,000.00, and there is~~
12 ~~allocated for 2024-2025 2025-2026~~ all available federal funding, estimated at
13 \$83,000,000.00, for special education programs and services that are funded by federal
14 grants. The department shall distribute all federal funds allocated under this section in
15 accordance with federal law. Notwithstanding section 17b, the department shall make
16 payments of federal funds to districts, intermediate districts, and other eligible entities
17 under this section on a schedule determined by the department.

18 (2) From the federal funds allocated under subsection (1), the following amounts are
19 allocated:

20 (a) For ~~2023-2024, an amount estimated at \$15,000,000.00 and for 2024-2025, 2025-~~
21 **2026**, an amount estimated at \$14,000,000.00 for handicapped infants and toddlers, funded
22 from DED-OSERS, handicapped infants and toddlers funds.

23 (b) For ~~2023-2024, an amount estimated at \$14,000,000.00 and for 2024-2025, 2025-~~
24 **2026**, an amount estimated at \$14,000,000.00 for preschool grants under Public Law 94-142,
25 funded from DED-OSERS, handicapped preschool incentive funds.

26 (c) For ~~2023-2024, an amount estimated at \$43,000,000.00 and for 2024-2025, 2025-~~
27 **2026**, an amount estimated at \$55,000,000.00 for special education programs funded by DED-
28 OSERS, handicapped program, individuals with disabilities act funds.

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

31 Sec. 51e. (1) From the allocation under section 51a(1), there is allocated for the
32 amount necessary, estimated at ~~\$499,900,000.00 for 2023-2024 and \$499,600,000.00~~

1 **\$523,900,000.00** for ~~2024-2025~~, **2025-2026**, for payments to districts and intermediate
2 districts for 100% of foundation allowance costs associated with special education pupils.

3 (2) The department shall calculate the amount allocated to a district under this
4 section by multiplying the district's special education pupil membership, excluding pupils
5 described in section 51a(11), times 100% of the foundation allowance under section 20 of
6 the pupil's district of residence, plus 100% of the amount of the district's per-pupil
7 allocation under section 20m, not to exceed 100% of the target foundation allowance for the
8 current fiscal year, or, for a special education pupil in membership in a district that is
9 a public school academy, times an amount equal to 100% of the amount per membership pupil
10 calculated under section 20(6). For an intermediate district, the amount allocated under
11 this subsection is an amount per special education membership pupil, excluding pupils
12 described in section 51a(11), and is calculated in the same manner as for a district, using
13 100% of the foundation allowance under section 20 of the pupil's district of residence, not
14 to exceed 100% of the target foundation allowance for the current fiscal year, and 100% of
15 that district's per-pupil allocation under section 20m.

16 Sec. 51g. From the general fund money appropriated in section 11, \$3,000,000.00 is
17 allocated for ~~2024-2025~~ **2025-2026** to an association for administrators of special education
18 services to develop content for use by special education students, teachers, and others.
19 Any content that is developed as described in this section must be accessible throughout
20 this state. Funds received by an association under this section may be used to support the
21 development of assessment tools to measure the needs of students with special education
22 needs in remote learning environments and the effectiveness of various educational methods
23 and tools, in collaboration with the department. Funds under this section may also be
24 utilized to identify any available federal funds for research related to special education
25 in remote learning.

26 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) is
27 100% of the total approved costs of operating special education programs and services
28 approved by the department and included in the intermediate district plan adopted under
29 article 3 of the revised school code, MCL 380.1701 to 380.1761, minus the district's
30 foundation allowance calculated under section 20 and minus the district's per-pupil
31 allocation under section 20m. For intermediate districts, the department shall calculate
32 reimbursement for pupils described in subsection (2) in the same manner as for a district,

1 using the foundation allowance under section 20 of the pupil's district of residence, not
2 to exceed the target foundation allowance under section 20 for the current fiscal year plus
3 the amount of the district's per-pupil allocation under section 20m.

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

5 (a) Pupils assigned to a district or intermediate district through the community
6 placement program of the courts or a state agency, if the pupil was a resident of another
7 intermediate district at the time the pupil came under the jurisdiction of the court or a
8 state agency.

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

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

14 (d) Pupils enrolled in a department-approved on-grounds educational program longer
15 than 180 days, but not longer than 233 days, at a residential child care institution, if
16 the child care institution offered in 1991-92 an on-grounds educational program longer than
17 180 days but not longer than 233 days.

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

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

25 (4) The costs of transportation are funded under this section and are not reimbursed
26 under section 58.

27 (5) The department shall not allocate more than \$10,500,000.00 of the allocation for
28 ~~2024-2025-2025-2026~~ in section 51a(1) under this section.

29 Sec. 54. Each intermediate district receives an amount per pupil for each pupil in
30 attendance at the Michigan Schools for the Deaf and Blind. The amount is proportionate to
31 the total instructional cost at each school. The department shall not allocate more than
32 \$1,688,000.00 of the allocation for ~~2024-2025-2025-2026~~ in section 51a(1) under this

1 section.

2 Sec. 54b. (1) From the general fund money appropriated in section 11, there is
3 allocated an amount not to exceed \$1,600,000.00 for ~~2024-2025~~**2025-2026** to expand the
4 implementation of the literacy and social, emotional, and behavioral components of a multi-
5 tiered system of supports, including positive behavioral interventions and supports, using
6 the MiMTSS Technical Assistance Center.

7 (2) The department shall use funds allocated under this section for the purpose of
8 expanding the statewide expertise, technical assistance, and implementation of the multi-
9 tiered system of supports, dyslexia expertise, and evidence-based instructional practices
10 grounded in the science of reading using the MiMTSS Technical Assistance Center, a
11 nationally recognized program. In addition, the department shall identify an intermediate
12 district to act as a fiscal agent for these funds.

13 (3) As used in this section, "MiMTSS Technical Assistance Center" means the Michigan
14 Multi-Tiered System of Supports Technical Assistance Center.

15 Sec. 54d. (1) From the state school aid fund money appropriated in section 11, there
16 is allocated an amount not to exceed ~~\$23,670,700.00~~**\$28,404,700.00** for ~~2024-2025~~**2025-2026**
17 to intermediate districts for the purpose of providing state early on services programs for
18 children from birth to 3 years of age with a developmental delay or a disability, or both,
19 and their families, as described in the early on Michigan state plan, as approved by the
20 department of lifelong education, advancement, and potential.

21 (2) To be eligible to receive grant funding under this section, each intermediate
22 district must apply in a form and manner determined by the department of lifelong
23 education, advancement, and potential.

24 (3) The grant funding allocated under this section must be used to increase early on
25 services and resources available to children that demonstrate developmental delays to help
26 prepare them for success as they enter school. State early on services include evaluating
27 and providing early intervention services for eligible infants and toddlers and their
28 families to address developmental delays, including those affecting physical, cognitive,
29 communication, adaptive, social, or emotional development. Grant funds must not be used to
30 supplant existing services that are currently being provided.

31 (4) The department of lifelong education, advancement, and potential shall distribute
32 the funds allocated under subsection (1) to intermediate districts according to the

1 department of lifelong education, advancement, and potential's early on funding formula
2 utilized to distribute the federal award to Michigan under part C of the individuals with
3 disabilities education act, Public Law 108-446. Funds received under this section must not
4 supplant existing funds or resources allocated for early on early intervention services. An
5 intermediate district receiving funds under this section shall maximize the capture of
6 Medicaid funds to support early on early intervention services to the extent possible.

7 (5) Each intermediate district that receives funds under this section shall report
8 data and other information to the department of lifelong education, advancement, and
9 potential in a form, manner, and frequency prescribed by the department of lifelong
10 education, advancement, and potential to allow for monitoring and evaluation of the program
11 and to ensure that the children described in subsection (1) received appropriate levels and
12 types of services delivered by qualified personnel, based on the individual needs of the
13 children and their families.

14 (6) Notwithstanding section 17b, the department of lifelong education, advancement,
15 and potential shall make payments under this section on a schedule determined by the
16 department of lifelong education, advancement, and potential.

17 (7) Grant funds awarded and allocated to an intermediate district under this section
18 must be expended by the grant recipient before June 30 of the fiscal year immediately
19 following the fiscal year in which the funds were received.

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

21 ~~(a) "Membership" means for a particular fiscal year the total membership of the~~
22 ~~intermediate district and the districts constituent to the intermediate district, except~~
23 ~~that if a district has elected not to come under part 30 of the revised school code, MCL~~
24 ~~380.1711 to 380.1741, membership of the district is not included in the membership of the~~
25 ~~intermediate district.~~

26 (a) **"Capped local special education property tax revenue" means the amount of revenue**
27 **that would be received if an intermediate district levied the maximum millage rate**
28 **permitted for that intermediate district under section 1724a of the revised school code,**
29 **MCL 380.1724a, capped at the statewide average special education millage rate.**

30 (b) "Millage levied" means the millage levied in the **immediately preceding fiscal**
31 **year** for special education under part 30 of the revised school code, MCL 380.1711 to
32 380.1741. ~~including a levy for debt service obligations.~~

1 (c) "Special education head count" means, for a particular fiscal year, the total
2 special education head count of an intermediate district and the districts constituent to
3 the intermediate district from the fall pupil membership count day of the immediately
4 preceding year, except that if a district has elected not to come under part 30 of the
5 revised school code, MCL 380.1711 to 380.1741, special education head count of the district
6 is not included in the special education head count of the intermediate district.

7 (d) "Statewide average special education millage rate" means the statewide levy
8 amount divided by the statewide taxable value.

9 (e) "Statewide average taxable value per unreimbursed costs" means the statewide
10 taxable value divided by the statewide unreimbursed costs.

11 (f) ~~(e)~~ "Taxable value" means the total taxable value of the districts constituent to
12 an intermediate district **in the immediately preceding fiscal year**, except that if a
13 district has elected not to come under part 30 of the revised school code, MCL 380.1711 to
14 380.1741, taxable value of the district is not included in the taxable value of the
15 intermediate district. **Taxable value also includes both of the following:**

16 (i) The value of personal property exempt under the local community stabilization
17 authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and reimbursed to the intermediate
18 district under section 17 of the local community stabilization authority act, 2024 PA 86,
19 MCL 123.1357.

20 (ii) Tax increment property captured by a brownfield redevelopment authority under the
21 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, and
22 reimbursed to the intermediate district under section 15b of the brownfield redevelopment
23 financing act, 1996 PA 381, MCL 125.2665b.

24 (g) "Unreimbursed costs" means the sum of costs reported on the SE-4094 and SE-4096
25 reports for all districts in the intermediate district, less the amount of reimbursement
26 received under section 51c, and less the capped local special education property tax
27 revenue.

28 (2) From the allocation under section 51a(1), there is allocated an amount not to
29 exceed ~~\$40,008,100.00 for 2023-2024 and \$40,008,100.00~~ **\$89,208,100.00** for ~~2024-2025-2025-~~
30 **2026 for payments** to reimburse intermediate districts levying millages for special
31 education under part 30 of the revised school code, MCL 380.1711 to 380.1741. The purpose,
32 use, and expenditure of the reimbursement are limited as if the funds were generated by

1 these millages and governed by the intermediate district plan adopted under article 3 of
2 the revised school code, MCL 380.1701 to 380.1761. As a condition of receiving funds under
3 this section, an intermediate district distributing any portion of special education
4 millage funds to its constituent districts must submit for departmental approval and
5 implement a distribution plan.

6 (3) The department shall provide payments under subsection (2) to each intermediate
7 district described in this subsection as follows:

8 (a) The department must first calculate a reimbursement for those millages levied in
9 the immediately preceding fiscal year at an amount per special education head count, by
10 subtracting the intermediate district's taxable value per special education head count from
11 the statewide average taxable value per special education head count, and multiplying the
12 resulting difference by the immediately preceding fiscal year millage rate levied, capped
13 at the statewide average special education millage rate.

14 (b) The department must then calculate a reimbursement for unreimbursed costs by
15 subtracting the quotient of the intermediate district's taxable value and the statewide
16 average taxable value per unreimbursed costs from the intermediate district's unreimbursed
17 costs.

18 (c) The calculation under subdivision (a) must be greater than \$0.00 for an
19 intermediate district to receive reimbursement under this subsection. For those
20 intermediate districts whose calculation under subdivision (a) is less than or equal to
21 \$0.00, the amount in subdivision (b) is \$0.00 for purposes of the calculation in
22 subdivision (d).

23 (d) The department must then calculate the average of the amounts calculated under
24 subdivisions (a) and (b) for each intermediate district. For the purpose of this
25 calculation, calculations in subdivision (a) or (b) that result in negative totals are
26 treated as \$0.00.

27 (e) The amount reimbursed under subsection (2) is the 3-year average of the amount
28 calculated under subdivision (d) for the 3 most recent fiscal years.

29 (4) If total payments calculated under subsection (3) exceed the amount allocated in
30 subsection (2), the department must prorate the payments on an equal percentage basis.

31 ~~(3) Except as otherwise provided in this subsection, reimbursement for those millages~~
32 ~~levied in 2022-2023 is made in 2023-2024 at an amount per 2022-2023 membership pupil~~

1 ~~computed by subtracting from \$241,300.00 the 2022-2023 taxable value behind each membership~~
2 ~~pupil and multiplying the resulting difference by the 2022-2023 millage levied, and then~~
3 ~~subtracting from that amount the 2022-2023 local community stabilization share revenue for~~
4 ~~special education purposes and 2022-2023 tax increment revenues captured by a brownfield~~
5 ~~redevelopment authority created under the brownfield redevelopment financing act, 1996 PA~~
6 ~~381, MCL 125.2651 to 125.2670, behind each membership pupil for reimbursement of personal~~
7 ~~property exemption loss under the local community stabilization authority act, 2014 PA 86,~~
8 ~~MCL 123.1341 to 123.1362, and reimbursements paid under section 26d for tax increment~~
9 ~~revenues captured by a brownfield redevelopment authority under the brownfield~~
10 ~~redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. For the purposes of the~~
11 ~~calculation described in the previous sentence only, for an intermediate district receiving~~
12 ~~funds under this section and section 62, reimbursements paid under section 26d must be~~
13 ~~multiplied by the ratio of special education millage levied, as defined in this section,~~
14 ~~and the sum of special education millage levied and vocational-technical education millage~~
15 ~~levied, as defined in section 62. Reimbursement in 2023-2024 for an intermediate district~~
16 ~~whose 2017-2018 allocation was affected by the operation of subsection (5) is an amount~~
17 ~~equal to 102.5% of the 2017-2018 allocation to that intermediate district.~~

18 ~~(4) Except as otherwise provided in this subsection, reimbursement for those millages~~
19 ~~levied in 2023-2024 is made in 2024-2025 at an amount per 2023-2024 membership pupil~~
20 ~~computed by subtracting from \$260,200.00 the 2023-2024 taxable value behind each membership~~
21 ~~pupil and multiplying the resulting difference by the 2023-2024 millage levied, and then~~
22 ~~subtracting from that amount the 2023-2024 local community stabilization share revenue for~~
23 ~~special education purposes and 2023-2024 tax increment revenues captured by a brownfield~~
24 ~~redevelopment authority created under the brownfield redevelopment financing act, 1996 PA~~
25 ~~381, MCL 125.2651 to 125.2670, behind each membership pupil for reimbursement of personal~~
26 ~~property exemption loss under the local community stabilization authority act, 2014 PA 86,~~
27 ~~MCL 123.1341 to 123.1362, and reimbursements paid under section 26d for tax increment~~
28 ~~revenues captured by a brownfield redevelopment authority under the brownfield~~
29 ~~redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. For the purposes of the~~
30 ~~calculation described in the previous sentence only, for an intermediate district receiving~~
31 ~~funds under this section and section 62, reimbursements paid under section 26d must be~~
32 ~~multiplied by the ratio of special education millage levied, as defined in this section,~~

1 ~~and the sum of special education millage levied and vocational-technical education millage~~
2 ~~levied, as defined in section 62. Reimbursement in 2024-2025 for an intermediate district~~
3 ~~whose 2017-2018 allocation was affected by the operation of subsection (5) is an amount~~
4 ~~equal to 102.5% of the 2017-2018 allocation to that intermediate district.~~

5 ~~(5) The department shall ensure that the amount paid to a single intermediate~~
6 ~~district under subsection (2) does not exceed 62.9% of the total amount allocated under~~
7 ~~subsection (2).~~

8 ~~(6) The department shall ensure that the amount paid to a single intermediate~~
9 ~~district under subsection (2) is not less than 75% of the amount allocated to the~~
10 ~~intermediate district under subsection (2) for the immediately preceding fiscal year.~~

11 ~~(7) From the allocation under section 51a(1), there is allocated an amount not to~~
12 ~~exceed \$34,200,000.00 for 2023-2024 and 2024-2025 to provide payments to intermediate~~
13 ~~districts levying millages for special education under part 30 of the revised school code,~~
14 ~~MCL 380.1711 to 380.1741. The purpose, use, and expenditure of the payments under this~~
15 ~~subsection are limited as if the funds were generated by these millages and governed by the~~
16 ~~intermediate district plan adopted under article 3 of the revised school code, MCL 380.1701~~
17 ~~to 380.1761. The department shall provide a payment under this subsection to each~~
18 ~~intermediate district described in this subsection as follows:~~

19 ~~(a) For 2023-2024 and 2024-2025, except as otherwise provided in this subsection, for~~
20 ~~an intermediate district with a 3-year average special education millage revenue per pupil~~
21 ~~in the immediately preceding fiscal year that is less than \$251.00 and that is levying at~~
22 ~~least 46.2% but less than 60.0% of its maximum millage rate allowed under section 1724a of~~
23 ~~the revised school code, MCL 380.1724a, an amount computed by subtracting from \$251.00 the~~
24 ~~3-year average special education millage revenue per pupil in the immediately preceding~~
25 ~~fiscal year and, only if the millage levied by the intermediate district is less than 1,~~
26 ~~multiplying that amount by the number of mills levied divided by 1, and then multiplying~~
27 ~~that amount by the 3-year average membership in the immediately preceding fiscal year, and~~
28 ~~then subtracting from that amount the amount allocated under subsection (2) for the current~~
29 ~~fiscal year. If the calculation under this subdivision results in an amount below zero,~~
30 ~~there is no payment under this subdivision.~~

31 ~~(b) For 2023-2024 and 2024-2025, except as otherwise provided in this subsection, for~~
32 ~~an intermediate district with a 3-year average special education millage revenue per pupil~~

1 ~~in the immediately preceding fiscal year that is less than \$296.00 and that is levying at~~
2 ~~least 60.0% of its maximum millage rate allowed under section 1724a of the revised school~~
3 ~~code, MCL 380.1724a, an amount computed by subtracting from \$296.00 the 3-year average~~
4 ~~special education millage revenue per pupil in the immediately preceding fiscal year, and,~~
5 ~~only if the millage levied by the intermediate district is less than 1, multiplying that~~
6 ~~amount by the number of mills levied divided by 1, and then multiplying that amount by the~~
7 ~~3-year average membership in the immediately preceding fiscal year, and then subtracting~~
8 ~~from that amount the amount allocated under subsection (2) for the current fiscal year. If~~
9 ~~the calculation under this subdivision results in an amount below zero, there is no payment~~
10 ~~under this subdivision.~~

11 ~~(8) After making allocations to eligible intermediate districts under subsections~~
12 ~~(3), (4), and (7), if funds remain unallocated from the allocations under subsections (2)~~
13 ~~and (7), the department must allocate remaining funds to intermediate districts~~
14 ~~proportional to the amounts allocated to intermediate districts under subsections (3) and~~
15 ~~(4).~~

16 ~~(9) As used in subsection (7):~~

17 ~~(a) "3-year average membership" means the 3-year average pupil membership for each of~~
18 ~~the 3 most recent fiscal years.~~

19 ~~(b) "3-year average special education millage revenue per pupil" means the 3-year~~
20 ~~average taxable value per mill levied behind each membership pupil for each of the 3 most~~
21 ~~recent fiscal years multiplied by the millage levied in the most recent fiscal year.~~

22 Sec. 61a. (1) From the state school aid fund money appropriated in section 11, there
23 is allocated an amount not to exceed ~~\$39,899,800.00~~ **\$41,599,800.00** for ~~2024-2025-2025-2026~~
24 to reimburse on an added cost basis districts, except for a district that served as the
25 fiscal agent for a vocational education consortium in the 1993-94 school year and that has
26 a foundation allowance as calculated under section 20 greater than the target foundation
27 allowance under that section, and secondary area vocational-technical education centers for
28 secondary-level career and technical education programs according to rules approved by the
29 superintendent. Applications for participation in the programs must be submitted in the
30 form prescribed by the department. The department shall determine the added cost for each
31 career and technical education program area. The department shall prioritize the allocation
32 of added cost funds based on the capital and program expenditures needed to operate the

1 career and technical education programs provided; the number of pupils enrolled; the
2 advancement of pupils through the instructional program; the existence of an articulation
3 agreement with at least 1 postsecondary institution that provides pupils with opportunities
4 to earn postsecondary credit during the pupil's participation in the career and technical
5 education program and transfers those credits to the postsecondary institution upon
6 completion of the career and technical education program; and the program rank in student
7 placement, job openings, and wages, and shall ensure that the allocation does not exceed
8 75% of the added cost of any program. Notwithstanding any rule or department determination
9 to the contrary, when determining a district's allocation or the formula for making
10 allocations under this section, the department shall include the participation of pupils in
11 grade 9 in all of those determinations and in all portions of the formula. With the
12 approval of the department, the board of a district maintaining a secondary career and
13 technical education program may offer the program for the period from the close of the
14 school year until September 1. The program shall use existing facilities and must be
15 operated as prescribed by rules promulgated by the superintendent.

16 (2) Except for a district that served as the fiscal agent for a vocational education
17 consortium in the 1993-94 school year, the department shall reimburse districts and
18 intermediate districts for local career and technical education administration, shared time
19 career and technical education administration, and career education planning district
20 career and technical education administration. The superintendent shall adopt guidelines
21 for the definition of what constitutes administration and shall make reimbursement pursuant
22 to those guidelines. The department shall not distribute more than \$800,000.00 of the
23 allocation in subsection (1) under this subsection.

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

28 Sec. 61b. (1) From the state school aid fund money appropriated under section 11,
29 there is allocated for ~~2024-2025-2025-2026~~ an amount not to exceed ~~\$8,000,000.00~~
30 **\$8,400,000.00** for CTE early middle college and CTE dual enrollment programs authorized
31 under this section and for planning grants for the development or expansion of CTE early
32 middle college programs. The purpose of these programs is to increase the number of

1 Michigan residents with high-quality degrees or credentials, and to increase the number of
2 students who are college and career ready upon high school graduation.

3 (2) From the funds allocated under subsection (1), the department shall allocate an
4 amount as determined under this subsection to each intermediate district serving as a
5 fiscal agent for state-approved CTE early middle college and CTE dual enrollment programs
6 in each of the career education planning districts identified by the department. An
7 intermediate district shall not use more than 5% of the funds allocated under this
8 subsection for administrative costs for serving as the fiscal agent.

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

11 (a) Distribute funds to eligible CTE early middle college and CTE dual enrollment
12 programs in a career education planning district as described in this section.

13 (b) Collaborate with the career and educational advisory council in the workforce
14 development board service delivery area to develop 1 regional strategic plan under
15 subsection (4) that aligns CTE programs and services into an efficient and effective
16 delivery system for high school students. The department will align career education
17 planning districts, workforce development board service delivery areas, and intermediate
18 districts for the purpose of creating 1 regional strategic plan for each workforce
19 development board service delivery area.

20 (c) Implement a regional process to rank career clusters in the workforce development
21 board service delivery area as described under subsection (4). Regional processes must be
22 approved by the department before the ranking of career clusters.

23 (d) Report CTE early middle college and CTE dual enrollment program and student data
24 and information as prescribed by the department and the center.

25 (e) The local education agency responsible for student reporting in the Michigan
26 student data system (MSDS) will report the total number of college credits the student
27 earned, at the time of high school graduation, as determined by the department and the
28 center.

29 (f) The local education agency will report each award outcome in the Michigan student
30 data system (MSDS) that the CTE early middle college student attained. For purposes of this
31 subsection, an on-track CTE early middle college graduate is a graduate who obtained their
32 high school diploma and at least 1 of the following:

1 (i) An associate degree.

2 (ii) 60 transferable college credits.

3 (iii) Professional certification.

4 (iv) A Michigan Early Middle College Association certificate.

5 (v) Participation in a registered apprenticeship.

6 (4) A regional strategic plan must be approved by the career and educational advisory
7 council before submission to the department. A regional strategic plan must include, but is
8 not limited to, the following:

9 (a) An identification of regional employer need based on a ranking of all career
10 clusters in the workforce development board service delivery area ranked by 10-year
11 projections of annual job openings and median wage for each standard occupational code in
12 each career cluster as obtained from the United States Bureau of Labor Statistics. Standard
13 occupational codes within high-ranking clusters also may be further ranked by median wage
14 and annual job openings. The career and educational advisory council located in the
15 workforce development board service delivery area shall review the rankings and modify them
16 if necessary to accurately reflect employer demand for talent in the workforce development
17 board service delivery area. A career and educational advisory council shall document that
18 it has conducted this review and certify that it is accurate. These career cluster rankings
19 must be determined and updated once every 4 years.

20 (b) An identification of educational entities in the workforce development board
21 service delivery area that will provide eligible CTE early middle college and CTE dual
22 enrollment programs including districts, intermediate districts, postsecondary
23 institutions, and noncredit occupational training programs leading to an industry-
24 recognized credential.

25 (c) A strategy to inform parents and students of CTE early middle college and CTE
26 dual enrollment programs in the workforce development board service delivery area.

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

28 (5) An eligible CTE program is a program that meets all of the following:

29 (a) Has been identified in the highest 5 career cluster rankings in any of the 16
30 workforce development board service delivery area strategic plans jointly approved by the
31 department of labor and economic opportunity and the department.

32 (b) Has a coherent sequence of courses in a specific career cluster that will allow a

1 student to earn a high school diploma and achieve at least 1 of the following:

2 (i) For CTE early middle college, outcomes as defined in subsection (3)(f).

3 (ii) For CTE dual enrollment, 1 of the following:

4 (A) An associate degree.

5 (B) An industry-recognized technical certification approved by the department of
6 labor and economic opportunity.

7 (C) Up to 60 transferable college credits.

8 (D) Participation in a registered apprenticeship, pre-apprenticeship, or apprentice
9 readiness program.

10 (c) Is aligned with the Michigan merit curriculum.

11 (d) Has an articulation or a college credit agreement with at least 1 postsecondary
12 institution that provides students with opportunities to receive postsecondary credits
13 during the student's participation in the CTE early middle college or CTE dual enrollment
14 program and transfers those credits to the postsecondary institution upon completion of the
15 CTE early middle college or CTE dual enrollment program.

16 (e) Provides instruction that is supervised, directed, or coordinated by an
17 appropriately certificated CTE teacher or, for concurrent enrollment courses, a
18 postsecondary faculty member.

19 (f) Provides for highly integrated student support services that include at least the
20 following:

21 (i) Teachers as academic advisors.

22 (ii) Supervised course selection.

23 (iii) Monitoring of student progress and completion.

24 (iv) Career planning services provided by a local one-stop service center as
25 described in the Michigan works one-stop service center system act, 2006 PA 491, MCL
26 408.111 to 408.135, or by a high school counselor or advisor.

27 (g) Has courses that are taught on a college campus, are college courses offered at
28 the high school and taught by college faculty, or are courses taught in combination with
29 online instruction.

30 (6) The department shall distribute funds to eligible CTE early middle college and
31 CTE dual enrollment programs as follows:

32 (a) The department shall determine statewide average CTE costs per pupil for each CIP

1 code program by calculating statewide average costs for each CIP code program for the 3
2 most recent fiscal years.

3 (b) The distribution to each eligible CTE early middle college or CTE dual enrollment
4 program is the product of 50% of CTE costs per pupil times the pupil enrollment of each
5 eligible CTE early middle college or CTE dual enrollment program in the immediately
6 preceding school year.

7 (7) To receive funds under this section, a CTE early middle college or CTE dual
8 enrollment program shall furnish to the intermediate district that is the fiscal agent
9 identified in subsection (2), in a form and manner determined by the department, all
10 information needed to administer this program and meet federal reporting requirements;
11 shall allow the department or the department's designee to review all records related to
12 the program for which it receives funds; and shall reimburse the state for all
13 disallowances found in the review, as determined by the department.

14 (8) There is allocated for ~~2024-2025~~**2025-2026** from the funds under subsection (1) an
15 amount not to exceed \$500,000.00 from the state school aid fund allocation for grants to
16 intermediate districts or consortia of intermediate districts for the purpose of planning
17 for new or expanded early middle college programs. Applications for grants must be
18 submitted in a form and manner determined by the department. The amount of a grant under
19 this subsection must not exceed \$50,000.00. To be eligible for a grant under this
20 subsection, an intermediate district or consortia of intermediate districts must provide
21 matching funds equal to the grant received under this subsection. Notwithstanding section
22 17b, the department shall make payments under this subsection in the manner determined by
23 the department.

24 (9) Funds distributed under this section may be used to fund program expenditures
25 that would otherwise be paid from foundation allowances. A program receiving funding under
26 section 61a may receive funding under this section for allowable costs that exceed the
27 reimbursement the program received under section 61a. The combined payments received by a
28 program under section 61a and this section must not exceed the total allowable costs of the
29 program. A program provider shall not use more than 5% of the funds allocated under this
30 section to the program for administrative costs.

31 (10) If the allocation under subsection (1) is insufficient to fully fund payments as
32 otherwise calculated under this section, the department shall prorate payments under this

1 section on an equal percentage basis, **using for that proration calculation payments made**
2 **for CTE dual enrollment programs only.**

3 (11) If pupils enrolled in a career cluster in an eligible CTE early middle college
4 or CTE dual enrollment program qualify to be reimbursed under this section, those pupils
5 continue to qualify for reimbursement until graduation, even if the career cluster is no
6 longer identified as being in the highest 5 career cluster rankings.

7 (12) As used in this section:

8 (a) "Allowable costs" means those costs directly attributable to the program as
9 jointly determined by the department of labor and economic opportunity and the department.

10 (b) "Career and educational advisory council" means an advisory council to the local
11 workforce development boards located in a workforce development board service delivery area
12 consisting of educational, employer, labor, and parent representatives.

13 (c) "CIP" means classification of instructional programs.

14 (d) "CTE" means career and technical education programs.

15 (e) "CTE dual enrollment program" means a 4-year high school program of postsecondary
16 courses offered by eligible postsecondary educational institutions that leads to an
17 industry-recognized certification or degree.

18 (f) "Early middle college program" means a 5-year high school program.

19 (g) "Eligible postsecondary educational institution" means that term as defined in
20 section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

21 **Sec. 61c. (1) From the state school aid fund money appropriated in section 11, there**
22 **is allocated for 2025-2026 only an amount not to exceed \$20,000,000.00 to eligible career**
23 **education planning districts (CEPDs) for the purposes described in this section.**

24 **(2) To be eligible to receive funding in the first round of grants under this**
25 **section, at least 50% of the area served by a CEPD must be located in an intermediate**
26 **district that did not levy a vocational education millage in 2025. Each eligible CEPD must**
27 **apply in a form and manner prescribed by the department. An application must include the**
28 **funding amount requested by the CEPD. Funding to an eligible CEPD must be equal to the**
29 **quotient of the allocation under subsection (1) and the number of eligible CEPDs applying**
30 **for funding in the first round of grants, or the individual CEPD's requested funding**
31 **amount, whichever is less.**

32 **(3) If funding remains after the first round of grants under subsection (2), the**

1 department may administer a second round of grants under this section. To be eligible to
2 receive funding in the second round of grants, a CEPD must not have been eligible for
3 funding in the first round of grants. Each eligible CEPD must apply in a form and manner
4 prescribed by the department. An application must include the funding amount requested by
5 the CEPD. Funding to each eligible CEPD must be equal to the quotient of the funds
6 remaining after the first round of grants and the number of CEPDs applying for funding in
7 the second round of grants.

8 (4) At least 50% of the funding allocated to each eligible CEPD must be used to
9 update equipment in current state-approved CTE programs that have been identified in the
10 highest 5 career cluster rankings in any of the prosperity regions in the most recent CEPD
11 regional strategic plans approved by the department; for training on new equipment; for
12 professional development relating to computer science or coding or new equipment purchases;
13 for the replacement of old or outdated equipment or new equipment in existing state-
14 approved CTE programs that align with new technology used in industries; or for new and
15 emerging certified state-approved CTE programs to allow CEPD administrators to provide
16 programming in communities that will enhance economic development. The funding for
17 equipment should be used to support and enhance community areas that have sustained job
18 growth, and act as a commitment to build a more qualified and skilled workforce. In
19 addition, each CEPD is encouraged to explore the option of leasing equipment from local
20 private industry to encourage the use of the most advanced equipment.

21 (5) The allocation of funds under this section at the local level must be determined
22 by CEPD administrators using data from the state, region, and local sources to make well-
23 informed decisions on program equipment improvements. Grants awarded by CEPD administrators
24 for capital infrastructure costs related to the purchase of new equipment must be used to
25 ensure that state-approved CTE programs can deliver educational programs in high-wage,
26 high-skill, and high-demand occupations. Each CEPD shall continue to ensure that program
27 advisory boards make recommendations on needed improvements for equipment that support job
28 growth and job skill development and retention for both the present and the future.

29 (6) Not later than December 15 of each fiscal year, each CEPD receiving funding shall
30 annually report to the department, the senate and house appropriations subcommittees on
31 school aid, the senate and house fiscal agencies, and the legislature on equipment
32 purchased under subsection (1). In addition, the report must identify growth data on

1 program involvement, retention, and development of student skills.

2 (7) As used in this section:

3 (a) "CEPD" means a career education planning district described in this section.

4 (b) "CTE" means career and technical education.

5 Sec. 61d. (1) From the appropriation in section 11, there is allocated for ~~2024-2025~~
6 **2025-2026** an amount not to exceed ~~\$5,304,300.00~~ **\$5,554,300.00** from the state school aid
7 fund for additional payments to districts for career and technical education programs for
8 the purpose of increasing the number of Michigan residents with high-quality degrees or
9 credentials, and to increase the number of pupils who are college- and career-ready upon
10 high school graduation.

11 (2) The department shall calculate payments to districts under this section in the
12 following manner:

13 (a) A payment of ~~\$35.00~~ **\$37.00** multiplied by the number of pupils in grades 9 to 12
14 who are counted in membership in the district and are enrolled in at least 1 career and
15 technical education program.

16 (b) An additional payment of ~~\$35.00~~ **\$37.00** multiplied by the number of pupils in
17 grades 9 to 12 who are counted in membership in the district and are enrolled in at least 1
18 career and technical education program that provides instruction in critical skills and
19 high-demand career fields.

20 (3) If the allocation under subsection (1) is insufficient to fully fund payments
21 under subsection (2), the department shall prorate payments under this section on an equal
22 per-pupil basis.

23 (4) As used in this section:

24 (a) "Career and technical education program" means a state-approved career and
25 technical education program, as determined by the department.

26 (b) "Career and technical education program that provides instruction in critical
27 skills and high-demand career field" means a career and technical education program
28 classified under any of the following 2-digit classification of instructional programs
29 (CIP) codes:

30 (i) 01, which refers to "agriculture, agriculture operations, and related sciences".

31 (ii) 03, which refers to "natural resources and conservation".

32 (iii) 10 through 11, which refers to "communications technologies/technicians and

1 support services" and "computer and information sciences and support services".

2 (iv) 14 through 15, which refers to "engineering" and "engineering technologies and
3 engineering-related fields".

4 (v) 26, which refers to "biological and biomedical sciences".

5 (vi) 46 through 48, which refers to "construction trades", "mechanic and repair
6 technologies/technicians", and "precision production".

7 (vii) 51, which refers to "health professions and related programs".

8 **Sec. 61v. (1) From the state school aid fund money appropriated in section 11, there**
9 **is allocated for 2025-2026 only an amount not to exceed \$125,000,000.00 for the purposes of**
10 **this section. Money allocated under this section is intended to expand student access to,**
11 **and enrollment in, career and technical education programs.**

12 (2) To be eligible to apply for funding under this section, a district must be in a
13 CTE desert or must demonstrate to the satisfaction of the department that the district has
14 a career and technical education opportunity gap. As used in this section, "CTE desert"
15 means a geographic area with limited or inequitable access to career and technical
16 education programs, as determined by the department.

17 (3) Eligible districts must apply on a competitive basis for funding in a form and
18 manner determined by the department. The department shall provide opportunities for at
19 least 3 cohorts of funding. All of the following apply to applications for funding provided
20 under this section:

21 (a) Applicants must provide a comprehensive local needs assessment, a statement of
22 commitment, including a district capacity and a sustainability plan, a strategy to address
23 the needs of students, and an appropriate and aligned budget.

24 (b) Districts must demonstrate the ability to continue programs started with funding
25 under this subsection in an ongoing manner after funding received under this section is no
26 longer available.

27 (c) Applications must be scored on a tiered rating system with criteria that must
28 consider at least all of the following:

29 (i) Local match committed to by the applicant, such as philanthropic, business and
30 industry contributions, and vocational education millage revenue.

31 (ii) The magnitude to which the applicant demonstrates an opportunity gap or is in a
32 designated CTE desert.

1 (iii) Labor market demand for proposed programs.

2 (iv) Feasibility of planned implementation and evaluation plans.

3 (4) All of the following apply to awards received by eligible districts under this
4 section:

5 (a) Awards must be used to create and sustain career and technical education programs
6 aligned with high-skill, high-wage, and high-demand occupations across career clusters
7 aligned with local and regional labor market needs. Programs must be aligned with state
8 career and technical education standards, must integrate stackable credentials, must create
9 a program of study guided by a program advisory committee, and must maintain all
10 requirements of a state-approved program.

11 (b) If funds are used for a middle school career and technical education program, as
12 determined by the department, the recipient district must demonstrate how the program will
13 align academic content with practical career skills, integrate the flexibilities of the
14 Michigan Merit Curriculum in a program of study from middle school through postsecondary,
15 allow students to earn high school academic and career and technical education credits, and
16 enable a more seamless transition into high school career and technical education pathways.
17 Such programs must utilize the Educational Development Plan and the Michigan Career
18 Development Model to provide career and college readiness activities for middle school
19 students.

20 (c) Awards shall be received over a 3 year period.

21 (d) Districts may utilize the first year of funding for program startup costs
22 including developing and designing programs of study, creating and furnishing labs for
23 technical skill training, hiring qualified staff, and other eligible purposes as determined
24 by the department.

25 (e) Funding amounts provided in the second and third year must scale down from levels
26 received in the first year. Districts must increase local financial commitments to sustain
27 the programs.

28 (5) In addition to the funds allocated in subsection (1), there is allocated for an
29 amount not to exceed \$2,500,000.00 to implement a statewide campaign to educate the public
30 on the importance and economic viability of jobs created through career and technical
31 education pathways. Such campaigns are intended to ensure full enrollment in newly created
32 programs by engaging as many students as possible.

1 (a) Funding under this subsection must be awarded by the department, in a form and
2 manner determined by the department, to an intermediate district or consortia of
3 intermediate districts.

4 (b) The recipient receiving funding under this subsection must use those funds for a
5 statewide public awareness campaign to promote the value of career and technical education
6 to students, educators, parents, business, and industry by showcasing student participants,
7 how career and technical education aligns with college and career readiness, and how it
8 meets local economic needs. The campaign will foster student, community, and parental
9 understanding of the benefits of career and technical education and encourage broader
10 participation.

11 (6) The funds allocated in this section are a work project appropriation, and any
12 unexpended funds for 2025-2026 are carried forward into 2026-2027. The purpose of the work
13 project is to create new career and technical education programs and expand access to
14 programming for more students. The estimated completion date of the work project is
15 September 30, 2030.

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

18 Sec. 62. (1) For the purposes of this section:

19 (a) "Membership" means for a particular fiscal year the total membership of the
20 intermediate district and the districts constituent to the intermediate district or the
21 total membership of the area vocational-technical program, except that if a district has
22 elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to
23 380.690, the membership of that district are not included in the membership of the
24 intermediate district. However, the membership of a district that has elected not to come
25 under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, is included
26 in the membership of the intermediate district if the district meets both of the following:

27 (i) The district operates the area vocational-technical education program pursuant to
28 a contract with the intermediate district.

29 (ii) The district contributes an annual amount to the operation of the program that is
30 commensurate with the revenue that would have been raised for operation of the program if
31 millage were levied in the district for the program under sections 681 to 690 of the
32 revised school code, MCL 380.681 to 380.690.

1 (b) "Millage levied" means the millage levied for area vocational-technical education
2 under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a
3 levy for debt service obligations incurred as the result of borrowing for capital outlay
4 projects and in meeting capital projects fund requirements of area vocational-technical
5 education.

6 (c) "Taxable value" means the total taxable value of the districts constituent to an
7 intermediate district or area vocational-technical education program, except that if a
8 district has elected not to come under sections 681 to 690 of the revised school code, MCL
9 380.681 to 380.690, the taxable value of that district is not included in the taxable value
10 of the intermediate district. However, the taxable value of a district that has elected not
11 to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, is
12 included in the taxable value of the intermediate district if the district meets both of
13 the following:

14 (i) The district operates the area vocational-technical education program pursuant to
15 a contract with the intermediate district.

16 (ii) The district contributes an annual amount to the operation of the program that is
17 commensurate with the revenue that would have been raised for operation of the program if
18 millage were levied in the district for the program under sections 681 to 690 of the
19 revised school code, MCL 380.681 to 380.690.

20 (2) From the state school aid fund money appropriated in section 11, there is
21 allocated an amount not to exceed \$9,190,000.00 ~~each fiscal year for 2023-2024 and 2024-~~
22 ~~2025~~ **for 2025-2026** to reimburse intermediate districts and area vocational-technical
23 education programs established under section 690(3) of the revised school code, MCL
24 380.690, levying millages for area vocational-technical education under sections 681 to 690
25 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of
26 the reimbursement are limited as if the funds were generated by those millages.

27 ~~(3) Reimbursement for those millages levied in 2022-2023 is made in 2023-2024 at an~~
28 ~~amount per 2022-2023 membership pupil computed by subtracting from \$251,400.00 the 2022-~~
29 ~~2023 taxable value behind each membership pupil and multiplying the resulting difference by~~
30 ~~the 2022-2023 millage levied, and then subtracting from that amount the 2022-2023 local~~
31 ~~community stabilization share revenue for area vocational technical education and 2022-2023~~
32 ~~tax increment revenues captured by a brownfield redevelopment authority created under the~~

1 ~~brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, behind each~~
2 ~~membership pupil for reimbursement of personal property exemption loss under the local~~
3 ~~community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and~~
4 ~~reimbursements paid under section 26d for tax increment revenues captured by a brownfield~~
5 ~~redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL~~
6 ~~125.2651 to 125.2670. For the purposes of the calculation described in the previous~~
7 ~~sentence only, for an intermediate district receiving funds under this section and section~~
8 ~~56, reimbursements paid under section 26d must be multiplied by the ratio of vocational-~~
9 ~~technical education millage levied, as defined in this section, and the sum of vocational-~~
10 ~~technical education millage levied and special education millage levied, as defined in~~
11 ~~section 56.~~

12 **(3)** ~~(4)~~ Reimbursement for those millages levied in ~~2023-2024~~ **2024-2025** is made in
13 ~~2024-2025~~ **2025-2026** at an amount per ~~2023-2024~~ **2024-2025** membership pupil computed by
14 subtracting from ~~\$269,800.00~~ **\$287,400.00** the ~~2023-2024~~ **2024-2025** taxable value behind each
15 membership pupil and multiplying the resulting difference by the ~~2023-2024~~ **2024-2025**
16 millage levied, and then subtracting from that amount the ~~2023-2024~~ **2024-2025** local
17 community stabilization share revenue for area vocational technical education and ~~2023-2024~~
18 **2024-2025** tax increment revenues captured by a brownfield redevelopment authority created
19 under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670,
20 behind each membership pupil for reimbursement of personal property exemption loss under
21 the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and
22 reimbursements paid under section 26d for tax increment revenues captured by a brownfield
23 redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL
24 125.2651 to 125.2670. For the purposes of the calculation described in the previous
25 sentence only, for an intermediate district receiving funds under this section and section
26 56, reimbursements paid under section 26d must be multiplied by the ratio of vocational-
27 technical education millage levied, as defined in this section, and the sum of vocational-
28 technical education millage levied and special education millage levied, as defined in
29 section 56.

30 **(4)** ~~(5)~~ The department shall ensure that the amount paid to a single intermediate
31 district under this section does not exceed 38.4% of the total amount allocated under
32 subsection (2).

1 (5) ~~(6)~~—The department shall ensure that the amount paid to a single intermediate
2 district under this section is not less than 75% of the amount allocated to the
3 intermediate district under this section for the immediately preceding fiscal year.

4 Sec. 65. (1) From the appropriation under section 11, there is allocated an amount
5 not to exceed \$900,000.00 for ~~2024-2025~~ **2025-2026** for a pre-college engineering K to 12
6 educational program that is focused on the development of a diverse future Michigan
7 workforce, that serves multiple communities within southeast Michigan, that enrolls pupils
8 from multiple districts, and that received funds appropriated for this purpose in the
9 appropriations act that provided the Michigan strategic fund budget for 2014-2015.

10 (2) To be eligible for funding under this section, a program must have the ability to
11 expose pupils to, and motivate and prepare pupils for, science, technology, engineering,
12 and mathematics careers and postsecondary education with special attention given to groups
13 of pupils who are at-risk and underrepresented in technical professions and careers.

14 Sec. 67. (1) From the general fund money appropriated in section 11, there is
15 allocated an amount not to exceed \$4,000,000.00 for ~~2024-2025~~ **2025-2026** for college access
16 programs. It is ~~the intent of the legislature~~ **intended** that, for ~~2025-2026~~, **2026-2027**, the
17 allocation from the general fund money appropriated in section 11 for purposes described in
18 this section will be \$3,000,000.00. The programs funded under this section are intended to
19 inform students of college and career options, to provide resources intended to increase
20 the number of pupils who are adequately prepared with the information needed to make
21 informed decisions on college and career, support adult learners, support college
22 completion, and support workforce and employer engagement. The funds appropriated under
23 this section are intended to be used to increase the number of Michigan residents with
24 high-quality degrees or credentials. Funds appropriated under this section must not be used
25 to supplant funding for counselors already funded by districts.

26 (2) The department of lifelong education, advancement, and potential shall administer
27 funds allocated under this section in collaboration with the Michigan college access
28 network. These funds may be used for any of the following purposes:

29 (a) Michigan college access network operations, programming, and services to local
30 college access networks.

31 (b) Local college access networks, which are community-based college access/success
32 partnerships committed to increasing the college participation and completion rates within

1 geographically defined communities through a coordinated strategy.

2 (c) The Michigan college advising program, a program intended to place trained,
3 recently graduated college advisors in high schools that serve significant numbers of low-
4 income and first-generation college-going pupils. State funds used for this purpose may not
5 exceed 33% of the total funds available under this subsection.

6 (d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools that
7 establish a college access team and implement specific strategies to create a college-going
8 culture in a high school in a form and manner approved by the Michigan college access
9 network and the department of lifelong education, advancement, and potential.

10 (e) The Michigan college access portal, an online one-stop portal to help pupils and
11 families plan and apply for college.

12 (f) Public awareness and outreach campaigns to encourage low-income and first-
13 generation college-going pupils to take necessary steps toward college and to assist pupils
14 and families in completing a timely and accurate free application for federal student aid.

15 (g) Subgrants to postsecondary institutions to recruit, hire, and train college
16 student mentors and college advisors to assist high school pupils in navigating the
17 postsecondary planning and enrollment process.

18 (3) For the purposes of this section, "college" means any postsecondary educational
19 opportunity that leads to a career, including, but not limited to, a postsecondary degree,
20 industry-recognized technical certification, or registered apprenticeship.

21 Sec. 67f. (1) From the state school aid fund money appropriated in section 11, there
22 is allocated for ~~2024-2025 only~~ **2025-2026** an amount not to exceed \$10,000,000.00 for
23 districts to improve FAFSA completion rates.

24 (2) To be eligible to receive funding under this section, each district must apply in
25 a form and manner determined by the department of lifelong education, advancement, and
26 potential. The department of lifelong education, advancement, and potential shall make the
27 application available by not later than November 1, ~~2024-~~**2025**. A district shall apply for
28 funding to the department of lifelong education, advancement, and potential by not later
29 than December 1, ~~2024-~~**2025**. In the application, the department of lifelong education,
30 advancement, and potential shall only require a district to certify that it will do both of
31 the following:

32 (a) Except as otherwise provided in subsection (3), require all students to complete

1 the FAFSA to graduate from high school.

2 (b) Use funds received under this section for participation in and implementation of
3 activities that are known to drive FAFSA completion, as determined by the department of
4 lifelong education, advancement, and potential, in collaboration with the Michigan College
5 Access Network.

6 (3) A district shall exempt a student from the requirement to complete the FAFSA if
7 any of the following are met:

8 (a) The student's parent or legal guardian, or the student if the student is 18 years
9 of age or older, is an emancipated minor, or is an unaccompanied youth, has submitted a
10 parental waiver to the district exempting the student from completing the FAFSA. The
11 parental waiver described in this subdivision must be obtained through a standard form
12 developed by the department of lifelong education, advancement, and potential.

13 (b) The student is unable to complete the FAFSA because of privacy concerns.

14 (c) All of the following are met:

15 (i) After a good-faith effort, the student's parent or legal guardian refuses to sign
16 the parental waiver, is unresponsive, or cannot sign the parental waiver.

17 (ii) The student is unable to complete the FAFSA as an independent student.

18 (iii) The student agrees to opt out of completing the FAFSA.

19 (iv) Other than the requirements in subsection (2), the student is on track to
20 graduate.

21 (v) A school administrator of the student's high school demonstrates to the board
22 that good-faith efforts have been made to assist the student or the student's parent or
23 legal guardian in completing the FAFSA or obtaining a parental waiver.

24 (vi) The board ensures compliance with 42 USC 11432(g) (6) (A).

25 (4) By not later than January 31, ~~2025~~, **2026** the department of lifelong education,
26 advancement, and potential shall pay each eligible district an equal amount per pupil
27 multiplied by the number of pupils enrolled and attending grade 12 in the district.

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

31 (6) As used in the section, "FAFSA" means the free application for federal student
32 aid form.

1 Sec. 74. (1) From the state school aid fund money appropriated in section 11, there
2 is allocated an amount not to exceed ~~\$3,842,700.00 for 2023-2024 and \$3,913,500.00~~
3 **\$3,949,900.00** for ~~2024-2025-2025-2026~~ for the purposes of this section.

4 (2) From the allocation in subsection (1), there is allocated for ~~2023-2024 and 2024-~~
5 ~~2025-2025-2026~~ the amount necessary for payments to state supported colleges or
6 universities and intermediate districts providing school bus driver safety instruction
7 under section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The department
8 shall make payments in an amount determined by the department not to exceed the actual cost
9 of instruction and driver compensation for each public or nonpublic school bus driver
10 attending a course of instruction. For the purpose of computing compensation, the hourly
11 rate allowed each school bus driver must not exceed the hourly rate received for driving a
12 school bus. The department shall make reimbursement compensating the driver during the
13 course of instruction to the college or university or intermediate district providing the
14 course of instruction.

15 (3) From the allocation in subsection (1), there is allocated for ~~2023-2024 and 2024-~~
16 ~~2025-2025-2026~~ the amount necessary to pay the reasonable costs of nonspecial education
17 auxiliary services transportation provided under section 1323 of the revised school code,
18 MCL 380.1323. Districts funded under this subsection do not receive funding under any other
19 section of this article for nonspecial education auxiliary services transportation.

20 (4) From the funds allocated in subsection (1), there is allocated an amount not to
21 exceed ~~\$1,817,700.00 for 2023-2024 and an amount not to exceed \$1,888,500.00~~ **\$1,924,900.00**
22 for ~~2024-2025-2025-2026~~ for the inspection of school buses and pupil transportation
23 vehicles by the department of state police as required under section 715a of the Michigan
24 vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act,
25 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of
26 costs and submit it to the department and to an intermediate district serving as fiduciary
27 in a time and manner determined jointly by the department and the department of state
28 police. Upon review and approval of the statement of cost, the department shall forward to
29 the designated intermediate district serving as fiduciary the amount detailed on the
30 statement within 45 days after receipt of the statement. The designated intermediate
31 district fiduciary shall make payment in the amount specified on the statement to the
32 department of state police within 45 days after receipt of the statement. The total

1 reimbursement of costs under this subsection must not exceed the amount allocated under
2 this subsection. Notwithstanding section 17b, the department shall make payments to
3 eligible entities under this subsection on a schedule prescribed by the department.

4 **Sec. 74d. (1) From the state school aid fund money appropriated in section 11, there**
5 **is allocated an amount not to exceed \$1,800,000.00 for 2025-2026 for payments to eligible**
6 **districts and intermediate districts to support student transportation costs associated**
7 **with participation in the Nature Awaits program, which provides experiential field trips to**
8 **select state parks to support classroom learning.**

9 (2) The department of natural resources shall determine district eligibility and
10 transportation payment amounts for entities participating in the program. The department of
11 natural resources shall provide a list of eligible districts and transportation payment
12 amounts to the department before June 30, 2025. If funds allocated in subsection (1) are
13 insufficient to fully fund payments under this section, payments may be prorated on an
14 equal percentage basis.

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

17 Sec. 81. (1) From the state school aid fund money appropriated in section 11, there
18 is allocated for ~~2024-2025-2025-2026~~ to the intermediate districts the sum necessary, but
19 not to exceed ~~\$79,424,700.00~~ **\$82,664,700.00** to provide state aid to intermediate districts
20 under this section.

21 (2) The amount allocated under this section for ~~2024-2025-2025-2026~~ to each
22 intermediate district is an amount equal to ~~100%~~ **104.1%** of the amount allocated to the
23 intermediate district under this section for ~~2023-2024.~~ **2024-2025**. An intermediate district
24 shall use funding provided under this section to comply with requirements of this article
25 and the revised school code that are applicable to intermediate districts, and for which
26 funding is not provided elsewhere in this article, and to provide technical assistance to
27 districts as authorized by the intermediate school board.

28 (3) Intermediate districts receiving funds under this section shall collaborate with
29 the department to develop expanded professional development opportunities for teachers to
30 update and expand their knowledge and skills needed to support the Michigan merit
31 curriculum.

32 (4) From the allocation in subsection (1), there is allocated to an intermediate

1 district, formed by the consolidation or annexation of 2 or more intermediate districts or
2 the attachment of a total intermediate district to another intermediate district or the
3 annexation of all of the constituent K to 12 districts of a previously existing
4 intermediate district which has disorganized, an additional allotment of \$3,500.00 each
5 fiscal year for each intermediate district included in the new intermediate district for 3
6 years following consolidation, annexation, or attachment.

7 (5) To receive funding under this section, an intermediate district shall do all of
8 the following:

9 (a) Demonstrate to the satisfaction of the department that the intermediate district
10 employs at least 1 person who is trained in pupil accounting and auditing procedures,
11 rules, and regulations.

12 (b) Demonstrate to the satisfaction of the department that the intermediate district
13 employs at least 1 person who is trained in rules, regulations, and district reporting
14 procedures for the individual-level student data that serves as the basis for the
15 calculation of the district and high school graduation and dropout rates.

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

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

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

22 Sec. 94. (1) From the general fund money appropriated in section 11, there is
23 allocated to the department for ~~2024-2025-2025-2026~~ an amount not to exceed ~~\$1,200,000.00~~
24 **\$2,200,000.00** for efforts to increase the number of pupils who participate and succeed in
25 advanced placement and international baccalaureate programs, and to support the college-
26 level examination program (CLEP).

27 (2) From the funds allocated under this section, the department shall award funds to
28 cover all or part of the costs of advanced placement test fees or international
29 baccalaureate test fees and international baccalaureate registration fees for low-income
30 pupils who take an advanced placement or an international baccalaureate test and CLEP fees
31 for low-income pupils who take a CLEP test.

32 (3) The department shall only award funds under this section if the department

1 determines that all of the following criteria are met:

2 (a) Each pupil for whom payment is made meets eligibility requirements of the federal
3 advanced placement test fee program under the no child left behind act of 2001, Public Law
4 107-110, or the every student succeeds act, Public Law 114-95, as applicable.

5 (b) The tests are administered by the college board, the international baccalaureate
6 organization, or another test provider approved by the department.

7 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of each
8 test for which payment is made.

9 (4) If funds remain after the awards granted in subsection (2), the department shall
10 award funds to reimburse a portion of the costs associated with the provision of advanced
11 placement (AP), international baccalaureate (IB), or college-level examination program
12 (CLEP) exams for students whose family income exceeds low-income status as determined by
13 the department.

14 (5) The department shall establish procedures for awarding funds under this section.

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

17 Sec. 94a. (1) There is created within the state budget office in the department of
18 technology, management, and budget the center for educational performance and information.
19 The center shall do all of the following:

20 (a) Coordinate the collection of all data required by state and federal law from
21 districts, intermediate districts, and postsecondary institutions.

22 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and
23 ensure that it meets the requirements of subsection (4).

24 (c) Collect data in the most efficient manner possible to reduce the administrative
25 burden on reporting entities, including, but not limited to, electronic transcript
26 services.

27 (d) Create, maintain, and enhance this state's web-based educational portal to
28 provide information to school leaders, teachers, researchers, and the public in compliance
29 with all federal and state privacy laws. Data must include, but are not limited to, all of
30 the following:

31 (i) Data sets that link teachers to student information, allowing districts to assess
32 individual teacher impact on student performance and consider student growth factors in

1 teacher and principal evaluation systems.

2 (ii) Data access or, if practical, data sets, provided for regional data hubs that, in
3 combination with local data, can improve teaching and learning in the classroom.

4 (iii) Research-ready data sets for researchers to perform research that advances this
5 state's educational performance.

6 (e) Provide data in a useful manner to allow state and local policymakers to make
7 informed policy decisions.

8 (f) Provide public reports to the residents of this state to allow them to assess
9 allocation of resources and the return on their investment in the education system of this
10 state.

11 (g) Other functions as assigned by the state budget director.

12 (2) Each state department, officer, or agency that collects information from
13 districts, intermediate districts, or postsecondary institutions as required under state or
14 federal law shall make arrangements with the center to ensure that the state department,
15 officer, or agency is in compliance with subsection (1). This subsection does not apply to
16 information collected by the department of treasury under the uniform budgeting and
17 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001
18 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act,
19 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL
20 380.1351a.

21 (3) The center may enter into any interlocal agreements necessary to fulfill its
22 functions.

23 (4) The center shall ensure that the P-20 longitudinal data system required under
24 subsection (1)(b) meets all of the following:

25 (a) Includes data at the individual student level from preschool through
26 postsecondary education and into the workforce.

27 (b) Supports interoperability by using standard data structures, data formats, and
28 data definitions to ensure linkage and connectivity in a manner that facilitates the
29 exchange of data among agencies and institutions within the state and between states.

30 (c) Enables the matching of individual teacher and student records so that an
31 individual student may be matched with those teachers providing instruction to that
32 student.

1 (d) Enables the matching of individual teachers with information about their
2 certification and the institutions that prepared and recommended those teachers for state
3 certification.

4 (e) Enables data to be easily generated for continuous improvement and decision-
5 making, including timely reporting to parents, teachers, and school leaders on student
6 achievement.

7 (f) Ensures the reasonable quality, validity, and reliability of data contained in
8 the system.

9 (g) Provides this state with the ability to meet federal and state reporting
10 requirements.

11 (h) For data elements related to preschool through grade 12 and postsecondary, meets
12 all of the following:

13 (i) Contains a unique statewide student identifier that does not permit a student to
14 be individually identified by users of the system, except as allowed by federal and state
15 law.

16 (ii) Contains student-level enrollment, demographic, and program participation
17 information, including data associated with students who have been identified as having an
18 affiliation to 1 or more federally recognized Indian tribes and student participation in
19 federal programs funded under 20 USC 7401 to 7546 and participation in federal programs
20 funded under the Johnson-O'Malley Supplemental Indian Education Program Modernization Act,
21 Public Law 115-404. **Any reports or data access related specifically to tribal affiliation**
22 **will be done through ongoing consultation with the federally recognized tribes in the state**
23 **with the expectation that the center, the department, and the tribes will work iteratively**
24 **toward meaningful reports, access, and use of these records to improve shared education**
25 **interests and outcomes.**

26 (iii) Contains student-level information about the points at which students exit,
27 transfer in, transfer out, drop out, or complete education programs.

28 (iv) Has the capacity to communicate with higher education data systems.

29 (i) For data elements related to preschool through grade 12 only, meets all of the
30 following:

31 (i) Contains yearly test records of individual students for assessments approved by
32 DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary

1 education act of 1965, 20 USC 6311, including information on individual students not
2 tested, by grade and subject.

3 (ii) Contains student-level transcript information, including information on courses
4 completed and grades earned.

5 (iii) Contains student-level college readiness test scores.

6 (j) For data elements related to postsecondary education only:

7 (i) Contains data that provide information regarding the extent to which individual
8 students transition successfully from secondary school to postsecondary education,
9 including, but not limited to, all of the following:

10 (A) Enrollment in remedial coursework.

11 (B) Completion of 1 year's worth of college credit applicable to a degree within 2
12 years of enrollment.

13 (ii) Contains data that provide other information determined necessary to address
14 alignment and adequate preparation for success in postsecondary education.

15 (5) From the general fund money appropriated in section 11, there is allocated an
16 amount not to exceed ~~\$19,219,200.00~~ **\$20,614,700.00** for ~~2024-2025~~ **2025-2026** to the
17 department of technology, management, and budget to support the operations of the center.
18 In addition, from the federal funds appropriated in section 11, there is allocated for
19 ~~2024-2025~~ **2025-2026** the amount necessary, estimated at ~~\$193,500.00~~, **\$2,193,500.00** to
20 support the operations of the center and to establish a P-20 longitudinal data system
21 necessary for state and federal reporting purposes. The center shall cooperate with the
22 department to ensure that this state is in compliance with federal law and is maximizing
23 opportunities for increased federal funding to improve education in this state.

24 (6) From the funds allocated in subsection (5), the center may use an amount
25 determined by the center for competitive grants for ~~2024-2025~~ **2025-2026** to support
26 collaborative efforts on the P-20 longitudinal data system. All of the following apply to
27 grants awarded under this subsection:

28 (a) The center shall award competitive grants to eligible intermediate districts or a
29 consortium of intermediate districts based on criteria established by the center.

30 (b) Activities funded under the grant must support the P-20 longitudinal data system
31 portal and may include portal hosting, hardware and software acquisition, maintenance,
32 enhancements, user support and related materials, and professional learning tools and

1 activities aimed at improving the utility of the P-20 longitudinal data system.

2 (c) An applicant that received a grant under this subsection for the immediately
3 preceding fiscal year has priority for funding under this section. However, after 3 fiscal
4 years of continuous funding, an applicant is required to compete openly with new
5 applicants.

6 (7) Funds allocated under this section that are not expended in the fiscal year in
7 which they were allocated may be carried forward to a subsequent fiscal year and are
8 appropriated for the purposes for which the funds were originally allocated.

9 (8) The center may bill departments as necessary to fulfill reporting requirements of
10 state and federal law. The center may also enter into agreements to supply custom data,
11 analysis, and reporting to other principal executive departments, state agencies, local
12 units of government, and other individuals and organizations. The center may receive and
13 expend funds in addition to those authorized in subsection (5) to cover the costs
14 associated with salaries, benefits, supplies, materials, and equipment necessary to provide
15 such data, analysis, and reporting services.

16 **(9) From the amount allocated in subsection (5), there is allocated an amount not to**
17 **exceed \$1,250,000.00 for the support of strategic planning efforts to streamline and**
18 **modernize required data collections across all platforms for the state's prekindergarten**
19 **through postsecondary data. This includes but is not limited to advanced analytic**
20 **capabilities and implementation of customer relationship management tools.**

21 **(10) ~~(9)~~**As used in this section, "DED-OESE" means the United States Department of
22 Education Office of Elementary and Secondary Education.

23 Sec. 94e. (1) From the state school aid fund money appropriated under section 11,
24 there is allocated for ~~2024-2025 only~~ **2025-2026** an amount not to exceed \$1,000,000.00 for
25 support of the Michigan Education Research Institute.

26 (2) Funding allocated under this section must be distributed to the University of
27 Michigan's Michigan Education Data Center and Michigan State University's Education Policy
28 Innovation Center for the purpose of working collaboratively with the department, the
29 department of lifelong education, advancement, and potential, and the center to build and
30 maintain a research ready dataset, and to conduct research of critical importance to the
31 state's education goals.

32 (3) The Michigan Education Research Institute shall use funds received under this

1 section for the purpose of expanding on research that includes, but is not limited to, all
2 the following:

- 3 (a) Educator shortage.
- 4 (b) Early literacy initiative outcomes.
- 5 (c) Early childhood development programming outcomes.
- 6 (4) Notwithstanding section 17b, the department shall make payments under this
7 section on a schedule determined by the department.

8 Sec. 97g. (1) From the state school aid fund money appropriated in section 11, there
9 is allocated for 2023-2024 only, \$9,000,000.00 to an intermediate district with K to 12
10 pupil membership between 37,500 and 42,500, as reported in the 2021-2022 MI School Data
11 Student Enrollment Counts Report school year final student count, to establish and operate
12 a statewide Security Operations Center (SOC) in partnership with a statewide educational
13 organization. The SOC will provide a Managed Detection and Response (MDR) solution,
14 including SOC staff, to monitor and assist in responding to threats and attacks on critical
15 technology infrastructure for districts and intermediate districts.

16 (2) The intermediate district receiving funds under this section shall contract with
17 a nonprofit educational organization that maintains a statewide educational technology
18 collaborative to establish the statewide SOC. This statewide SOC will operate under the
19 guidance of an advisory board, comprising educational technology leaders, with regional
20 statewide representation. Other K to 12 stakeholders may be invited to participate in the
21 advisory.

22 (3) The nonprofit educational organization that the intermediate district contracted
23 with in subsection (2) shall use the funds to do all of the following:

- 24 (a) Establish a statewide advisory.
- 25 (b) Establish a statewide SOC security team.
- 26 (c) Establish statewide MDR service.
- 27 (d) Train district technology staff in the deployment and use of MDR software and
28 services.
- 29 (e) Purchase and distribute MDR licensing to districts and intermediate districts for
30 installation on critical technology infrastructure.
- 31 (f) Train, monitor, and track district utilization of a toolkit to be identified by
32 the SOC such as MISecure Quick Self-Assessment.

1 (g) Not later than January 1, 2025 and each subsequent fiscal year, prepare a summary
2 report that includes measurable outcomes including participation, detection, prevention,
3 and response to cybersecurity incidents in order to evaluate the effectiveness of the
4 project. The report must be submitted to the house and senate appropriations subcommittees
5 on school aid and to the house and senate fiscal agencies.

6 (4) After the nonprofit educational organization that the intermediate district
7 contracted with in subsection (2) uses funds as required under subsection (3), the
8 nonprofit educational organization may use any remaining funds to do any of the following:

9 (a) Supply additional cybersecurity services as technologies evolve and budget
10 allows.

11 (b) Partner with K to 12 statewide connectivity partners to install and monitor
12 intrusion detection systems.

13 (5) Districts receiving software and service under this project shall do both of the
14 following:

15 (a) Complete the assessment identified in subsection (3)(f) annually.

16 (b) Install and maintain statewide SOC MDR software on critical infrastructure as
17 described in this section, provide access to the software to the statewide SOC, and
18 coordinate responses with the statewide SOC and the district's intermediate district.

19 (6) For districts that have MDR solutions in place as of October 1, 2023, a licensing
20 cost allocation equal to the cost of the statewide SOC provided license may be provided
21 until the end of the local contract or the end of the funding period, whichever comes
22 first. Funds allocated under this subsection must be used to offset local MDR costs,
23 cybersecurity assessment, or further cybersecurity investment.

24 (7) The funds allocated under this section for 2023-2024 are a work project
25 appropriation, and any unexpended funds for 2023-2024 are carried forward and may be
26 expended in subsequent years until the end of the 2027-2028 state fiscal year. The purpose
27 of the work project is to increase stable and reliable cybersecurity in districts and
28 intermediate districts. The estimated completion date of the work project is September 30,
29 2028.

30 (8) Notwithstanding section 17b, the department shall make payments under this
31 section on a schedule determined by the department.

32 **(9) Notwithstanding section 18a, funds allocated under this section may be available**

1 **for expenditure until September 30, 2028. A recipient of funding under this section must**
2 **return any unexpended funds to the department in the manner prescribed by the department by**
3 **not later than October 30, 2028.**

4 Sec. 98. (1) From the general fund money appropriated in section 11, there is
5 allocated an amount not to exceed \$9,800,000.00 for ~~2024-2025~~**2025-2026** for the purposes
6 described in this section. It is ~~the intent of the legislature~~**intended that** that, for
7 ~~2025-2026,~~**2026-2027** the allocation from the general fund money appropriated in section 11
8 for purposes described in this section will be \$8,000,000.00. The Michigan Virtual
9 University shall provide a report to the legislature not later than November 1 of each
10 fiscal year for which funding is allocated under this section that includes its mission,
11 its plans, and proposed benchmarks it must meet, including a plan to achieve the
12 organizational priorities identified in this section, to receive full funding for the next
13 fiscal year for which funding is allocated under this section. By not later than March 1 of
14 each fiscal year for which funding is allocated under this section, the Michigan Virtual
15 University shall provide an update to the house and senate appropriations subcommittees on
16 school aid to show the progress being made to meet the benchmarks identified.

17 (2) The Michigan Virtual University shall operate the Michigan Virtual Learning
18 Research Institute. The Michigan Virtual Learning Research Institute shall do all of the
19 following:

20 (a) Support and accelerate innovation in education through the following activities:

21 (i) Test, evaluate, and recommend as appropriate new technology-based instructional
22 tools and resources.

23 (ii) Research, design, and recommend virtual education delivery models for use by
24 pupils and teachers that include age-appropriate multimedia instructional content.

25 (iii) Research, develop, and recommend annually to the department criteria by which
26 cyber schools and virtual course providers should be monitored and evaluated to ensure a
27 quality education for their pupils.

28 (iv) Based on pupil completion and performance data reported to the department or the
29 center from cyber schools and other virtual course providers operating in this state,
30 analyze the effectiveness of virtual learning delivery models in preparing pupils to be
31 college- and career-ready and publish a report that highlights enrollment totals,
32 completion rates, and the overall impact on pupils. The Michigan Virtual Learning Research

1 Institute shall submit the report to the house and senate appropriations subcommittees on
2 school aid, the state budget director, the house and senate fiscal agencies, the
3 department, districts, and intermediate districts by not later than March 31 of each fiscal
4 year for which funding is allocated under this section.

5 (v) Provide an extensive professional development program to at least 30,000
6 educational personnel, including teachers, school administrators, and school board members,
7 that focuses on the effective integration of virtual learning into curricula and
8 instruction. The Michigan Virtual Learning Research Institute is encouraged to work with
9 the MiSTEM council described in section 99s to coordinate professional development of
10 teachers in applicable fields. In addition, the Michigan Virtual Learning Research
11 Institute and external stakeholders are encouraged to coordinate with the department for
12 professional development in this state, including professional development for employees in
13 child care facilities, early childhood facilities, and after-school programs. By not later
14 than December 1 of each fiscal year for which funding is allocated under this section, the
15 Michigan Virtual Learning Research Institute shall submit a report to the house and senate
16 appropriations subcommittees on school aid, the state budget director, the house and senate
17 fiscal agencies, and the department on the number of teachers, school administrators, and
18 school board members who have received professional development services from the Michigan
19 Virtual University. The report must also include both of the following:

20 (A) The identification of barriers and other opportunities to encourage the adoption
21 of virtual learning in the public education system.

22 (B) A link to, and explanation of, the Michigan Virtual University's online course
23 standards for professional development programming. The standards described in this sub-
24 subparagraph must inform learners how to file a complaint about course content and detail
25 the steps that will be taken for the review and resolution of complaints.

26 (vi) Identify and share best practices for planning, implementing, and evaluating
27 virtual and blended education delivery models with intermediate districts, districts, and
28 public school academies to accelerate the adoption of innovative education delivery models
29 statewide.

30 (b) Provide leadership for this state's system of virtual learning education by doing
31 the following activities:

32 (i) Develop and report policy recommendations to the governor and the legislature

1 that accelerate the expansion of effective virtual learning in this state's schools.

2 (ii) Provide a clearinghouse for research reports, academic studies, evaluations, and
3 other information related to virtual learning.

4 (iii) Promote and distribute the most current instructional design standards and
5 guidelines for virtual teaching.

6 (iv) In collaboration with the department and interested colleges and universities in
7 this state, support implementation and improvements related to effective virtual learning
8 instruction.

9 (v) Pursue public/private partnerships that include districts to study and implement
10 competency-based technology-rich virtual learning models.

11 (vi) Create a statewide network of school-based mentors serving as liaisons between
12 pupils, virtual instructors, parents, and school staff, as provided by the department or
13 the center, and provide mentors with research-based training and technical assistance
14 designed to help more pupils be successful virtual learners.

15 (vii) Convene focus groups and conduct annual surveys of teachers, administrators,
16 pupils, parents, and others to identify barriers and opportunities related to virtual
17 learning.

18 (viii) Produce an annual consumer awareness report for schools and parents about
19 effective virtual education providers and education delivery models, performance data, cost
20 structures, and research trends.

21 (ix) Provide an internet-based platform that educators can use to create student-
22 centric learning tools and resources for sharing in the state's open educational resource
23 repository and facilitate a user network that assists educators in using the content
24 creation platform and state repository for open educational resources. As part of this
25 initiative, the Michigan Virtual University shall work collaboratively with districts and
26 intermediate districts to establish a plan to make available virtual resources that align
27 to Michigan's K to 12 curriculum standards for use by students, educators, and parents.

28 (x) Create and maintain a public statewide catalog of virtual learning courses being
29 offered by all public schools and community colleges in this state. The Michigan Virtual
30 Learning Research Institute shall identify and develop a list of nationally recognized best
31 practices for virtual learning and use this list to support reviews of virtual course
32 vendors, courses, and instructional practices. The Michigan Virtual Learning Research

1 Institute shall also provide a mechanism for intermediate districts to use the identified
2 best practices to review content offered by constituent districts. The Michigan Virtual
3 Learning Research Institute shall review the virtual course offerings of the Michigan
4 Virtual University, and make the results from these reviews available to the public as part
5 of the statewide catalog. The Michigan Virtual Learning Research Institute shall ensure
6 that the statewide catalog is made available to the public on the Michigan Virtual
7 University website and shall allow the ability to link it to each district's website as
8 provided for in section 21f. The statewide catalog must also contain all of the following:

9 (A) The number of enrollments in each virtual course in the immediately preceding
10 school year.

11 (B) The number of enrollments that earned 60% or more of the total course points for
12 each virtual course in the immediately preceding school year.

13 (C) The pass rate for each virtual course.

14 (xi) Support registration, payment services, and transcript functionality for the
15 statewide catalog and train key stakeholders on how to use new features.

16 (xii) Collaborate with key stakeholders to examine district level accountability and
17 teacher effectiveness issues related to virtual learning under section 21f and make
18 findings and recommendations publicly available.

19 (xiii) Provide a report on the activities of the Michigan Virtual Learning Research
20 Institute.

21 (3) To further enhance its expertise and leadership in virtual learning, the Michigan
22 Virtual University shall continue to operate the Michigan Virtual School as a statewide
23 laboratory and quality model of instruction by implementing virtual and blended learning
24 solutions for Michigan schools in accordance with the following parameters:

25 (a) The Michigan Virtual School must maintain its accreditation status from
26 recognized national and international accrediting entities.

27 (b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the
28 amount allocated under this section to subsidize the cost paid by districts for virtual
29 courses.

30 (c) In providing educators responsible for the teaching of virtual courses as
31 provided for in this section, the Michigan Virtual School shall follow the requirements to
32 request and assess, and the department of state police shall provide, a criminal history

1 check and criminal records check under sections 1230 and 1230a of the revised school code,
2 MCL 380.1230 and 380.1230a, in the same manner as if the Michigan Virtual School were a
3 school district under those sections.

4 (4) From the funds allocated under subsection (1), the Michigan Virtual University
5 shall ~~allocate up to \$500,000.00 to~~ support the expansion of new online and blended
6 educator professional development programs.

7 (5) From the funds allocated under subsection (1), the Michigan Virtual University
8 shall ~~allocate up to \$500,000.00 to~~ operate a comprehensive statewide laboratory designed
9 to function as a hub for cutting-edge research, the identification and dissemination of
10 best practices, rigorous experimentation, policy formulation, and proactive efforts to
11 enhance awareness about the responsible utilization of artificial intelligence in schools.

12 (6) If the course offerings are included in the statewide catalog of virtual courses
13 under subsection (2) (b) (x), the Michigan Virtual School operated by the Michigan Virtual
14 University may offer virtual course offerings, including, but not limited to, all of the
15 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) If a home-schooled or nonpublic school student is a resident of a district that
26 subscribes to services provided by the Michigan Virtual School, the student may use the
27 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) By 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) In addition to the information listed in subsection (8), the report under
8 subsection (8) must also include a plan to serve at least 600 schools with courses from the
9 Michigan Virtual School or with content available through the internet-based platform
10 identified in subsection (2) (b) (ix).

11 (10) 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 **2030**.

20 (11) By not later than November 1 of each fiscal year for which funding is allocated
21 under this section, the Michigan Virtual University shall submit to the house and senate
22 appropriations subcommittees on school aid, the state budget director, and the house and
23 senate fiscal agencies a detailed budget for that fiscal year that includes a breakdown on
24 its projected costs to deliver virtual educational services to districts and a summary of
25 the anticipated fees to be paid by districts for those services. By not later than March 1
26 each fiscal year for which funding is allocated under this section, the Michigan Virtual
27 University shall submit to the house and senate appropriations subcommittees on school aid,
28 the state budget director, and the house and senate fiscal agencies a breakdown on its
29 actual costs to deliver virtual educational services to districts and a summary of the
30 actual fees paid by districts for those services based on audited financial statements for
31 the immediately preceding fiscal year.

32 (12) As used in this section:

1 (a) "Blended learning" means a hybrid instructional delivery model where pupils are
2 provided content, instruction, and assessment, in part at a supervised educational facility
3 away from home where the pupil and a teacher with a valid Michigan teaching certificate are
4 in the same physical location and in part through internet-connected learning environments
5 with some degree of pupil control over time, location, and pace of instruction.

6 (b) "Cyber school" means a full-time instructional program of virtual courses for
7 pupils that may or may not require attendance at a physical school location.

8 (c) "Virtual course" means a course of study that is capable of generating a credit
9 or a grade and that is provided in an interactive learning environment in which the
10 majority of the curriculum is delivered using the internet and in which pupils are
11 separated from their instructor or teacher of record by time or location, or both.

12 Sec. 99h. (1) From the state school aid fund money appropriated in section 11, there
13 is allocated an amount not to exceed \$4,723,200.00 for ~~2024-2025~~**2025-2026** for competitive
14 grants to districts and intermediate districts, ~~and from the general fund money~~
15 ~~appropriated in section 11, there is allocated \$600,000.00 for 2024-2025~~ ~~2025-2026~~ ~~for~~
16 ~~competitive grants to nonpublic schools,~~ that provide pupils in grades pre-K to 12 with
17 expanded opportunities to improve mathematics, science, computer science, and technology
18 skills by participating in robotics competition programs hosted by program providers
19 including, but not limited to, FIRST (for inspiration and recognition of science and
20 technology) Robotics, including FIRST Lego League - Discover, Explore, and Challenge, FIRST
21 Tech challenge, and FIRST Robotics competition, LTU Robofest, MATE (Marine Advanced
22 Technical Education), REC (Robotics Education Competition) Foundation, Square One Education
23 Network, VEX, and other providers approved by the department. All approved providers shall
24 make all programs available to students in this state regardless of geographical location.
25 Programs funded under this section are intended to increase the number of pupils
26 demonstrating proficiency in science and mathematics on the state assessments and to
27 increase the number of pupils who are college- and career-ready upon high school
28 graduation. Notwithstanding section 17b, the department shall make grant payments to
29 districts, ~~nonpublic schools,~~ and intermediate districts under this section on a schedule
30 determined by the department. The department shall set maximum grant awards for each
31 different level of programming and competition in a manner that both maximizes the number
32 of teams that will be able to receive funds and expands the geographical distribution of

1 teams. Districts and intermediate districts that receive funds under this section must
2 provide relevant student participation information, as determined by the department, to
3 program and competition providers described in this section. For a district or intermediate
4 district to count a program competition provider for purposes of payments under this
5 section, the program and competition providers must agree to aggregate data received by
6 districts and intermediate districts and provide this information to the department in a
7 form and manner determined by the department.

8 (2) The department shall do all of the following for purposes of this section:

9 (a) Both of the following by not later than 60 days after the state school aid
10 appropriations bill for the current fiscal year is enacted into law or October 1 of the
11 current fiscal year, whichever is later:

12 (i) Open applications for funding under this section to all districts, ~~nonpublic~~
13 ~~schools,~~ and intermediate districts.

14 (ii) Publish a list of approved programs and vendors for purposes of this section in a
15 manner that is accessible to all applicants. To obtain approval under this subparagraph, a
16 program or vendor must submit to the department registration information, including any
17 fees; pledge that it will post this information on its website; and, by not later than
18 January 1 of the current fiscal year, submit this information to the department for
19 publication on the department's website.

20 (b) By not later than 60 days after applications are opened as described in
21 subdivision (a), close applications under this section.

22 (c) By not later than 60 days after applications are closed as described in
23 subdivision (b), make all determinations concerning funding under this section.

24 (d) By not later than July 1 of the current fiscal year, publish a document listing
25 the requirements for becoming an approved program or vendor under subdivision (a).

26 (3) Except as otherwise provided under this subsection, if funding under this section
27 is insufficient to fulfill all funding requests by qualified applicants under this section,
28 the department shall prorate the total funding allocated under this section equally among
29 all qualified applicants. However, for funding under this section toward grants under
30 subsection (5)(b), in its proration under this subsection, the department shall ensure that
31 each district is paid in an amount equal to the percentage the department would have paid
32 the district in grant funding under subsection (5)(b), but for proration under this

1 subsection, with no district receiving a grant under subsection (5) (b) in an amount that is
2 greater than the district's total accrued costs under subsection (5) (b).

3 (4) A district, ~~nonpublic school,~~ or intermediate district applying for a grant under
4 this section must submit an application in a form and manner prescribed by the department.
5 To be eligible for a grant, a district, ~~nonpublic school,~~ or intermediate district must
6 demonstrate in its application that the district, ~~nonpublic school,~~ or intermediate
7 district has established a partnership for the purposes of the robotics program with at
8 least 1 sponsor, business entity, higher education institution, technical school, or
9 individual, must submit a budget, and must provide a local in-kind or cash match from other
10 private or local funds of at least 25% of the cost of the robotics program award.

11 (5) The department shall distribute the grant funding under this section for the
12 following purposes:

13 (a) Grants to districts, ~~nonpublic schools,~~ or intermediate districts to pay for
14 stipends not to exceed \$1,500.00 per building for coaching.

15 (b) Grants to districts, ~~nonpublic schools,~~ or intermediate districts for event
16 registrations, materials, travel costs, and other expenses associated with the preparation
17 for and attendance at robotics events and competitions.

18 (c) Grants to districts, ~~nonpublic schools,~~ or intermediate districts for awards to
19 teams that advance to the next levels of competition as determined by the department. The
20 department shall determine an equal amount per team for those teams that advance.

21 ~~(6) A nonpublic school that receives a grant under this section may use the funds for~~
22 ~~either robotics or Science Olympiad programs.~~

23 ~~(7) To be eligible to receive funds under this section, a nonpublic school must be a~~
24 ~~nonpublic school registered with the department and must meet all applicable state~~
25 ~~reporting requirements for nonpublic schools.~~

26 **(6)** ~~(8)~~ To be eligible to receive a grant under this section, a district, ~~nonpublic~~
27 ~~school,~~ or intermediate district must do all of the following:

28 (a) If the district, ~~nonpublic school,~~ or intermediate district is requesting funding
29 for more than 1 team for a building, meet the minimum requirements for team size as
30 determined by the approved program provider.

31 (b) Participate in at least the minimum number of competitions as determined by the
32 approved program provider.

1 (c) Participate in at least 1 in-person competition.

2 (7) ~~(9)~~ For purposes of this section, an approved program or vendor under this
3 section that provides a program under this section shall not work with the department to
4 set prices or policies for the program.

5 (8) ~~(10)~~ As used in this section, "current fiscal year" means the fiscal year for
6 which an allocation is made under this section.

7 Sec. 99s. (1) From state school aid fund money appropriated under section 11, there
8 is allocated for ~~2024-2025~~ **2025-2026** an amount not to exceed ~~\$7,634,300.00~~ **\$7,954,300.00**
9 for Michigan science, technology, engineering, and mathematics (MiSTEM) programs. The
10 MiSTEM network may receive funds from private sources. If the MiSTEM network receives funds
11 from private sources, the MiSTEM network shall expend those funds in alignment with the
12 statewide STEM strategy. Programs funded under this section are intended to increase the
13 number of pupils demonstrating proficiency in science and mathematics on the state
14 assessments, to increase the number of pupils who are college- and career-ready upon high
15 school graduation, and to promote certificate and degree attainment in STEM fields.
16 Notwithstanding section 17b, the department shall make payments under this section on a
17 schedule determined by the department.

18 (2) The MiSTEM council annually shall review and make recommendations to the
19 governor, the legislature, and the department concerning changes to the statewide strategy
20 adopted by the council for delivering STEM education-related opportunities to pupils. The
21 MiSTEM council shall use funds received under this subsection to ensure that its members or
22 their designees are trained in the Change the Equation STEMworks rating system program for
23 the purpose of rating STEM programs.

24 (3) The MiSTEM council shall make specific funding recommendations for the funds
25 allocated under subsection (4) by December 15 of each fiscal year. Each specific funding
26 recommendation must be for a program approved by the MiSTEM council. All of the following
27 apply:

28 (a) To be eligible for MiSTEM council approval as described in this subsection, a
29 program must satisfy all of the following:

30 (i) Align with this state's academic standards.

31 (ii) Have STEMworks certification.

32 (iii) Provide project-based experiential learning, student programming, or educator

1 professional learning experiences.

2 (iv) Focus predominantly on classroom-based STEM experiences or professional learning
3 experiences.

4 (b) The MiSTEM council shall approve programs that represent all network regions and
5 include a diverse array of options for students and educators and at least 1 program in
6 each of the following areas:

7 (i) Robotics.

8 (ii) Computer science or coding.

9 (iii) Engineering or bioscience.

10 (c) The MiSTEM council is encouraged to work with the MiSTEM network to develop
11 locally and regionally developed programs and professional learning experiences for the
12 programs on the list of approved programs.

13 (d) If the MiSTEM council is unable to make specific funding recommendations by
14 December 15 of a fiscal year, the department shall award and distribute the funds allocated
15 under subsection (4) on a competitive grant basis that at least follows the statewide STEM
16 strategy plan and rating system recommended by the MiSTEM council. Each grant must provide
17 STEM education-related opportunities for pupils.

18 (e) The MiSTEM council shall work with the department of labor and economic
19 opportunity to implement the statewide STEM strategy adopted by the MiSTEM council.

20 (4) From the state school aid fund money allocated under subsection (1), there is
21 allocated for ~~2024-2025-2025-2026~~ an amount not to exceed \$3,050,000.00 for the purpose of
22 funding programs under this section for ~~2024-2025-2025-2026~~ as recommended by the MiSTEM
23 council.

24 (5) From the state school aid fund money allocated under subsection (1), there is
25 allocated an amount not to exceed ~~\$3,834,300.00~~ **\$4,163,300.00** for ~~2024-2025-2025-2026~~ to
26 support the activities and programs of the MiSTEM network regions. From the money allocated
27 under this subsection, the department shall award the fiscal agent for each MiSTEM network
28 region ~~\$200,000.00~~ **\$220,000.00** for the base operations of each region. The department shall
29 distribute the remaining funds to each fiscal agent in an equal amount per pupil, based on
30 the number of K to 12 pupils enrolled in districts within each region in the immediately
31 preceding fiscal year.

32 (6) A MiSTEM network region shall do all of the following:

1 (a) Collaborate with the career and educational advisory council that is located in
2 the MiSTEM region to develop a regional strategic plan for STEM education that creates a
3 robust regional STEM culture, that empowers STEM teachers, that integrates business and
4 education into the STEM network, and that ensures high-quality STEM experiences for pupils.
5 At a minimum, a regional STEM strategic plan should do all of the following:

6 (i) Identify regional employer need for STEM.

7 (ii) Identify processes for regional employers and educators to create guided pathways
8 for STEM careers that include internships or externships, apprenticeships, and other
9 experiential engagements for pupils.

10 (iii) Identify educator professional learning opportunities, including internships or
11 externships and apprenticeships, that integrate this state's science standards into high-
12 quality STEM experiences that engage pupils.

13 (b) Facilitate regional STEM events such as educator and employer networking and STEM
14 career fairs to raise STEM awareness.

15 (c) Contribute to the MiSTEM website and engage in other MiSTEM network functions to
16 further the mission of STEM in this state in coordination with the MiSTEM council and the
17 department of labor and economic opportunity.

18 (d) Facilitate application and implementation of state and federal funds under this
19 subsection and any other grants or funds for the MiSTEM network region.

20 (e) Work with districts to provide STEM programming and professional learning.

21 (f) Coordinate recurring discussions and work with the career and educational
22 advisory council to ensure that feedback and best practices are being shared, including
23 funding, program, professional learning opportunities, and regional strategic plans.

24 (7) From the state school aid fund money allocated under subsection (1), the
25 department shall distribute for ~~2024-2025~~ **2025-2026** an amount not to exceed \$750,000.00, in
26 a form and manner determined by the department, to those network regions able to further
27 the statewide STEM strategy recommended by the MiSTEM council.

28 (8) To receive state or federal funds under subsection (5) or (7), or to receive
29 funds from private sources as authorized under subsection (1), a grant recipient must allow
30 access for the department or the department's designee to audit all records related to the
31 program for which it receives those funds. The grant recipient shall reimburse the state
32 for all disallowances found in the audit.

1 (9) To receive state funds under subsection (5) or (7), a grant recipient must
2 provide at least a 10% local match from local public or private resources for the funds
3 received under this subsection.

4 (10) By not later than July 1 of each fiscal year for which funding is allocated
5 under this section, a MiSTEM network region that receives funds under subsection (5) shall
6 report to the executive director of the MiSTEM network in a form and manner prescribed by
7 the executive director on performance measures developed by the MiSTEM network regions and
8 approved by the executive director. The performance measures must be designed to ensure
9 that the activities of the MiSTEM network are improving student academic outcomes.

10 (11) Not more than 5% of a MiSTEM network region grant under subsection (5) or (7)
11 may be retained by a fiscal agent for serving as the fiscal agent of a MiSTEM network
12 region.

13 (12) As used in this section:

14 (a) "Career and educational advisory council" means an advisory council to the local
15 workforce development boards located in a prosperity region consisting of educational,
16 employer, labor, and parent representatives.

17 (b) "DED" means the United States Department of Education.

18 (c) "DED-OESE" means the DED Office of Elementary and Secondary Education.

19 (d) "MiSTEM Council" means the Michigan Science, Technology, Engineering, and
20 Mathematics Education Advisory Council created as an advisory body within the department of
21 labor and economic opportunity by Executive Reorganization Order No. 2019-3, MCL 125.1998.

22 (e) "STEM" means science, technology, engineering, and mathematics delivered in an
23 integrated fashion using cross-disciplinary learning experiences that can include language
24 arts, performing and fine arts, and career and technical education.

25 Sec. 101. (1) To be eligible to receive state aid under this article, not later than
26 the fifth Wednesday after the pupil membership count day and not later than the fifth
27 Wednesday after the supplemental count day, each district superintendent shall submit and
28 certify to the center and the intermediate superintendent, in the form and manner
29 prescribed by the center, the number of pupils enrolled and in regular daily attendance,
30 including identification of tuition-paying pupils, in the district as of the pupil
31 membership count day and as of the supplemental count day, as applicable, for the current
32 school year. In addition, a district maintaining school during the entire year shall submit

1 and certify to the center and the intermediate superintendent, in the form and manner
2 prescribed by the center, the number of pupils enrolled and in regular daily attendance in
3 the district for the current school year pursuant to rules promulgated by the
4 superintendent. Not later than the sixth Wednesday after the pupil membership count day and
5 not later than the sixth Wednesday after the supplemental count day, the district shall
6 resolve any pupil membership conflicts with another district, correct any data issues, and
7 recertify the data in a form and manner prescribed by the center and file the certified
8 data with the intermediate superintendent. If a district fails to submit and certify the
9 attendance data, as required under this subsection, the center shall notify the department
10 and the department shall withhold state aid due to be distributed under this article from
11 the defaulting district immediately, beginning with the next payment after the failure and
12 continuing with each payment until the district complies with this subsection. If a
13 district does not comply with this subsection by the end of the fiscal year, the district
14 forfeits the amount withheld. A person who willfully falsifies a figure or statement in the
15 certified and sworn copy of enrollment is subject to penalty as prescribed by section 161.

16 (2) To be eligible to receive state aid under this article, not later than the
17 twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-
18 fourth Wednesday after the supplemental count day, an intermediate district shall submit to
19 the center, in a form and manner prescribed by the center, the audited enrollment and
20 attendance data as described in subsection (1) for the pupils of its constituent districts
21 and of the intermediate district. If an intermediate district fails to submit the audited
22 data as required under this subsection, the department shall withhold state aid due to be
23 distributed under this article from the defaulting intermediate district immediately,
24 beginning with the next payment after the failure and continuing with each payment until
25 the intermediate district complies with this subsection. If an intermediate district does
26 not comply with this subsection by the end of the fiscal year, the intermediate district
27 forfeits the amount withheld.

28 (3) Except as otherwise provided in subsections (11) and (12) all of the following
29 apply to the provision of pupil instruction:

30 (a) Except as otherwise provided in this section, each district shall provide at
31 least 1,098 hours and 180 days of pupil instruction. If a collective bargaining agreement
32 that provides a complete school calendar was in effect for employees of a district as of

1 June 24, 2014, and if that school calendar is not in compliance with this subdivision, then
2 this subdivision does not apply to that district until after the expiration of that
3 collective bargaining agreement. A district may apply for a waiver under subsection (9)
4 from the requirements of this subdivision.

5 (b) Except as otherwise provided in this article, a district failing to comply with
6 the required minimum hours and days of pupil instruction under this subsection forfeits
7 from its total state aid allocation an amount determined by applying a ratio of the number
8 of hours or days the district was in noncompliance in relation to the required minimum
9 number of hours and days under this subsection. Not later than the first business day in
10 August, the board of each district shall either certify to the department that the district
11 was in full compliance with this section regarding the number of hours and days of pupil
12 instruction in the previous school year, or report to the department, in a form and manner
13 prescribed by the center, each instance of noncompliance. If the district did not provide
14 at least the required minimum number of hours and days of pupil instruction under this
15 subsection, the department shall make the deduction of state aid in the following fiscal
16 year from the first payment of state school aid. A district is not subject to forfeiture of
17 funds under this subsection for a fiscal year in which a forfeiture was already imposed
18 under subsection (6).

19 (c) Hours or days lost because of strikes or teachers' conferences are not counted as
20 hours or days of pupil instruction.

21 (d) Except as otherwise provided in subdivisions (e) and (f), if a district does not
22 have at least 75% of the district's membership in attendance on any day of pupil
23 instruction, the department shall pay the district state aid in that proportion of 1/180
24 that the actual percent of attendance bears to 75%.

25 (e) If a district adds 1 or more days of pupil instruction to the end of its
26 instructional calendar for a school year to comply with subdivision (a) because the
27 district otherwise would fail to provide the required minimum number of days of pupil
28 instruction even after the operation of subsection (4) due to conditions not within the
29 control of school authorities, then subdivision (d) does not apply for any day of pupil
30 instruction that is added to the end of the instructional calendar. Instead, for any of
31 those days, if the district does not have at least 60% of the district's membership in
32 attendance on that day, the department shall pay the district state aid in that proportion

1 of 1/180 that the actual percentage of attendance bears to 60%. For any day of pupil
2 instruction added to the instructional calendar as described in this subdivision, the
3 district shall report to the department the percentage of the district's membership that is
4 in attendance, in the form and manner prescribed by the department.

5 (f) At the request of a district that operates a department-approved alternative
6 education program and that does not provide instruction for pupils in all of grades K to
7 12, the superintendent shall grant a waiver from the requirements of subdivision (d). The
8 waiver must provide that an eligible district is subject to the proration provisions of
9 subdivision (d) only if the district does not have at least 50% of the district's
10 membership in attendance on any day of pupil instruction. In order to be eligible for this
11 waiver, a district must maintain records to substantiate its compliance with the following
12 requirements:

13 (i) The district offers the minimum hours of pupil instruction as required under this
14 section.

15 (ii) For each enrolled pupil, the district uses appropriate academic assessments to
16 develop an individual education plan that leads to a high school diploma.

17 (iii) The district tests each pupil to determine academic progress at regular
18 intervals and records the results of those tests in that pupil's individual education plan.

19 (g) All of the following apply to a waiver granted under subdivision (f):

20 (i) If the waiver is for a blended model of delivery, a waiver that is granted for
21 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is
22 revoked by the superintendent.

23 (ii) If the waiver is for a 100% online model of delivery and the educational program
24 for which the waiver is granted makes educational services available to pupils for a
25 minimum of at least 1,098 hours during a school year and ensures that each pupil
26 participates in the educational program for at least 1,098 hours during a school year, a
27 waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in
28 effect unless it is revoked by the superintendent.

29 (iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is valid for 3
30 fiscal years, unless it is revoked by the superintendent, and must be renewed at the end of
31 the 3-year period to remain in effect.

32 (h) The superintendent shall promulgate rules for the implementation of this

1 subsection.

2 (4) All of the following apply to the counting of days and hours of pupil instruction
3 under this section:

4 (a) Except as otherwise provided in this subsection, the first 6 days or the
5 equivalent number of hours for which pupil instruction is not provided because of
6 conditions not within the control of school authorities, such as severe storms, fires,
7 epidemics, utility power unavailability, water or sewer failure, or health conditions as
8 defined by the city, county, or state health authorities, are counted as hours and days of
9 pupil instruction.

10 (b) With the approval of the superintendent of public instruction, the department
11 shall count as hours and days of pupil instruction for a fiscal year not more than 3
12 additional days or the equivalent number of additional hours for which pupil instruction is
13 not provided in a district due to unusual and extenuating occurrences resulting from
14 conditions not within the control of school authorities such as those conditions described
15 in this subsection.

16 (c) A district that counts hours or days of professional development for teachers as
17 hours or days of pupil instruction, as provided under subsection (10), is eligible to have
18 additional hours or days counted as hours and days of pupil instruction as provided under
19 subdivision (b) to the same extent as a district that does not count hours or days of
20 professional development for teachers as hours or days of pupil instruction.

21 (d) In deciding whether or not to approve the counting of additional hours or days of
22 pupil instruction under subdivision (b) for a district, the superintendent of public
23 instruction shall not take into account whether or not the district counts hours or days of
24 professional development for teachers as hours or days of pupil instruction, as provided
25 under subsection (10).

26 (e) Subsequent hours or days beyond those described in subdivisions (a) and (b) are
27 not counted as hours or days of pupil instruction.

28 (5) A district does not forfeit part of its state aid appropriation because it adopts
29 or has in existence an alternative scheduling program for pupils in kindergarten if the
30 program provides at least the number of hours required under subsection (3) for a full-time
31 equated membership for a pupil in kindergarten as provided under section 6(4).

32 (6) In addition to any other penalty or forfeiture under this section, if at any time

1 the department determines that 1 or more of the following have occurred in a district, the
2 district forfeits in the current fiscal year beginning in the next payment to be calculated
3 by the department a proportion of the funds due to the district under this article that is
4 equal to the proportion below the required minimum number of hours and days of pupil
5 instruction under subsection (3), as specified in the following:

6 (a) The district fails to operate its schools for at least the required minimum
7 number of hours and days of pupil instruction under subsection (3) in a school year,
8 including hours and days counted under subsection (4).

9 (b) The board of the district takes formal action not to operate its schools for at
10 least the required minimum number of hours and days of pupil instruction under subsection
11 (3) in a school year, including hours and days counted under subsection (4).

12 (7) In providing the minimum number of hours and days of pupil instruction required
13 under subsection (3), a district shall use the following guidelines, and a district shall
14 maintain records to substantiate its compliance with the following guidelines:

15 (a) Except as otherwise provided in this subsection, a pupil must be scheduled for at
16 least the required minimum number of hours of instruction, excluding study halls, or at
17 least the sum of 90 hours plus the required minimum number of hours of instruction,
18 including up to 2 study halls.

19 (b) The time a pupil is assigned to any tutorial activity in a block schedule may be
20 considered instructional time, unless that time is determined in an audit to be a study
21 hall period.

22 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for
23 whom a reduced schedule is determined to be in the individual pupil's best educational
24 interest, **or a pupil in grades 6 to 8 for whom a reduced schedule is determined to be in**
25 **the individual pupil's best educational interest due to the pupil's participation in**
26 **advanced curriculum**, must be scheduled for a number of hours equal to at least 80% of the
27 required minimum number of hours of pupil instruction to be considered a full-time
28 equivalent pupil. A pupil in grades ~~9-6~~ to 12 who is scheduled in a 4-block schedule may
29 receive a reduced schedule under this subsection if the pupil is scheduled for a number of
30 hours equal to at least 75% of the required minimum number of hours of pupil instruction to
31 be considered a full-time equivalent pupil.

32 (d) ~~If~~ **For** a pupil in grades 9 to 12 ~~who is~~ enrolled in a cooperative education

1 program or **for a special education pupil, in determining full-time equated membership for**
2 **that pupil, the pupil is not considered less than a full-time equated pupil solely because**
3 **of the effect of the pupil's enrollment in the cooperative education program or special**
4 **education program, including necessary travel time, on the number of class hours provided**
5 **by the district to the pupil.** ~~cannot receive the required minimum number of hours of pupil~~
6 ~~instruction solely because of travel time between instructional sites during the school~~
7 ~~day, that travel time, up to a maximum of 3 hours per school week, is considered to be~~
8 ~~pupil instruction time for the purpose of determining whether the pupil is receiving the~~
9 ~~required minimum number of hours of pupil instruction. However, if a district demonstrates~~
10 ~~to the satisfaction of the department that the travel time limitation under this~~
11 ~~subdivision would create undue costs or hardship to the district, the department may~~
12 ~~consider more travel time to be pupil instruction time for this purpose.~~

13 (e) In grades 7 through 12, instructional time that is part of a Junior Reserve
14 Officer Training Corps (JROTC) program is considered to be pupil instruction time
15 regardless of whether the instructor is a certificated teacher if all of the following are
16 met:

17 (i) The instructor has met all of the requirements established by the United States
18 Department of Defense and the applicable branch of the armed services for serving as an
19 instructor in the Junior Reserve Officer Training Corps program.

20 (ii) The board of the district or intermediate district employing or assigning the
21 instructor complies with the requirements of sections 1230 and 1230a of the revised school
22 code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if
23 employing the instructor as a regular classroom teacher.

24 (8) Except as otherwise provided in subsections (11) and (12), the department shall
25 apply the guidelines under subsection (7) in calculating the full-time equivalency of
26 pupils.

27 (9) Upon application by the district for a particular fiscal year, the superintendent
28 shall waive for a district the minimum number of hours and days of pupil instruction
29 requirement of subsection (3) for a department-approved alternative education program or
30 another innovative program approved by the department, including a 4-day school week. If a
31 district applies for and receives a waiver under this subsection and complies with the
32 terms of the waiver, the district is not subject to forfeiture under this section for the

1 specific program covered by the waiver. If the district does not comply with the terms of
2 the waiver, the amount of the forfeiture is calculated based upon a comparison of the
3 number of hours and days of pupil instruction actually provided to the minimum number of
4 hours and days of pupil instruction required under subsection (3). A district shall report
5 pupils enrolled in a department-approved alternative education program under this
6 subsection to the center in a form and manner determined by the center. All of the
7 following apply to a waiver granted under this subsection:

8 (a) If the waiver is for a blended model of delivery, a waiver that is granted for
9 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is
10 revoked by the superintendent.

11 (b) If the waiver is for a 100% online model of delivery and the educational program
12 for which the waiver is granted makes educational services available to pupils for a
13 minimum of at least 1,098 hours during a school year and ensures that each pupil is on
14 track for course completion at proficiency level, a waiver that is granted for the 2011-
15 2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the
16 superintendent.

17 (c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 3
18 fiscal years, unless it is revoked by the superintendent, and must be renewed at the end of
19 the 3-year period to remain in effect.

20 (10) A district may count up to 38 hours of professional development for teachers as
21 hours of pupil instruction. All of the following apply to the counting of professional
22 development as pupil instruction under this subsection:

23 (a) If the professional development exceeds 5 hours in a single day, that day may be
24 counted as a day of pupil instruction.

25 (b) At least 8 hours of the professional development counted as hours of pupil
26 instruction under this subsection must be recommended by a districtwide professional
27 development advisory committee appointed by the district board. The advisory committee must
28 be composed of teachers employed by the district who represent a variety of grades and
29 subject matter specializations, including special education; nonteaching staff; parents;
30 and administrators. The majority membership of the committee must be composed of teaching
31 staff.

32 (c) Professional development provided online is allowable and encouraged, as long as

1 the instruction has been approved by the district. The department shall issue a list of
2 approved online professional development providers that must include the Michigan Virtual
3 School.

4 (d) Professional development may only be counted as hours of pupil instruction under
5 this subsection for the pupils of those teachers scheduled to participate in the
6 professional development.

7 (e) The professional development must meet all of the following to be counted as
8 pupil instruction under this subsection:

9 (i) Be aligned to the school or district improvement plan for the school or district
10 in which the professional development is being provided.

11 (ii) Be linked to 1 or more criteria in the evaluation tool developed or adopted by
12 the district or intermediate district under section 1249 of the revised school code, MCL
13 380.1249.

14 (iii) Has been approved by the department as counting for state continuing education
15 clock hours. The number of hours of professional development counted as hours of pupil
16 instruction under this subsection may not exceed the number of state continuing education
17 clock hours for which the professional development was approved.

18 (iv) Not more than a combined total of 10 hours of the professional development takes
19 place before the first scheduled day of school for the school year ending in the fiscal
20 year and after the last scheduled day of school for that school year.

21 (v) Not more than 10 hours of the professional development takes place in a single
22 month.

23 (vi) At least 75% of teachers scheduled to participate in the professional
24 development are in attendance.

25 (11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber
26 school, as that term is defined in section 551 of the revised school code, MCL 380.551, and
27 is in compliance with section 553a of the revised school code, MCL 380.553a. Beginning July
28 1, 2021, this subsection is subject to section 8c. It is the intent of the legislature that
29 the immediately preceding sentence apply retroactively and is effective July 1, 2021.

30 (12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout
31 recovery program that meets the requirements of section 23a. As used in this subsection,
32 "eligible pupil" means that term as defined in section 23a.

1 (13) At least every 2 years the superintendent shall review the waiver standards set
2 forth in the pupil accounting and auditing manuals to ensure that the waiver standards and
3 waiver process continue to be appropriate and responsive to changing trends in online
4 learning. The superintendent shall solicit and consider input from stakeholders as part of
5 this review.

6 Sec. 104. (1) To receive state aid under this article, a district shall comply with
7 sections 1249, 1278a, 1278b, 1279g, and 1280b of the revised school code, MCL 380.1249,
8 380.1278a, 380.1278b, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086.
9 Subject to subsection (2), from the state school aid fund money appropriated in section 11,
10 there is allocated for ~~2024-2025~~**2025-2026** an amount not to exceed \$37,509,400.00 for
11 payments on behalf of districts for costs associated with complying with those provisions
12 of law. In addition, from the federal funds appropriated in section 11, there is allocated
13 for ~~2024-2025~~**2025-2026** an amount estimated at \$8,000,000.00 funded from DED-OESE, title
14 VI, state assessment funds, and from DED-OSERS, part B of the individuals with disabilities
15 education act, 20 USC 1411 to 1419, plus any carryover federal funds from previous year
16 appropriations, for the purposes of complying with the every student succeeds act, Public
17 Law 114-95.

18 (2) The results of each test administered as part of the Michigan student test of
19 educational progress (M-STEP), including tests administered to high school students, must
20 include an item analysis that lists all items that are counted for individual pupil scores
21 and the percentage of pupils choosing each possible response. The department shall work
22 with the center to identify the number of students enrolled at the time assessments are
23 given by each district. In calculating the percentage of pupils assessed for a district's
24 scorecard, the department shall use only the number of pupils enrolled in the district at
25 the time the district administers the assessments and shall exclude pupils who enroll in
26 the district after the district administers the assessments.

27 (3) The department shall distribute federal funds allocated under this section in
28 accordance with federal law and with flexibility provisions outlined in Public Law 107-116,
29 and in the education flexibility partnership act of 1999, Public Law 106-25.

30 (4) The department may recommend, but may not require, districts to allow pupils to
31 use an external keyboard with tablet devices for online M-STEP testing, including, but not
32 limited to, open-ended test items such as constructed response or equation builder items.

1 (5) Notwithstanding section 17b, the department shall make payments on behalf of
2 districts, intermediate districts, and other eligible entities under this section on a
3 schedule determined by the department.

4 (6) From the allocation in subsection (1), there is allocated an amount not to exceed
5 \$500,000.00 for ~~2024-2025~~**2025-2026** for the operation of an online reporting tool to
6 provide student-level assessment data in a secure environment to educators, parents, and
7 pupils immediately after assessments are scored. The department and the center shall ensure
8 that any data collected by the online reporting tool do not provide individually
9 identifiable student data to the federal government.

10 (7) As used in this section:

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

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

13 (c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative
14 Services.

15 Sec. 104b. (1) In order to receive state aid under this article, a district shall
16 comply with this section and shall administer the Michigan merit examination to pupils in
17 grade 11, and to pupils in grade 12 who did not take the complete Michigan merit
18 examination in grade 11, as provided in this section. The Michigan merit examination
19 consists of a college entrance test, work skills test, and the summative assessment known
20 as the Michigan student test of educational progress (M-STEP).

21 (2) For the purposes of this section, the department of technology, management, and
22 budget shall contract with 1 or more providers to develop, supply, and score the Michigan
23 merit examination. The Michigan merit examination shall consist of all of the following:

24 (a) Assessment instruments that measure English language arts, mathematics, reading,
25 and science, and are used by the majority of colleges and universities in this state for
26 entrance purposes. This may include 1 or more writing components. In selecting assessment
27 instruments to fulfill the requirements of this subdivision, the department may consider
28 the degree to which those assessment instruments are aligned to this state's content
29 standards.

30 (b) One or more tests from 1 or more test developers that assess a pupil's ability to
31 apply at least reading and mathematics skills in a manner that is intended to allow
32 employers to use the results in making employment decisions. The department of technology,

1 management, and budget and the superintendent shall ensure that any test or tests selected
2 under this subdivision have all the components necessary to allow a pupil to be eligible to
3 receive the results of a nationally recognized evaluation of workforce readiness if the
4 pupil's test performance is adequate.

5 (c) A social studies component.

6 (d) Any other component that is necessary to obtain the approval of the United States
7 Department of Education to use the Michigan merit examination for the purposes of the no
8 child left behind act of 2001, Public Law 107-110, or the every student succeeds act,
9 Public Law 114-95.

10 (3) In addition to all other requirements of this section, all of the following apply
11 to the Michigan merit examination:

12 (a) The department of technology, management, and budget and the superintendent shall
13 ensure that any contractor used for scoring the Michigan merit examination supplies an
14 individual report for each pupil that will identify for the pupil's parents and teachers
15 whether the pupil met expectations or failed to meet expectations for each standard, to
16 allow the pupil's parents and teachers to assess and remedy problems before the pupil moves
17 to the next grade.

18 (b) The department of technology, management, and budget and the superintendent shall
19 ensure that any contractor used for scoring, developing, or processing the Michigan merit
20 examination meets quality management standards commonly used in the assessment industry,
21 including at least meeting level 2 of the capability maturity model developed by the
22 Software Engineering Institute of Carnegie Mellon University for the first year the
23 Michigan merit examination is offered to all grade 11 pupils and at least meeting level 3
24 of the capability maturity model for subsequent years.

25 (c) The department of technology, management, and budget and the superintendent shall
26 ensure that any contract for scoring, administering, or developing the Michigan merit
27 examination includes specific deadlines for all steps of the assessment process, including,
28 but not limited to, deadlines for the correct testing materials to be supplied to schools
29 and for the correct results to be returned to schools, and includes penalties for
30 noncompliance with these deadlines.

31 (d) The superintendent shall ensure that the Michigan merit examination meets all of
32 the following:

1 (i) Is designed to test pupils on this state's content standards in all subjects
2 tested.

3 (ii) Complies with requirements of the no child left behind act of 2001, Public Law
4 107-110 or the every student succeeds act, Public Law 114-95.

5 (iii) Is consistent with the code of fair testing practices in education prepared by
6 the Joint Committee on Testing Practices of the American Psychological Association.

7 (iv) Is factually accurate. If the superintendent determines that a question is not
8 factually accurate and should be excluded from scoring, the state board and the
9 superintendent shall ensure that the question is excluded from scoring.

10 (4) A district shall include on each pupil's high school transcript all of the
11 following:

12 (a) For each high school graduate who has completed the Michigan merit examination
13 under this section, the pupil's scaled score on each subject area component of the Michigan
14 merit examination.

15 (b) The number of school days the pupil was in attendance at school each school year
16 during high school and the total number of school days in session for each of those school
17 years.

18 (5) The superintendent shall work with the provider or providers of the Michigan
19 merit examination to produce Michigan merit examination subject area scores for each pupil
20 participating in the Michigan merit examination. To the extent that the department
21 determines that additional test items beyond those included in the college entrance
22 component of the Michigan merit examination are required in a particular subject area, the
23 department shall ensure that all test items in that subject area are scaled and merged for
24 the purposes of producing a Michigan merit examination subject area score. The
25 superintendent shall design and distribute to districts, intermediate districts, and
26 nonpublic schools a simple and concise document that describes the scoring for each subject
27 area and indicates the scaled score ranges for each subject area.

28 (6) The Michigan merit examination shall be administered in each district during the
29 last 12 weeks of the district's school year. The superintendent shall ensure that the
30 Michigan merit examination is scored and the scores are returned to pupils, their parents
31 or legal guardians, and districts not later than the beginning of the pupil's first
32 semester of grade 12. The returned scores shall indicate at least the pupil's scaled score

1 for each subject area component and the range of scaled scores for each subject area. In
2 reporting the scores to pupils, parents, and schools, the superintendent shall provide
3 standards-specific, meaningful, and timely feedback on the pupil's performance on the
4 Michigan merit examination.

5 (7) A district shall administer the complete Michigan merit examination to a pupil
6 only once and shall not administer the complete Michigan merit examination to the same
7 pupil more than once. If a pupil does not take the complete Michigan merit examination in
8 grade 11, the district shall administer the complete Michigan merit examination to the
9 pupil in grade 12. If a pupil chooses to retake the college entrance examination component
10 of the Michigan merit examination, as described in subsection (2) (a), the pupil may do so
11 through the provider of the college entrance examination component and the cost of the
12 retake is the responsibility of the pupil unless all of the following are met:

13 (a) The pupil has taken the complete Michigan merit examination.

14 (b) The pupil meets the income eligibility criteria for free breakfast, lunch, or
15 milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to
16 1769i.

17 (c) The pupil has applied to the provider of the college entrance examination
18 component for a scholarship or fee waiver to cover the cost of the retake and that
19 application has been denied.

20 (d) After taking the complete Michigan merit examination, the pupil has not already
21 received a free retake of the college entrance examination component paid for either by
22 this state or through a scholarship or fee waiver by the provider.

23 (8) The superintendent shall ensure that the length of the Michigan merit examination
24 and the combined total time necessary to administer all of the components of the Michigan
25 merit examination are the shortest possible that will still maintain the degree of
26 reliability and validity of the Michigan merit examination results determined necessary by
27 the superintendent. The superintendent shall ensure that the maximum total combined length
28 of time that schools are required to set aside for pupils to answer all test questions on
29 the Michigan merit examination does not exceed 8 hours if the superintendent determines
30 that sufficient alignment to applicable Michigan merit curriculum content standards can be
31 achieved within that time limit.

32 (9) A district shall provide accommodations to a pupil with disabilities for the

1 Michigan merit examination, as provided under section 504 of title V of the rehabilitation
2 act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of
3 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of
4 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider
5 or providers of the Michigan merit examination and the superintendent shall mutually agree
6 upon the accommodations to be provided under this subsection.

7 (10) To the greatest extent possible, the Michigan merit examination shall be based
8 on this state's content standards, as appropriate. Annually, after each administration of
9 the Michigan merit examination, the department shall provide a report of the points per
10 standard so that teachers will know what content will be covered within the Michigan merit
11 examination. The department may augment the college entrance and work skills components of
12 the Michigan merit examination to develop the assessment, depending on the alignment of
13 those components to this state's content standards. If these components do not align to
14 these standards, the department shall produce additional components as required by law,
15 while minimizing the amount of time needed for assessments.

16 (11) A child who is a student in a nonpublic school or home school may take the
17 Michigan merit examination under this section. To take the Michigan merit examination, a
18 child who is a student in a home school shall contact the district in which the child
19 resides, and that district shall administer the Michigan merit examination, or the child
20 may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic
21 school. Upon request from a nonpublic school, the superintendent shall direct the provider
22 or providers to supply the Michigan merit examination to the nonpublic school and the
23 nonpublic school may administer the Michigan merit examination. If a district administers
24 the Michigan merit examination under this subsection to a child who is not enrolled in the
25 district, the scores for that child are not considered for any purpose to be scores of a
26 pupil of the district.

27 (12) In contracting under subsection (2), the department of technology, management,
28 and budget shall consider a contractor that provides electronically-scored essays with the
29 ability to score constructed response feedback in multiple languages and provide ongoing
30 instruction and feedback.

31 (13) The purpose of the Michigan merit examination is to assess pupil performance in
32 mathematics, science, social studies, and English language arts for the purpose of

1 improving academic achievement and establishing a statewide standard of competency. The
2 assessment under this section provides a common measure of data that will contribute to the
3 improvement of Michigan schools' curriculum and instruction by encouraging alignment with
4 Michigan's curriculum framework standards and promotes pupil participation in higher level
5 mathematics, science, social studies, and English language arts courses. These standards
6 are based upon the expectations of what pupils should learn through high school and are
7 aligned with national standards.

8 (14) For a pupil enrolled in a middle college program, other than a middle college
9 operated as a shared educational entity or a specialized shared educational entity, if the
10 pupil receives at least 50% of his or her instruction at the high school while in grade 11,
11 the Michigan merit examination shall be administered to the pupil at the high school at
12 which the pupil receives high school instruction, and the department shall include the
13 pupil's scores on the Michigan merit examination in the scores for that high school for all
14 purposes for which a school's or district's results are reported. The department shall
15 allow the middle college program to use a 5-year graduation rate for determining adequate
16 yearly progress. As used in this subsection, "middle college" means a program consisting of
17 a series of courses and other requirements and conditions, including an early college or
18 other program created under a memorandum of understanding, that allows a pupil to graduate
19 from high school with both a high school diploma and a certificate or degree from a
20 community college or state public university.

21 (15) As used in this section:

22 (a) "English language arts" means reading and writing.

23 (b) "Social studies" means United States history, world history, world geography,
24 economics, and American government.

25 ~~(16) For each report made by the department that includes the statewide assessment~~
26 ~~results for a school building, the department shall include the scores for the statewide~~
27 ~~assessment and the graduation rate for consortium pupils with the scores for the school~~
28 ~~building in the participating district in which the consortium pupil is enrolled or would~~
29 ~~otherwise attend. The statewide assessment for a consortium pupil may be administered~~
30 ~~either at the consortium location or at the school building in the participating district~~
31 ~~in which the consortium pupil is enrolled or would otherwise attend. For the purposes of~~
32 ~~this subsection, a consortium pupil is a pupil who is enrolled or participating in a~~

1 ~~participating district in a school or program operated as a consortium or under a~~
2 ~~cooperative arrangement formed by 2 or more districts or intermediate districts, including,~~
3 ~~but not limited to, a consortium or cooperative arrangement operated as a program, a shared~~
4 ~~educational entity, a specialized educational entity, or a special education center~~
5 ~~program.~~

6 Sec. 104h. (1) From the state school aid fund money appropriated under section 11,
7 there is allocated for ~~2024-2025-2025-2026~~ an amount not to exceed \$11,500,000.00 to
8 districts to implement benchmark assessments during the ~~2024-2025-2025-2026~~ school year.
9 All of the following apply to the benchmark assessment system described in this subsection:

10 (a) The system must provide for all of the following:

11 (i) That, within the first 9 weeks of the ~~2024-2025-2025-2026~~ school year, the
12 district shall administer 1 or more benchmark assessments provided by a provider approved
13 under subsection (6), benchmark assessments described in subdivision (b), or local
14 benchmark assessments, or any combination thereof, to all pupils in grades K to 8 to
15 measure proficiency in reading and mathematics.

16 (ii) That, in addition to the benchmark assessment or benchmark assessments
17 administered under subparagraph (i), by not later than the last day of the ~~2024-2025-2025-~~
18 **2026** school year, the district shall administer the benchmark assessment or assessments
19 administered under subparagraph (i) to all pupils in grades K to 8 to measure proficiency in
20 reading and mathematics. To support fall to spring growth calculations, the same benchmark
21 assessment that is administered in the fall must be administered in the spring.

22 (b) Except as otherwise provided in this section, a district may administer 1 or more
23 of the following benchmark assessments toward meeting the requirements under subdivision

24 (a):

25 (i) A benchmark assessment in reading for students in grades K to 9 that contains
26 progress monitoring tools and enhanced diagnostic assessments.

27 (ii) A benchmark assessment in math for students in grades K to 8 that contains
28 progress monitoring tools.

29 (c) The system must provide that, to the extent practicable, if a district
30 administers a benchmark assessment or benchmark assessments under this section, the
31 district shall administer the same benchmark assessment or benchmark assessments provided
32 by a provider approved under subsection (6), benchmark assessment or benchmark assessments

1 described in subdivision (b), or local benchmark assessment or local benchmark assessments
2 that it administered to pupils in previous school years, as applicable.

3 (d) The system must provide that, if a district administers a benchmark assessment or
4 benchmark assessments under this section, the district shall provide each pupil's data from
5 the benchmark assessment or benchmark assessments, as available, to the pupil's parent or
6 legal guardian within 30 days of administering the benchmark assessment or benchmark
7 assessments.

8 (e) The system must provide that, if a local benchmark assessment or local benchmark
9 assessments are administered under subdivision (a), the district shall report to the
10 department ~~and the center~~, in a form and manner prescribed by the ~~center~~, **department**, the
11 local benchmark assessment or local benchmark assessments that were administered and how
12 that assessment or those assessments measure changes, including any losses, as applicable,
13 in learning, and the district's plan for addressing any losses in learning.

14 (f) The system must provide that, by not later than 30 days after a benchmark
15 assessment or benchmark assessments are administered under subdivision (a) *(ii)*, or within a
16 time frame specified by the department, the district shall send benchmark assessment data,
17 including grade level, student demographics, and mode of instruction, to the department in
18 a form and manner prescribed by the department, from all benchmark assessments administered
19 in the ~~2024-2025~~ **2025-2026** school year, excluding data from a local benchmark assessment,
20 as applicable. If available, the data described in this subdivision must include
21 information concerning pupil growth from fall ~~2024-2025~~ to spring ~~2025-2026~~.

22 (2) To receive funding under this section, a district must do all of the following:

23 (a) Apply for the funding in a form and manner prescribed by the department.

24 (b) Administer 1 or more of the benchmark assessments described in subsection (6),
25 excluding the benchmark assessment described in subsection (4).

26 (c) Administer the same benchmark assessment or assessments in both the fall and
27 spring, as required under this section.

28 (d) Meet all reporting requirements pertaining to assessment and mode-of-instruction
29 data outlined in this section.

30 (3) Subject to subsection (2), the department shall pay an equal amount per
31 membership pupil in grades K to 8 in the district to each district that applies for funding
32 under this section.

1 (4) The department shall make 1 of the benchmark assessments provided by a provider
2 approved under subsection (6) available to districts at no cost to the districts for
3 purposes of meeting the requirements under this section. The benchmark assessment described
4 in this subsection must meet all of the following:

5 (a) Be aligned to the content standards of this state.

6 (b) Complement the state's summative assessment system.

7 (c) Be internet-delivered and include a standards-based assessment.

8 (d) Provide information on pupil achievement with regard to learning content required
9 in a given year or grade span.

10 (e) Provide timely feedback to pupils and teachers.

11 (f) Be nationally normed.

12 (g) Provide information to educators about student growth and allow for multiple
13 testing opportunities.

14 (5) By not later than November 15, ~~2025~~, **2026**, the department shall submit a report
15 to the house and senate appropriations committees, the house and senate appropriations
16 subcommittees on school aid, and the house and senate fiscal agencies regarding the
17 benchmark assessment data received under this section, disaggregated by grade level and
18 demographic subgroup for each district. If information concerning pupil growth is included
19 in the data described in this subsection, it must be incorporated in the report described
20 in this subsection.

21 (6) The department shall approve at least 4 but not more than 6 providers of
22 benchmark assessments for the purposes of this section. The department shall inform
23 districts of all of the providers approved under this subsection in an equitable manner.
24 The benchmark assessments, with the exclusion of the benchmark assessment described in
25 subsection (4), provided by approved providers under this subsection must meet all of the
26 following:

27 (a) Be aligned to the content standards of this state.

28 (b) Complement the state's summative assessment system.

29 (c) Be internet-delivered and include a standards-based remote, in-person, or both
30 remote and in-person assessment using a computer-adaptive model to target the instructional
31 level of each pupil.

32 (d) Provide information on pupil achievement with regard to learning content required

1 in a given year or grade span.

2 (e) Provide immediate feedback to pupils and teachers.

3 (f) Be nationally normed.

4 (g) Provide multiple measures of growth and provide for multiple testing
5 opportunities.

6 Sec. 107. (1) From the state school aid fund appropriation in section 11, there is
7 allocated an amount not to exceed \$40,500,000.00 for ~~2024-2025~~**-2025-2026** for adult
8 education programs authorized under this section. Except as otherwise provided under
9 subsections (14) and (15), funds allocated under this section are restricted for adult
10 education programs as authorized under this section only. A recipient of funds under this
11 section shall not use those funds for any other purpose.

12 (2) To be eligible for funding under this section, an eligible adult education
13 provider shall employ certificated teachers and qualified administrative staff and shall
14 offer continuing education opportunities for teachers to allow them to maintain
15 certification.

16 (3) To be eligible to be a participant funded under this section, an individual must
17 be enrolled in an adult basic education program, an adult secondary education program, an
18 adult English as a second language program, a high school equivalency test preparation
19 program, or a high school completion program, that meets the requirements of this section,
20 and for which instruction is provided, and the individual must be at least 18 years of age
21 by July 1 of the program year and the individual's graduating class must have graduated.

22 (4) By April 1 of each fiscal year for which funding is allocated under this section,
23 the intermediate districts within a prosperity region or subregion shall determine which
24 intermediate district will serve as the prosperity region's or subregion's fiscal agent for
25 the next fiscal year and shall notify the department in a form and manner determined by the
26 department. The department shall approve or disapprove of the prosperity region's or
27 subregion's selected fiscal agent. From the funds allocated under subsection (1), an amount
28 as determined under this subsection is allocated to each intermediate district serving as a
29 fiscal agent for adult education programs in each of the prosperity regions or subregions
30 identified by the department. An intermediate district shall not use more than 5% of the
31 funds allocated under this subsection for administration costs for serving as the fiscal
32 agent. The allocation provided to each intermediate district serving as a fiscal agent must

1 be calculated as follows:

2 (a) Sixty percent of this portion of the funding must be distributed based upon the
3 proportion of the state population of individuals between the ages of 18 and 24 that are
4 not high school graduates that resides in each of the prosperity regions or subregions
5 located within the intermediate district, as reported by the most recent 5-year estimates
6 from the American Community Survey (ACS) from the United States Census Bureau.

7 (b) Thirty-five percent of this portion of the funding must be distributed based upon
8 the proportion of the state population of individuals age 25 or older who are not high
9 school graduates that resides in each of the prosperity regions or subregions located
10 within the intermediate district, as reported by the most recent 5-year estimates from the
11 ACS from the United States Census Bureau.

12 (c) Five percent of this portion of the funding must be distributed based upon the
13 proportion of the state population of individuals age 18 or older who lack basic English
14 language proficiency 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 (5) To be an eligible fiscal agent, an intermediate district must agree to do the
18 following in a form and manner determined by the department:

19 (a) Distribute funds to adult education programs in a prosperity region or subregion
20 as described in this section.

21 (b) Collaborate with the career and educational advisory council, which is an
22 advisory council of the workforce development boards located in the prosperity region or
23 subregion, or its successor, to develop a regional strategy that aligns adult education
24 programs and services into an efficient and effective delivery system for adult education
25 learners, with special consideration for providing contextualized learning and career
26 pathways and addressing barriers to education and employment.

27 (c) Collaborate with the career and educational advisory council, which is an
28 advisory council of the workforce development boards located in the prosperity region or
29 subregion, or its successor, to create a local process and criteria that will identify
30 eligible adult education providers to receive funds allocated under this section based on
31 location, demand for services, past performance, quality indicators as identified by the
32 department, and cost to provide instructional services. The fiscal agent shall determine

1 all local processes, criteria, and provider determinations. However, the local processes,
2 criteria, and provider services must be approved by the department before funds may be
3 distributed to the fiscal agent.

4 (d) Provide oversight to its adult education providers throughout the program year to
5 ensure compliance with the requirements of this section.

6 (e) Report adult education program and participant data and information as prescribed
7 by the department.

8 (6) An adult basic education program, an adult secondary education program, or an
9 adult English as a second language program operated on a year-round or school year basis
10 may be funded under this section, subject to all of the following:

11 (a) The program enrolls adults who are determined by a department-approved
12 assessment, in a form and manner prescribed by the department, to be below twelfth grade
13 level in reading or mathematics, or both, or to lack basic English proficiency.

14 (b) The program tests individuals for eligibility under subdivision (a) before
15 enrollment and upon completion of the program in compliance with the state-approved
16 assessment policy.

17 (c) A participant in an adult basic education program is eligible for reimbursement
18 until 1 of the following occurs:

19 (i) The participant's reading and mathematics proficiency are assessed at or above
20 the ninth grade level.

21 (ii) The participant fails to show progress on 2 successive assessments after having
22 completed at least 450 hours of instruction.

23 (d) A participant in an adult secondary education program is eligible for
24 reimbursement until 1 of the following occurs:

25 (i) The participant's reading and mathematics proficiency are assessed above the
26 twelfth grade level.

27 (ii) The participant fails to show progress on 2 successive assessments after having
28 at least 450 hours of instruction.

29 (e) A funding recipient enrolling a participant in an English as a second language
30 program is eligible for funding according to subsection (9) until the participant meets 1
31 of the following:

32 (i) The participant is assessed as having attained basic English proficiency as

1 determined by a department-approved assessment.

2 (ii) The participant fails to show progress on 2 successive department-approved
3 assessments after having completed at least 450 hours of instruction. The department shall
4 provide information to a funding recipient regarding appropriate assessment instruments for
5 this program.

6 (7) A high school equivalency test preparation program operated on a year-round or
7 school year basis may be funded under this section, subject to all of the following:

8 (a) The program enrolls adults who do not have a high school diploma or a high school
9 equivalency certificate.

10 (b) The program administers a pre-test approved by the department before enrolling an
11 individual to determine the individual's literacy levels, administers a high school
12 equivalency practice test to determine the individual's potential for success on the high
13 school equivalency test, and administers a post-test upon completion of the program in
14 compliance with the state-approved assessment policy.

15 (c) A funding recipient receives funding according to subsection (9) for a
16 participant, and a participant may be enrolled in the program until 1 of the following
17 occurs:

18 (i) The participant achieves a high school equivalency certificate.

19 (ii) The participant fails to show progress on 2 successive department-approved
20 assessments used to determine readiness to take a high school equivalency test after having
21 completed at least 450 hours of instruction.

22 (8) A high school completion program operated on a year-round or school year basis
23 may be funded under this section, subject to all of the following:

24 (a) The program enrolls adults who do not have a high school diploma.

25 (b) The program tests participants described in subdivision (a) before enrollment and
26 upon completion of the program in compliance with the state-approved assessment policy.

27 (c) A funding recipient receives funding according to subsection (9) for a
28 participant in a course offered under this subsection until 1 of the following occurs:

29 (i) The participant passes the course and earns a high school diploma.

30 (ii) The participant fails to earn credit in 2 successive semesters or terms in which
31 the participant is enrolled after having completed at least 900 hours of instruction.

32 (9) The department shall make payments to a funding recipient under this section in

1 accordance with all of the following:

2 (a) Statewide allocation criteria, including 3-year average enrollments, census data,
3 and local needs.

4 (b) Participant completion of the adult basic education objectives by achieving an
5 educational gain as determined by the national reporting system levels; for achieving basic
6 English proficiency, as determined by the department; for achieving a high school
7 equivalency certificate or passage of 1 or more individual high school equivalency tests;
8 for attainment of a high school diploma or passage of a course required for a participant
9 to attain a high school diploma; for enrollment in a postsecondary institution; or for
10 entry into or retention of employment, as applicable.

11 (c) Participant completion of core indicators as identified in the workforce
12 innovation and opportunity act, Public Law 113-128.

13 (d) Allowable expenditures.

14 (10) An individual who is not eligible to be a participant funded under this section
15 may receive adult education services upon the payment of tuition. In addition, an
16 individual who is not eligible to be served in a program under this section due to the
17 program limitations specified in subsection (6), (7), or (8) may continue to receive adult
18 education services in that program upon the payment of tuition. The local or intermediate
19 district conducting the program shall determine the tuition amount.

20 (11) An individual who is an inmate in a state correctional facility is not counted
21 as a participant under this section.

22 (12) A funding recipient shall not commingle money received under this section or
23 from another source for adult education purposes with any other funds and shall establish a
24 separate ledger account for funds received under this section. This subsection does not
25 prohibit a district from using general funds of the district to support an adult education
26 or community education program.

27 (13) A funding recipient receiving funds under this section may establish a sliding
28 scale of tuition rates based upon a participant's family income. A funding recipient may
29 charge a participant tuition to receive adult education services under this section from
30 that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per
31 participant must not exceed the actual operating cost per participant minus any funds
32 received under this section per participant. A funding recipient may not charge a

1 participant tuition under this section if the participant's income is at or below 200% of
2 the federal poverty guidelines published by the United States Department of Health and
3 Human Services.

4 (14) To receive funds under this section, a funding recipient shall furnish to the
5 department, in a form and manner determined by the department, all information needed to
6 administer this program and meet federal reporting requirements; shall allow the department
7 or the department's designee to review all records related to the program for which it
8 receives funds; and shall reimburse the state for all disallowances found in the review, as
9 determined by the department. In addition, a funding recipient shall agree to pay to a
10 career and technical education program under section 61a the amount of funding received
11 under this section in the proportion of career and technical education coursework used to
12 satisfy adult basic education programming, as billed to the funding recipient by programs
13 operating under section 61a.

14 (15) From the amount appropriated in subsection (1), an amount not to exceed
15 \$4,000,000.00 is allocated for ~~2024-2025~~**-2025-2026** to approved adult education programs
16 that connect adult education participants with employers as provided under this subsection.
17 The department shall determine regional planning allocations under this subsection to each
18 intermediate district serving as a fiscal agent for adult education programs in each of the
19 prosperity regions or subregions identified by the department in the same proportion as
20 funding calculated and allocated under subsection (4). Funds not fully utilized within a
21 region may be transferred to other regions as appropriate. To be eligible for funding under
22 this subsection, a program must provide a collaboration linking adult education programs
23 within the county, state-approved career and technical education programs, and local
24 employers. To receive funding under this subsection, an eligible program must satisfy all
25 of the following:

26 (a) Connect adult education participants directly with employers by linking adult
27 education, career and technical skills, and workforce development.

28 (b) Require adult education staff to work with Michigan Works! agency to identify a
29 cohort of participants who are most prepared to successfully enter the workforce. Except as
30 otherwise provided under this subdivision, participants identified under this subsection
31 must be dually enrolled in adult education programming and in at least 1 state-approved
32 technical course through a career and technical education program. A program that links

1 participants identified under this subsection with adult education programming and
2 commercial driver license courses does not need to enroll the participants in at least 1
3 state-approved technical course through a career and technical education program to be
4 considered an eligible program under this subsection.

5 (c) Employ an individual staffed as an adult education navigator who will serve as a
6 caseworker for each participant identified under subdivision (b). The navigator shall work
7 with adult education staff and potential employers to design an educational program best
8 suited to the personal and employment needs of the participant and shall work with human
9 service agencies or other entities to address any barrier in the way of participant access.

10 (16) By not later than December 1 of each year, a program funded under subsection
11 (15) shall provide a report to the senate and house appropriations subcommittees on school
12 aid, to the senate and house fiscal agencies, and to the state budget director identifying
13 the number of participants, graduation rates, and a measure of transition to employment.

14 (17) Except as otherwise provided in this subsection, participants under subsection
15 (15) must be concurrently enrolled and actively working toward obtaining a high school
16 diploma or a high school equivalency certificate. Concurrent enrollment is not required
17 under this subsection for a participant that was enrolled in adult education during the
18 same program year and obtained a high school diploma or a high school equivalency
19 certificate before enrollment in an eligible career and technical skills program under
20 subsection (15). Up to 10% of adult education participants served under subsection (15) may
21 already have a high school diploma or a high school equivalency certificate at the time of
22 enrollment in an eligible career and technical skills program under subsection (15) and
23 receive remediation services. It is intended that the cap described in the immediately
24 preceding sentence is continually lowered on an annual basis until it eventually is 0%.

25 (18) The department shall approve at least 2 high school equivalency tests and
26 determine whether a high school equivalency certificate meets the requisite standards for
27 high school equivalency in this state.

28 (19) As used in this section:

29 (a) "Career and educational advisory council" means an advisory council to the local
30 workforce development boards located in a prosperity region consisting of educational,
31 employer, labor, and parent representatives.

32 (b) "Career pathway" means a combination of rigorous and high-quality education,

1 training, and other services that comply with all of the following:

2 (i) Aligns with the skill needs of industries in the economy of this state or in the
3 regional economy involved.

4 (ii) Prepares an individual to be successful in any of a full range of secondary or
5 postsecondary education options, including apprenticeships registered under the act of
6 August 16, 1937, commonly referred to as the national apprenticeship act, 29 USC 50 et seq.

7 (iii) Includes counseling to support an individual in achieving the individual's
8 education and career goals.

9 (iv) Includes, as appropriate, education offered concurrently with and in the same
10 context as workforce preparation activities and training for a specific occupation or
11 occupational cluster.

12 (v) Organizes education, training, and other services to meet the particular needs of
13 an individual in a manner that accelerates the educational and career advancement of the
14 individual to the extent practicable.

15 (vi) Enables an individual to attain a secondary school diploma or its recognized
16 equivalent, and at least 1 recognized postsecondary credential.

17 (vii) Helps an individual enter or advance within a specific occupation or
18 occupational cluster.

19 (c) "Department" means the department of labor and economic opportunity.

20 (d) "Eligible adult education provider" means a district, intermediate district, a
21 consortium of districts, a consortium of intermediate districts, or a consortium of
22 districts and intermediate districts that is identified as part of the local process
23 described in subsection (5) (c) and approved by the department.

24 Sec. 111. A district having tuition pupils enrolled on the pupil membership count day
25 of each year may charge the district of residence an amount for tuition that does not
26 exceed the tuition rate computed under section 1401 of the revised school code, MCL
27 380.1401. The rate charged by a district shall be uniform within each category of tuition
28 pupils enrolled in the district. However, for a tuition pupil who resides in a K-5, K-6, or
29 K-8 district and who is enrolled in a grade not offered by the pupil's district of
30 residence, the tuition rate charged to the pupil's district of residence shall not exceed
31 the foundation allowance of the pupil's district of residence or the foundation allowance
32 of the educating district, whichever is greater. **A district receiving funds under this act**

1 shall not charge tuition to a parent or custodian of a pupil enrolled in the district as a
2 nonresident pupil.

3 Sec. 147. (1) The allocation for ~~2024-2025~~**2025-2026** for the public school employees'
4 retirement system pursuant to the public school employees retirement act of 1979, 1980 PA
5 300, MCL 38.1301 to 38.1437, is made using the individual projected benefit entry age
6 normal cost method of valuation and risk assumptions adopted by the public school employees
7 retirement board and the department of technology, management, and budget.

8 (2) The annual level percentage of payroll contribution rates for the ~~2024-2025~~**2025-**
9 **2026** fiscal year, as determined by the retirement system, are estimated as follows:

10 (a) For public school employees who first worked for a public school reporting unit
11 before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level
12 percentage of payroll contribution rate is estimated at ~~41.94%~~**44.93%** with ~~31.36%~~**29.91%**
13 paid directly by the employer.

14 (b) For public school employees who first worked for a public school reporting unit
15 on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual
16 level percentage of payroll contribution rate is estimated at ~~38.10%~~**40.19%** with ~~27.52%~~
17 **25.17%** paid directly by the employer.

18 (c) For public school employees who first worked for a public school reporting unit
19 on or after July 1, 2010 and who participate in the personal healthcare fund, the annual
20 level percentage of payroll contribution rate is estimated at ~~36.85%~~**36.36%** with ~~26.27%~~
21 **21.34%** paid directly by the employer.

22 (d) For public school employees who first worked for a public school reporting unit
23 on or after September 4, 2012, who elect defined contribution, and who participate in the
24 personal healthcare fund, the annual level percentage of payroll contribution rate is
25 estimated at ~~31.54%~~**30.23%** with ~~20.96%~~**15.21%** paid directly by the employer.

26 (e) For public school employees who first worked for a public school reporting unit
27 before July 1, 2010, who elect defined contribution, and who are enrolled in the health
28 premium subsidy, the annual level percentage of payroll contribution rate is estimated at
29 ~~32.79%~~**34.06%** with ~~22.21%~~**19.04%** paid directly by the employer.

30 (f) For public school employees who first worked for a public school reporting unit
31 before July 1, 2010, who elect defined contribution, and who participate in the personal
32 healthcare fund, the annual level percentage of payroll contribution rate is estimated at

1 ~~31.54%~~ **30.23%** with ~~20.96%~~ **15.21%** paid directly by the employer.

2 (g) For public school employees who first worked for a public school reporting unit
3 before July 1, 2010 and who participate in the personal healthcare fund, the annual level
4 percentage of payroll contribution rate is estimated at ~~40.69%~~ **41.10%** with ~~30.11%~~ **26.08%**
5 paid directly by the employer.

6 (h) For public school employees who first worked for a public school reporting unit
7 after January 31, 2018 and who elect to become members of the MPSERS plan, the annual level
8 percentage of payroll contribution rate is estimated at ~~37.74%~~ **36.43%** with ~~27.16%~~ **21.41%**
9 paid directly by the employer.

10 (3) In addition to the employer payments described in subsection (2), the employer
11 shall pay the applicable contributions to the Tier 2 plan, as determined by the public
12 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

13 (4) The contribution rates in subsection (2) reflect an amortization period of ~~14~~ **13**
14 years for ~~2024-2025~~ **2025-2026**. The public school employees' retirement system board shall
15 notify each district and intermediate district by February 28 of each fiscal year of the
16 estimated contribution rate for the next fiscal year.

17 Sec. 147a. (1) From the state school aid fund money appropriated in section 11, there
18 is allocated for ~~2023-2024 an amount not to exceed \$100,000,000.00 and for 2024-2025~~ **2025-**
19 **2026** an amount not to exceed \$100,000,000.00 for payments to participating districts. A
20 participating district that receives money under this subsection shall use that money
21 solely for the purpose of offsetting a portion of the retirement contributions owed by the
22 district for the fiscal year in which it is received. The amount allocated to each
23 participating district under this subsection is based on each participating district's
24 percentage of the total statewide payroll for all participating districts for the
25 immediately preceding fiscal year. As used in this subsection, "participating district"
26 means a district that is a reporting unit of the Michigan public school employees'
27 retirement system under the public school employees retirement act of 1979, 1980 PA 300,
28 MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees'
29 retirement system for the applicable fiscal year.

30 (2) In addition to the allocation under subsection (1), from the state school aid
31 fund money appropriated under section 11, there is allocated an amount not to exceed
32 ~~\$384,642,000.00 for 2023-2024 and an amount not to exceed \$365,100,000.00~~ **\$336,200,000.00**

1 for ~~2024-2025~~, and from the ~~MPSEERS retirement obligation reform reserve fund money~~
2 ~~appropriated in section 11, there is allocated an amount not to exceed \$24,850,000.00 for~~
3 ~~2023-2024 only, 2025-2026~~ for payments to participating districts and intermediate
4 districts and from the general fund money appropriated under section 11, there is allocated
5 an amount not to exceed ~~\$108,000.00 for 2023-2024 and an amount not to exceed \$100,000.00~~
6 ~~for 2024-2025-2025-2026~~ for payments to participating district libraries. The amount
7 allocated to each participating entity under this subsection is based on each participating
8 entity's reported quarterly payroll for members that became tier 1 before February 1, 2018
9 for the current fiscal year. A participating entity that receives money under this
10 subsection shall use that money solely for the purpose of offsetting a portion of the
11 normal cost contribution rate. As used in this subsection:

12 (a) "District library" means a district library established under the district
13 library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

14 (b) "Participating entity" means a district, intermediate district, or district
15 library that is a reporting unit of the Michigan public school employees' retirement system
16 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
17 38.1437, and that reports employees to the Michigan public school employees' retirement
18 system for the applicable fiscal year.

19 ~~(3) In addition to the allocations under subsections (1) and (2), from the state~~
20 ~~school aid fund money appropriated in section 11, there is allocated for 2023-2024 and~~
21 ~~2024-2025 only an amount not to exceed \$11,939,000.00 for payments to participating~~
22 ~~intermediate districts and participating district libraries. A participating intermediate~~
23 ~~district or participating district library shall use that money solely for the purpose of~~
24 ~~offsetting a portion of the retirement contributions owed by the participating intermediate~~
25 ~~district or participating district library for the fiscal year in which it is received. The~~
26 ~~amount allocated to each participating intermediate district or participating district~~
27 ~~library under this subsection is calculated as follows:~~

28 ~~(a) For each participating intermediate district, \$11,912,000.00 multiplied by each~~
29 ~~participating intermediate district's percentage of the total statewide payroll for all~~
30 ~~participating intermediate districts for the immediately preceding fiscal year.~~

31 ~~(b) For each participating district library, \$27,000.00 multiplied by each~~
32 ~~participating district library's percentage of the total statewide payroll for all~~

1 ~~participating district libraries for the immediately preceding fiscal year.~~

2 ~~(c) As used in this subsection:~~

3 ~~(i) "Participating district library" means a district library that is a reporting~~
4 ~~unit of the Michigan public school employees' retirement system under the public school~~
5 ~~employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports~~
6 ~~employees to the Michigan public school employees' retirement system for the applicable~~
7 ~~fiscal year.~~

8 ~~(ii) "Participating intermediate district" means an intermediate district that is a~~
9 ~~reporting unit of the Michigan public school employees' retirement system under the public~~
10 ~~school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that~~
11 ~~reports employees to the Michigan public school employees' retirement system for the~~
12 ~~applicable fiscal year.~~

13 ~~(4) In addition to the allocations under subsections (1), (2), and (3), from the~~
14 ~~state school aid fund money appropriated in section 11, there is allocated for 2024-2025 an~~
15 ~~amount not to exceed \$598,000,000.00 for payments to participating entities. The amount~~
16 ~~allocated to each participating entity under this subsection is based on each participating~~
17 ~~entity's percentage of the total statewide payroll for all participating entities for the~~
18 ~~immediately preceding fiscal year. The amount allocated in this subsection represents an~~
19 ~~amount to effectively reduce each participating entity's unfunded actuarial accrued~~
20 ~~liability from 20.96% to an estimated 15.21% of covered payroll. It is the intent of the~~
21 ~~legislature that the allocation under this subsection be used to support student mental~~
22 ~~health, school safety, the educator workforce, and academic interventions.~~

23 ~~(a) As used in this subsection:~~

24 ~~(i) "District library" means a district library established under the district~~
25 ~~library establishment act, 1989 PA 24, MCL 397.171 to 397.196.~~

26 ~~(ii) "Participating entity" means a district, intermediate district, district library,~~
27 ~~or community college that is a reporting unit of the Michigan public school employees'~~
28 ~~retirement system under the public school employees retirement act of 1979, 1980 PA 300,~~
29 ~~MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees'~~
30 ~~retirement system for the applicable fiscal year.~~

31 Sec. 147c. (1) From the state school aid fund money appropriated in section 11, there
32 is allocated for ~~2024-2025~~ **2025-2026** an amount not to exceed ~~\$955,000,000.00~~ and from the

1 ~~MPSERS retirement obligation reform reserve fund money appropriated in section 11, there is~~
2 ~~allocated for 2024-2025 only an amount needed, estimated at \$84,100,000.00~~
3 **\$1,536,500,000.00** for payments to districts and intermediate districts that are
4 participating entities of the Michigan public school employees' retirement system. In
5 addition, from the general fund money appropriated in section 11, there is allocated for
6 ~~2024-2025-2025-2026~~ an amount not to exceed \$300,000.00 for payments to district libraries
7 that are participating entities of the Michigan public school employees' retirement system.
8 ~~It is the intent of the legislature that money allocated from the MPSERS retirement~~
9 ~~obligation reform reserve fund under this subsection for 2024-2025 represents the amount~~
10 ~~necessary to reduce the payroll growth assumption to 0.25%. All of the following apply to~~
11 funding under this subsection:

12 (a) Except as otherwise provided in this subdivision, for ~~2024-2025, 2025-2026~~ the
13 amounts allocated under this subsection are estimated to provide an average MPSERS rate cap
14 per pupil amount ~~of \$740.00 and are estimated to provide a rate cap per pupil for districts~~
15 ~~ranging between \$2.00 and \$2,650.00. for districts of \$1,100.00, which represents an~~
16 **average increase of \$362.00 per pupil compared to the immediately preceding state fiscal**
17 **year.**

18 (b) Payments made under this subsection are equal to the difference between the
19 unfunded actuarial accrued liability contribution rate as calculated under section 41 of
20 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated
21 without taking into account the maximum employer rate of 20.96% included in section 41 of
22 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
23 maximum employer rate of 20.96% included in section 41 of the public school employees
24 retirement act of 1979, 1980 PA 300, MCL 38.1341.

25 (c) The amount allocated to each participating entity under this subsection is based
26 on each participating entity's proportion of the total covered payroll for the immediately
27 preceding fiscal year for the same type of participating entities. A participating entity
28 that receives funds under this subsection shall use the funds solely for the purpose of
29 retirement contributions as specified in subdivision (d).

30 (d) Each participating entity receiving funds under this subsection shall forward an
31 amount equal to the amount allocated under subdivision (c) to the retirement system in a
32 form, manner, and time frame determined by the retirement system.

1 (e) Funds allocated under this subsection should be considered when comparing a
2 district's growth in total state aid funding from 1 fiscal year to the next.

3 (f) By not later than December 20 of each fiscal year for which funding is allocated
4 under this subsection, the department shall publish and post on its website an estimated
5 MPSERS rate cap per pupil for each district.

6 ~~(2) In addition to the funds allocated under subsection (1), from the MPSERS~~
7 ~~retirement obligation reform reserve fund money appropriated in section 11, there is~~
8 ~~allocated for 2024-2025 only \$250,000,000.00 for payments to participating entities of the~~
9 ~~Michigan public school employees' retirement system. The amount allocated to each~~
10 ~~participating entity under this subsection must be based on each participating entity's~~
11 ~~proportion of the total covered payroll for the immediately preceding fiscal year. A~~
12 ~~participating entity that receives funds under this subsection shall use the funds solely~~
13 ~~for purposes of this subsection. Each participating entity receiving funds under this~~
14 ~~subsection shall forward an amount equal to the amount allocated under this subsection to~~
15 ~~the retirement system in a form, manner, and time frame determined by the retirement~~
16 ~~system. The retirement system shall recognize funds received under this subsection as~~
17 ~~additional assets being contributed to the system and shall not categorize them as unfunded~~
18 ~~actuarial liability contributions or normal cost contributions.~~

19 (2) ~~(3)~~ As used in this section:

20 ~~(a) "Community college" means a community college created under the community college~~
21 ~~act of 1966, 1966 PA 331, MCL 389.1 to 389.195.~~

22 ~~(a) (b)~~ "District library" means a district library established under the district
23 library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

24 ~~(b) (c)~~ "MPSERS rate cap per pupil" means an amount equal to the quotient of the
25 district's payment under this section divided by the district's pupils in membership.

26 ~~(c) (d)~~ "Participating entity" means, except as otherwise provided in this
27 subdivision, a district, intermediate district, or district library that is a reporting
28 unit of the Michigan public school employees' retirement system under the public school
29 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports
30 employees to the Michigan public school employees' retirement system for the applicable
31 fiscal year. ~~As used in subsection (2) only, "participating entity" also means a community~~
32 ~~college that is a reporting unit of the Michigan public school employees' retirement system~~

1 ~~under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to~~
2 ~~38.1437, and that reports employees to the Michigan public school employees' retirement~~
3 ~~system for the applicable fiscal year.~~

4 (d) ~~(e)~~ "Retirement system" means the Michigan public school employees' retirement
5 system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
6 to 38.1437.

7 Sec. 147e. (1) From the state school aid fund money appropriated in section 11, there
8 is allocated for ~~2023-2024 an amount not to exceed \$64,400,000.00, and there is allocated~~
9 ~~for 2024-2025~~ **2025-2026** an amount not to exceed ~~\$104,700,000.00~~ **\$118,400,000.00** for
10 payments to participating entities.

11 (2) The payment to each participating entity under this section is the sum of the
12 amounts under this subsection as follows:

13 (a) An amount equal to the contributions made by a participating entity for the
14 additional contribution made to a qualified participant's Tier 2 account in an amount equal
15 to the contribution made by the qualified participant not to exceed 3% of the qualified
16 participant's compensation as provided for under section 131(6) of the public school
17 employees retirement act of 1979, 1980 PA 300, MCL 38.1431.

18 (b) Beginning October 1, 2017, an amount equal to the contributions made by a
19 participating entity for a qualified participant who is only a Tier 2 qualified participant
20 under section 81d of the public school employees retirement act of 1979, 1980 PA 300, MCL
21 38.1381d, not to exceed 4%, and, beginning February 1, 2018, not to exceed 1%, of the
22 qualified participant's compensation.

23 (c) An amount equal to the increase in employer normal cost contributions under
24 section 41b(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL
25 38.1341b, for a member that was hired after February 1, 2018 and chose to participate in
26 Tier 1, compared to the employer normal cost contribution for a member under section 41b(1)
27 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b.

28 (3) As used in this section:

29 (a) "Member" means that term as defined under the public school employees retirement
30 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

31 (b) "Participating entity" means a district, intermediate district, or community
32 college that is a reporting unit of the Michigan public school employees' retirement system

1 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
2 38.1437, and that reports employees to the Michigan public school employees' retirement
3 system for the applicable fiscal year.

4 (c) "Qualified participant" means that term as defined under section 124 of the
5 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.

6 Sec. 147g. (1) From the state school aid fund money appropriated in section 11, there
7 is allocated for ~~2024-2025-2025-2026~~ only an amount not to exceed ~~\$181,519,700.00~~
8 **\$90,000,000.00** for payments to participating entities to reimburse employees for **one-half**
9 **of** costs associated with the health care premium subsidy benefit **for the time period**
10 **between October 1, 2025 and September 30, 2026. It is intended that, for 2026-2027, the**
11 **allocation from the state school aid fund money appropriated in section 11 for the purposes**
12 **described in this section will be \$0.00.**

13 (2) The amount allocated to each participating entity under this section must be
14 based on **one half of** the participating entity's members' proportion of the total required
15 contributions by all members for the health care premium subsidy benefit under section 43e
16 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1343e, for the
17 ~~immediately preceding fiscal year.~~ **time period between October 1, 2025 and September 30,**
18 **2026.**

19 (3) ~~Payments to participating entities must be paid to members required to contribute~~
20 ~~a percentage of their compensation under section 43e of the public school employees~~
21 ~~retirement act of 1979, 1980 PA 300, MCL 38.1343e, to reimburse the amount deducted from~~
22 ~~their pay under section 43e of the public school employees retirement act of 1979, 1980 PA~~
23 ~~300, MCL 38.1343e. If the requirement in section 43e for employees to contribute 3% of~~
24 ~~compensation is removed through legislation, the participating entity retains the~~
25 **Participating entities must use** funding distributed under this section as an offset for
26 normal costs associated with retiree health benefits.

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

29 (5) ~~(4)~~ As used in this section, "participating entity" means a district,
30 intermediate district, district library, ~~or~~ community college, **or university** that is a
31 reporting unit of the Michigan public school employees' retirement system under the public
32 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that

1 reports employees to the Michigan public school employees' retirement system for the
2 applicable fiscal year.

3 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v
4 State of Michigan, 486 Mich 468 (2010), from the state school aid fund money appropriated
5 in section 11, there is allocated for ~~2024-2025~~**2025-2026** an amount not to exceed
6 \$41,000,500.00 to be used solely for the purpose of paying necessary costs related to the
7 state-mandated collection, maintenance, and reporting of data to this state. From this
8 allocation, \$3,000,000.00 is allocated for costs associated with collecting data necessary
9 to provide reporting to tribal governments on the status of students affiliated with their
10 particular tribe and data necessary to determine student participation in federal programs
11 funded under 20 USC 7401 to 7546 and participation in federal programs funded under the
12 Johnson-O'Malley Supplemental Indian Education Program Modernization Act, Public Law 115-
13 404.

14 (2) From the allocation in subsection (1), the department shall make payments to
15 districts and intermediate districts in an equal amount per pupil based on the total number
16 of pupils in membership in each district and intermediate district. The department shall
17 not make any adjustment to these payments after the final installment payment under section
18 17b is made.

19 Sec. 161a. If a court determines that a person intentionally violated section 411a of
20 the Michigan penal code, 1931 PA 328, MCL 750.411a, by making a false report of the
21 commission of a crime described in section ~~6(6)(f)~~**6(6)(e)** knowing the report to be false
22 for the purpose of having a pupil counted in membership in a district under section ~~6(6)(f)~~
23 **6(6)(e)**, as part of the restitution ordered under section 30 of chapter XIIIA of 1939 PA
24 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's rights act, 1985 PA 87, MCL
25 780.766, 780.794, and 780.826, or section 1a of chapter IX of the code of criminal
26 procedure, 1927 PA 175, MCL 769.1a, the court may order the person to pay the pupil's
27 district of residence an amount that is not more than the state school aid that district
28 would have received attributable to the pupil if the pupil had been counted in membership
29 in his or her district of residence.

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ARTICLE II
STATE AID TO COMMUNITY COLLEGES

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2025~~, **2026**, from the funds indicated in this section. The following is a summary of the appropriations in this section ~~and section 201F~~:

(a) The gross appropriation is ~~\$462,220,800.00~~. **\$496,689,600.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$462,220,800.00~~. **\$496,689,600.00**.

(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, ~~\$461,720,800.00~~. **\$496,689,600.00**.
- (v) State general fund/general purpose money, ~~\$500,000.00~~. **\$0.00**.

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~\$363,363,500.00~~. **\$378,200,600.00**, allocated as follows:

1 (a) The appropriation for Alpena Community College is ~~\$6,425,100.00, \$6,300,600.00~~
2 ~~for operations, \$102,700.00 for performance funding, and \$21,800.00 for costs incurred~~
3 ~~under the North American Indian tuition waiver.~~ **\$6,778,400.00, \$6,403,300.00 for**
4 **operations, \$361,600.00 for performance funding, and \$13,500.00 for costs incurred under**
5 **the North American Indian tuition wavier.**

6 (b) The appropriation for Bay de Noc Community College is ~~\$6,398,000.00,~~
7 ~~\$6,185,300.00 for operations, \$112,700.00 for performance funding, and \$100,000.00 for~~
8 ~~costs incurred under the North American Indian tuition waiver.~~ **\$6,627,600.00, \$6,298,000.00**
9 **for operations, \$237,600.00 for performance funding, and \$92,000.00 for costs incurred**
10 **under the North American Indian tuition wavier.**

11 (c) The appropriation for Delta College is ~~\$16,907,200.00, \$16,642,300.00 for~~
12 ~~operations, \$240,100.00 for performance funding, and \$24,800.00 for costs incurred under~~
13 ~~the North American Indian tuition waiver.~~ **\$17,592,000.00, \$16,882,400.00 for operations,**
14 **\$657,800.00 for performance funding, and \$51,800.00 for costs incurred under the North**
15 **American Indian tuition wavier.**

16 (d) The appropriation for Glen Oaks Community College is ~~\$2,985,900.00, \$2,939,000.00~~
17 ~~for operations, \$45,100.00 for performance funding, and \$1,800.00 for costs incurred under~~
18 ~~the North American Indian tuition waiver.~~ **\$3,108,500.00, \$2,984,100.00 for operations,**
19 **\$121,500.00 for performance funding, and \$2,900.00 for costs incurred under the North**
20 **American Indian tuition wavier.**

21 (e) The appropriation for Gogebic Community College is ~~\$5,447,400.00, \$5,329,700.00~~
22 ~~for operations, \$69,300.00 for performance funding, and \$48,400.00 for costs incurred under~~
23 ~~the North American Indian tuition waiver.~~ **\$5,625,100.00, \$5,399,000.00 for operations,**
24 **\$186,000.00 for performance funding, and \$40,100.00 for costs incurred under the North**
25 **American Indian tuition wavier.**

26 (f) The appropriation for Grand Rapids Community College is ~~\$21,295,300.00,~~
27 ~~\$20,844,400.00 for operations, \$339,800.00 for performance funding, and \$111,100.00 for~~
28 ~~costs incurred under the North American Indian tuition waiver.~~ **\$22,251,300.00,**
29 **\$21,184,200.00 for operations, \$914,000.00 for performance funding, and \$153,100.00 for**
30 **costs incurred under the North American Indian tuition wavier.**

31 (g) The appropriation for Henry Ford College is ~~\$25,307,100.00, \$24,929,800.00 for~~
32 ~~operations, \$370,900.00 for performance funding, and \$6,400.00 for costs incurred under the~~

1 ~~North American Indian tuition waiver.~~ **\$26,306,400.00, \$25,300,700.00 for operations,**
2 **\$1,001,200.00 for performance funding, and \$4,500.00 for costs incurred under the North**
3 **American Indian tuition wavier.**

4 (h) The appropriation for Jackson College is ~~\$14,074,900.00, \$13,854,100.00 for~~
5 ~~operations, \$178,500.00 for performance funding, and \$42,300.00 for costs incurred under~~
6 ~~the North American Indian tuition waiver.~~ **\$14,546,100.00, \$14,032,600.00 for operations,**
7 **\$486,400.00 for performance funding, and \$27,100.00 for costs incurred under the North**
8 **American Indian tuition wavier.**

9 (i) The appropriation for Kalamazoo Valley Community College is ~~\$14,741,600.00,~~
10 ~~\$14,481,900.00 for operations, \$222,500.00 for performance funding, and \$37,200.00 for~~
11 ~~costs incurred under the North American Indian tuition waiver.~~ **\$15,329,500.00,**
12 **\$14,704,400.00 for operations, \$578,200.00 for performance funding, and \$46,900.00 for**
13 **costs incurred under the North American Indian tuition wavier.**

14 (j) The appropriation for Kellogg Community College is ~~\$11,462,100.00, \$11,269,200.00~~
15 ~~for operations, \$157,500.00 for performance funding, and \$35,400.00 for costs incurred~~
16 ~~under the North American Indian tuition waiver.~~ **\$11,885,900.00, \$11,426,700.00 for**
17 **operations, \$432,500.00 for performance funding, and \$26,700.00 for costs incurred under**
18 **the North American Indian tuition wavier.**

19 (k) The appropriation for Kirtland Community College is ~~\$3,860,900.00, \$3,773,100.00~~
20 ~~for operations, \$62,000.00 for performance funding, and \$25,800.00 for costs incurred under~~
21 ~~the North American Indian tuition waiver.~~ **\$4,076,800.00, \$3,835,100.00 for operations,**
22 **\$195,400.00 for performance funding, and \$46,300.00 for costs incurred under the North**
23 **American Indian tuition wavier.**

24 (l) The appropriation for Lake Michigan College is ~~\$6,414,200.00, \$6,318,000.00 for~~
25 ~~operations, \$90,200.00 for performance funding, and \$6,000.00 for costs incurred under the~~
26 ~~North American Indian tuition waiver.~~ **\$6,683,900.00, \$6,408,200.00 for operations,**
27 **\$256,300.00 for performance funding, and \$19,400.00 for costs incurred under the North**
28 **American Indian tuition wavier.**

29 (m) The appropriation for Lansing Community College is ~~\$36,215,600.00, \$35,689,200.00~~
30 ~~for operations, \$445,200.00 for performance funding, and \$81,200.00 for costs incurred~~
31 ~~under the North American Indian tuition waiver.~~ **\$37,449,400.00, \$36,134,400.00 for**
32 **operations, \$1,232,900.00 for performance funding, and \$82,100.00 for costs incurred under**

1 **the North American Indian tuition wavier.**

2 (n) The appropriation for Macomb Community College is ~~\$38,184,300.00, \$37,635,400.00~~
3 ~~for operations, \$525,200.00 for performance funding, and \$23,700.00 for costs incurred~~
4 ~~under the North American Indian tuition waiver.~~ **\$39,705,700.00, \$38,160,600.00 for**
5 **operations, \$1,454,200.00 for performance funding, and \$90,900.00 for costs incurred under**
6 **the North American Indian tuition wavier.**

7 (o) The appropriation for Mid Michigan Community College is ~~\$5,912,500.00,~~
8 ~~\$5,742,900.00 for operations, \$94,100.00 for performance funding, and \$75,500.00 for costs~~
9 ~~incurred under the North American Indian tuition waiver.~~ **\$6,178,000.00, \$5,837,000.00 for**
10 **operations, \$258,500.00 for performance funding, and \$82,500.00 for costs incurred under**
11 **the North American Indian tuition wavier.**

12 (p) The appropriation for Monroe County Community College is ~~\$5,370,300.00,~~
13 ~~\$5,284,700.00 for operations, \$83,800.00 for performance funding, and \$1,800.00 for costs~~
14 ~~incurred under the North American Indian tuition waiver.~~ **\$5,644,300.00, \$5,368,500.00 for**
15 **operations, \$275,400.00 for performance funding, and \$400.00 for costs incurred under the**
16 **North American Indian tuition wavier.**

17 (q) The appropriation for Montcalm Community College is ~~\$4,035,200.00, \$3,957,200.00~~
18 ~~for operations, \$76,100.00 for performance funding, and \$1,900.00 for costs incurred under~~
19 ~~the North American Indian tuition waiver.~~ **\$4,198,100.00, \$4,033,300.00 for operations,**
20 **\$163,100.00 for performance funding, and \$1,700.00 for costs incurred under the North**
21 **American Indian tuition wavier.**

22 (r) The appropriation for C.S. Mott Community College is ~~\$18,023,600.00,~~
23 ~~\$17,791,700.00 for operations, \$226,100.00 for performance funding, and \$5,800.00 for costs~~
24 ~~incurred under the North American Indian tuition waiver.~~ **\$18,683,700.00, \$18,017,800.00 for**
25 **operations, \$655,600.00 for performance funding, and \$10,300.00 for costs incurred under**
26 **the North American Indian tuition wavier.**

27 (s) The appropriation for Muskegon Community College is ~~\$10,381,200.00,~~
28 ~~\$10,210,900.00 for operations, \$149,000.00 for performance funding, and \$21,300.00 for~~
29 ~~costs incurred under the North American Indian tuition waiver.~~ **\$10,801,500.00,**
30 **\$10,359,900.00 for operations, \$398,100.00 for performance funding, and \$43,500.00 for**
31 **costs incurred under the North American Indian tuition wavier.**

32 (t) The appropriation for North Central Michigan College is ~~\$4,110,200.00,~~

1 ~~\$3,868,800.00 for operations, \$78,900.00 for performance funding, and \$162,500.00 for costs~~
2 ~~incurred under the North American Indian tuition waiver. \$4,302,500.00, \$3,947,700.00 for~~
3 ~~operations, \$192,400.00 for performance funding, and \$162,400.00 for costs incurred under~~
4 ~~the North American Indian tuition wavier.~~

5 (u) The appropriation for Northwestern Michigan College is ~~\$10,816,600.00,~~
6 ~~\$10,473,300.00 for operations, \$146,500.00 for performance funding, and \$196,800.00 for~~
7 ~~costs incurred under the North American Indian tuition waiver. \$11,260,400.00,~~
8 ~~\$10,619,800.00 for operations, \$385,900.00 for performance funding, and \$254,700.00 for~~
9 ~~costs incurred under the North American Indian tuition wavier.~~

10 (v) The appropriation for Oakland Community College is ~~\$25,163,800.00, \$24,733,600.00~~
11 ~~for operations, \$396,400.00 for performance funding, and \$33,800.00 for costs incurred~~
12 ~~under the North American Indian tuition waiver. \$26,257,000.00, \$25,130,000.00 for~~
13 ~~operations, \$1,088,600.00 for performance funding, and \$38,400.00 for costs incurred under~~
14 ~~the North American Indian tuition wavier.~~

15 (w) The appropriation for Schoolcraft College is ~~\$14,993,000.00, \$14,711,800.00 for~~
16 ~~operations, \$260,200.00 for performance funding, and \$21,000.00 for costs incurred under~~
17 ~~the North American Indian tuition waiver. \$15,668,200.00, \$14,972,000.00 for operations,~~
18 ~~\$670,900.00 for performance funding, and \$25,300.00 for costs incurred under the North~~
19 ~~American Indian tuition wavier.~~

20 (x) The appropriation for Southwestern Michigan College is ~~\$7,816,100.00,~~
21 ~~\$7,682,800.00 for operations, \$103,800.00 for performance funding, and \$29,500.00 for costs~~
22 ~~incurred under the North American Indian tuition waiver. \$8,086,300.00, \$7,786,600.00 for~~
23 ~~operations, \$280,600.00 for performance funding, and \$19,100.00 for costs incurred under~~
24 ~~the North American Indian tuition wavier.~~

25 (y) The appropriation for St. Clair County Community College is ~~\$8,366,100.00,~~
26 ~~\$8,210,400.00 for operations, \$131,600.00 for performance funding, and \$24,100.00 for costs~~
27 ~~incurred under the North American Indian tuition waiver. \$8,699,500.00, \$8,342,000.00 for~~
28 ~~operations, \$344,200.00 for performance funding, and \$13,300.00 for costs incurred under~~
29 ~~the North American Indian tuition wavier.~~

30 (z) The appropriation for Washtenaw Community College is ~~\$16,281,900.00,~~
31 ~~\$15,925,500.00 for operations, \$331,800.00 for performance funding, and \$24,600.00 for~~
32 ~~costs incurred under the North American Indian tuition waiver. \$17,162,800.00,~~

1 **\$16,257,300.00 for operations, \$886,500.00 for performance funding, and \$19,000.00 for**
2 **costs incurred under the North American Indian tuition wavier.**

3 (aa) The appropriation for Wayne County Community College is ~~\$19,464,700.00,~~
4 ~~\$19,193,300.00 for operations, \$267,000.00 for performance funding, and \$4,400.00 for costs~~
5 ~~incurred under the North American Indian tuition waiver.~~ **\$20,264,000.00, \$19,460,300.00 for**
6 **operations, \$801,200.00 for performance funding, and \$2,500.00 for costs incurred under the**
7 **North American Indian tuition wavier.**

8 (bb) The appropriation for West Shore Community College is ~~\$2,908,700.00,~~
9 ~~\$2,851,200.00 for operations, \$45,500.00 for performance funding, and \$12,000.00 for costs~~
10 ~~incurred under the North American Indian tuition waiver.~~ **\$3,027,700.00, \$2,896,700.00 for**
11 **operations, \$113,400.00 for performance funding, and \$17,600.00 for costs incurred under**
12 **the North American Indian tuition wavier.**

13 (3) The amount appropriated in subsection (2) for community college operations is
14 ~~\$363,363,500.00~~ **\$378,200,600.00** and is appropriated from the state school aid fund.

15 (4) From the appropriations described in subsection (1), both of the following apply:

16 (a) Subject to section 207a, the amount appropriated for fiscal year ~~2024-2025-2025-~~
17 **2026** to offset certain fiscal year ~~2024-2025-2025-2026~~ retirement contributions is
18 \$7,189,000.00, appropriated from the state school aid fund.

19 (b) For fiscal year ~~2024-2025,~~ **2025-2026**, there is allocated an amount not to exceed
20 ~~\$21,800,000.00~~ **\$19,600,000.00** for payments to participating community colleges,
21 appropriated from the state school aid fund. A community college that receives money under
22 this subdivision shall use that money solely for the purpose of offsetting the normal cost
23 contribution rate.

24 (5) From the appropriations described in subsection (1), subject to section 207b, the
25 amount appropriated for payments to community colleges that are participating entities of
26 the retirement system is ~~\$62,100,000.00,~~ **\$89,500,000.00** appropriated from the state school
27 aid fund.

28 (6) From the appropriations described in subsection (1), subject to section 207c, the
29 amount appropriated for renaissance zone tax reimbursements is \$2,200,000.00, appropriated
30 from the state school aid fund. Each community college receiving funds in this subsection
31 shall accrue these payments to its institutional fiscal year ending June 30, ~~2025-~~ **2026.**

32 ~~(7) For fiscal year 2024-2025 only, from the appropriations described in subsection~~

1 ~~(1), the amount appropriated for career and education navigators for adult learners is~~
2 ~~\$1,150,000.00, appropriated from the state school aid fund. Community colleges, partnering~~
3 ~~with 1 or more county governments, where practicable, may apply for grant funding through~~
4 ~~the department of lifelong education, advancement, and potential to supplement or create~~
5 ~~navigation efforts of adult learners. The department shall issue a report including, but~~
6 ~~not limited to, the number of grants awarded, a list of community colleges awarded grants~~
7 ~~and the amounts, and the amount of unexpended funds remaining at the end of the fiscal~~
8 ~~year. The report must be issued to the house and senate appropriations subcommittees on~~
9 ~~community colleges, the house and senate fiscal agencies, and the state budget director by~~
10 ~~September 30, 2025.~~

11 ~~(8) For fiscal year 2024-2025 only, from the appropriations described in subsection~~
12 ~~(1), \$500,000.00 is appropriated from state general fund/general purpose money to the~~
13 ~~Michigan Community Colleges Association to support a program intended to encourage high~~
14 ~~school students and young adults to pursue public-service-focused careers, including those~~
15 ~~in public safety, education, and health care.~~

16 ~~(9) For fiscal year 2024-2025 only, from the appropriations described in subsection~~
17 ~~(1), \$350,000.00 is appropriated from the state school aid fund to Kalamazoo Valley~~
18 ~~Community College for internet accessibility improvements.~~

19 Sec. 206. (1) Except for the funds appropriated in section 201(4)(b), the funds
20 appropriated in section 201 are appropriated for community colleges with fiscal years
21 ending June 30, ~~2025-2026~~ and must be paid out of the state treasury and distributed by the
22 state treasurer to the respective community colleges in 11 monthly installments on the
23 sixteenth of each month, or the next succeeding business day, beginning with October 16,
24 ~~2024-2025~~. Each community college shall accrue its July and August ~~2025-2026~~ payments to
25 its institutional fiscal year ending June 30, ~~2025-2026~~.

26 (2) The funds appropriated in section 201(4)(b) are appropriated for community
27 colleges with fiscal years ending June 30, ~~2025-2026~~ and must be distributed to the
28 respective community colleges in quarterly installments on the sixteenth of each November,
29 February, May, and August. Each community college shall accrue its August ~~2025-2026~~
30 payments to its institutional fiscal year ending June 30, ~~2025-2026~~.

31 Sec. 207a. The following apply to the allocation of the ~~fiscal year 2024-2025~~
32 appropriations described in section 201(4):

1 (a) A community college that receives money under section 201(4) shall use that money
2 solely for the purpose of offsetting a portion of the retirement contributions owed by the
3 college for that fiscal year.

4 (b) The amount allocated to each participating community college under section
5 201(4) (a) must be based on each college's percentage of the total covered payroll for all
6 community colleges that are participating colleges in the immediately preceding fiscal
7 year.

8 (c) The amount allocated to each participating community college under section
9 201(4) (b) must be based on each college's reported quarterly payroll for members for the
10 current fiscal year.

11 Sec. 207b. All of the following apply to the allocation ~~of the fiscal year 2024-2025~~
12 ~~appropriations of the appropriation~~ described in section 201(5) for payments to community
13 colleges that are participating entities of the retirement system:

14 (a) The amount of a payment under section 201(5) must be the difference between the
15 unfunded actuarial accrued liability contribution rate as calculated under section 41 of
16 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated
17 without taking into account the maximum employer rate of ~~20.96%~~ **15.21%** included in section
18 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
19 maximum employer rate of ~~20.96%~~ **15.21%** under section 41 of the public school employees
20 retirement act of 1979, 1980 PA 300, MCL 38.1341.

21 (b) The amount allocated to each community college under section 201(5) must be based
22 on each community college's percentage of the total covered payroll for all community
23 colleges that are participating colleges in the immediately preceding fiscal year. A
24 community college that receives funds under this subdivision shall use the funds solely for
25 the purpose of retirement contributions under section 201(5).

26 (c) Each participating college that receives funds under section 201(5) shall forward
27 an amount equal to the amount allocated under subdivision (b) to the retirement system in a
28 form and manner determined by the retirement system.

29 Sec. 207c. All of the following apply to the allocation of the appropriations
30 described in section 201(6) to community colleges described in section 12(3) of the
31 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

32 (a) The amount allocated to each community college under section 201(6) for fiscal

1 year ~~2024-2025~~**2025-2026** must be based on that community college's proportion of total
2 revenue lost by community colleges as a result of the exemption of property taxes levied in
3 ~~2024-2025~~ under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

4 (b) The appropriations described in section 201(6) must be made to each eligible
5 community college within 60 days after the department of treasury certifies to the state
6 budget director that it has received all necessary information to properly determine the
7 amounts payable to each eligible community college under section 12 of the Michigan
8 renaissance zone act, 1996 PA 376, MCL 125.2692.

9 Sec. 210. (1) Recognizing the critical importance of education in strengthening
10 Michigan's workforce, each community college ~~is encouraged to~~**must** explore ways of
11 increasing collaboration and cooperation with 4-year universities, particularly in the
12 areas related to training, instruction, and program articulation.

13 (2) Recognizing the central role of community colleges in responding to local
14 employment needs and challenges, community colleges ~~shall~~**must** develop and continue efforts
15 to collaborate with local employers and students to identify local employment needs and
16 strategies to meet them.

17 (3) Community colleges ~~are encouraged to~~**must** collaborate with each other on
18 innovations to identify and meet local employment needs.

19 (4) Community colleges ~~are encouraged to work~~**must collaborate** with universities to
20 develop equivalency standards of core college courses and identify equivalent courses
21 offered by postsecondary institutions.

22 Sec. 210b. By March 1 of each year, the Michigan Community College Association and
23 the Michigan Association of State Universities shall submit a report to the senate and
24 house appropriations subcommittees on community colleges, the senate and house fiscal
25 agencies, **the department of lifelong education, advancement and potential**, and the state
26 budget director on the activities and programs focused on improving transfer student
27 outcomes since March 1 of the previous year, including all of the following:

28 (a) The direct transferability of mathematics gateway courses between and among
29 community colleges and universities.

30 (b) The implementation of MiTransfer pathways.

31 (c) The progress on increasing participation in MiTransfer pathways among community
32 colleges and public universities.

1 (d) The implementation of the Michigan Transfer Network at mitransfer.org.

2 (e) A progress report on the implementation of the Michigan transfer agreement.

3 Sec. 210d. **(1)** Community colleges ~~are encouraged to~~ **must** work with public
4 universities in the state to implement statewide reverse transfer agreements to increase
5 the number of students that are awarded credentials of value upon completion of the
6 necessary credits. These statewide agreements shall enable students who have earned a
7 significant number of credits at a community college and transferred to a baccalaureate-
8 granting institution before completing a degree to transfer the credits earned at the
9 baccalaureate institution back to the community college in order to be awarded a credential
10 of value.

11 **(2) Each community college receiving appropriations under section 201 must consult**
12 **with the department of lifelong education, advancement, and potential at least once an**
13 **academic year on the policies and services their institutions implement regarding transfer**
14 **credits and transfer students. Each community college must do all of the following:**

15 **(a) Publicly publish transfer policies and resources for students on the**
16 **institution's website in an easily accessible manner and in admissions materials.**

17 **(b) Provide publicly available information on the Michigan Transfer Network,**
18 **applicable transfer pathways, and financial aid available to transfer students, at no cost**
19 **to the student.**

20 Sec. 217a. (1) Each community college that receives an appropriation in section 201
21 shall submit all of the following information in the form and manner specified by the
22 center:

23 (a) The Michigan community colleges verified data inventory data for the preceding
24 academic year to the center by the first business day of November of each year as specified
25 in section 217.

26 (b) Tuition and mandatory fees information as specified in section 217b.

27 (c) The longitudinal data set to the center as specified in section 219.

28 (d) The number and type of associate degrees, baccalaureate degrees, and other
29 certificates awarded as specified in section 219.

30 (e) The annual independent audit as specified in section 222.

31 (2) If the state budget director determines that a community college failed to submit
32 any of the information described in subsection (1) in the form and manner specified by the

1 center, the state treasurer may withhold the monthly **state operations** installments
2 described in section ~~206~~201 from that community college until those data are submitted. If
3 a community college does not submit any of the information described in subsection (1) by
4 the end of the fiscal year, the community college forfeits any withheld amount. The state
5 budget director shall notify the chairs of the house and senate appropriations
6 subcommittees on community colleges at least 10 days before withholding funds from any
7 community college.

8 (3) It is intended that accountability reporting for community colleges will be
9 streamlined through the center. The state budget director and the center shall work to
10 combine the reporting requirements outlined in this subsection with the existing Michigan
11 community colleges verified data inventory collection cycle. All of the following must be
12 reported to the house and senate fiscal agencies and the state budget director:

13 (a) Each community college's certification of its compliance with the requirements
14 described in subsections (4) and (5).

15 (b) The reporting and certification requirements of subsections (6) and (7) and
16 section 217b.

17 (4) No later than the first business day of November of each year, each community
18 college that receives an appropriation in section 201 shall make all of the information
19 described in subdivisions (a) to (g) available through a link on its website homepage,
20 subject to subdivision (h), as follows:

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

22 (b) A link to the most recent "Michigan Community College Data Inventory Report".

23 (c) General fund revenue and expenditure projections for the current fiscal year and
24 the next fiscal year.

25 (d) A listing of all debt service obligations, detailed by project, anticipated
26 payment of each project, and total outstanding debt for the current fiscal year.

27 (e) Links to all of the following for the community college:

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

29 (ii) Each health care benefits plan, including, but not limited to, medical, dental,
30 vision, disability, long-term care, or any other type of benefits that would constitute
31 health care services, offered to any bargaining unit or employee of the community college.

32 (iii) Audits and financial reports for the most recent fiscal year for which they are

1 available.

2 (iv) A copy of the board of trustees resolution regarding compliance with best
3 practices for the local strategic value component described in section 230(2).

4 (f) A map that includes the boundaries of the community college district.

5 (g) A prominent link to the financial aid website created under section 260.

6 (h) For statewide consistency and public visibility, community colleges shall use the
7 icon badge provided by the department of technology, management, and budget consistent with
8 the icon badge developed by the department of education for K-12 school districts. It must
9 appear on the front of each community college's homepage. The size of the icon may be
10 reduced to 150 x 150 pixels.

11 (5) No later than the first business day of November of each year, each community
12 college that receives an appropriation in section 201 shall develop, maintain, and update a
13 "campus safety information and resources" link, prominently displayed on the homepage of
14 its website, that links to a section of the community college's website containing, at a
15 minimum, all of the following information:

16 (a) Emergency contact numbers for police, fire, health, and other services.

17 (b) Hours, locations, telephone numbers, and email contacts for campus public safety
18 offices and title IX offices.

19 (c) A list of safety and security services provided by the community college,
20 including transportation, escort services, building surveillance, anonymous tip lines, and
21 other available security services.

22 (d) The community college's policies applicable to minors on community college
23 property.

24 (e) A directory of resources available at the community college or in the surrounding
25 community for students or employees who are survivors of sexual assault or sexual abuse.

26 (f) An electronic copy of "A Resource Handbook for Campus Sexual Assault Survivors,
27 Friends and Family", published in 2018.

28 (g) Campus security policies and crime statistics pursuant to the student right-to-
29 know and campus security act, Public Law 101-542, 104 Stat 2381. Information must include
30 all material prepared pursuant to the public information reporting requirements under the
31 crime awareness and campus security act of 1990, title II of the student right-to-know and
32 campus security act, Public Law 101-542, 104 Stat 2381.

1 (6) No later than the first business day of November of each year, each community
2 college that receives an appropriation in section 201 shall report to the house and senate
3 appropriations subcommittees on community colleges, the house and senate fiscal agencies,
4 and the state budget director its annual title IX report, also known as the student sexual
5 misconduct report, issued by the title IX coordinator, as required under the federal campus
6 SaVE act of 2013, Public Law 113-4, section 304, 127 Stat 54, 89-92 (2013).

7 (7) No later than the first business day of November of each year, each community
8 college that receives an appropriation in section 201 shall certify that the community
9 college complies with federal regulations under title IX, as required by the United States
10 Department of Education, including, but not limited to, the following:

11 (a) Use of medical experts that do not have an actual or apparent conflict of
12 interest.

13 (b) Issuance of title IX reports to complainants and respondents that are not
14 divergent.

15 (c) Notification of resources to each individual who reports having experienced
16 sexual assault by a member of the community college.

17 Sec. 217b. (1) Each community college that receives an appropriation in section 201
18 shall report to the center by the last business day of August of each year the tuition and
19 mandatory fees paid by a full-time in-district student and a full-time out-of-district
20 student as established by the community college governing board for the current academic
21 year. This report should also include the annual cost of tuition and fees based on a full-
22 time course load of 30 credits. This report must also specify the amount that tuition and
23 fees have increased for the community college from the prior academic year. Each community
24 college shall also report any revisions to the reported current academic year tuition and
25 mandatory fees adopted by the community college governing board to the center within 15
26 days of being adopted. The center shall provide this information and any revisions to the
27 house and senate fiscal agencies and the state budget director.

28 (2) Each community college that receives an appropriation in section 201 shall
29 certify to the state budget director by the last business day of August of each year that
30 its board will not adopt an increase in tuition and fee rates for in-district students for
31 the academic year that is greater than the tuition restraint described in this subsection.
32 For the academic year ~~2024-2025~~, **2025-2026** the tuition restraint level is equal to the

1 greater of 4.5% or ~~\$217.00.~~ **\$227.00** For the academic year ~~2025-2026,~~ **2026-2027** the tuition
2 restraint level is equal to the greater of ~~4.5% or \$227.00.~~ **5% or \$248.00.** It is intended
3 that in the next fiscal year, the tuition restraint rate will be adjusted only for the
4 subsequent academic year. As used in this subsection:

5 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all
6 in-district students at least once during their enrollment at a community college. A
7 community college increasing a fee that applies to a specific subset of students or courses
8 shall provide sufficient information to prove that the increase applied to that subset will
9 not cause the increase in the average amount of board-authorized total tuition and fees
10 paid by in-district students in the ~~2024-2025~~ academic year to exceed the limit established
11 in this section.

12 (b) "Tuition and fee rate" means the average of full-time rates paid by a majority of
13 students in each class, based on an unweighted average of the rates authorized by the
14 community college board and actually charged to students, deducting any uniformly rebated
15 or refunded amounts, for the 2 semesters with the highest levels of full-time equated in-
16 district enrollment during the academic year.

17 (3) Community colleges that exceed the tuition and fee rate cap described in
18 subsection (2) are not eligible to receive payments under section 201 for performance
19 funding ~~or payments under section 201f for 1-time performance funding payments~~ for fiscal
20 year ~~2024-2025.~~ ~~2025-2026.~~ **The state budget director shall implement uniform reporting**
21 **requirements to ensure that a community college receiving a payment under section 201 for**
22 **performance funding has satisfied the tuition restraint requirements of this section. The**
23 **state budget director has the sole authority to determine if a community college has met**
24 **the requirements of this section. Information reported by a community college to the state**
25 **budget director under this subsection must also be reported to the house and senate**
26 **appropriations subcommittees on community colleges, and the house and senate fiscal**
27 **agencies.**

28 (4) Notwithstanding any other provision of this act, the legislature may at any time
29 adjust appropriations for a community college that adopts an increase in tuition and fee
30 rates for in-district students that exceeds the rate cap established in subsection (2).

31 Sec. 222. Each community college shall have an annual audit of all income and
32 expenditures performed by an independent auditor and shall furnish the independent

1 auditor's management letter and an annual audited accounting of all general and current
2 funds income and expenditures including audits of college foundations to the center before
3 November 15 of each year. The center shall provide this information to members of the
4 senate and house appropriations subcommittees on community colleges, the senate and house
5 fiscal agencies, the auditor general, the department of labor and economic opportunity, the
6 department of lifelong education, advancement, and potential, and the state budget
7 director. If a community college fails to furnish the audit materials, the monthly state
8 ~~aid-operations~~ installments must be withheld from that college until the information is
9 submitted. All reporting must conform to the requirements set forth in the "2001 Manual for
10 Uniform Financial Reporting, Michigan Public Community Colleges". A community college shall
11 make the information the community college is required to provide under this section
12 available to the public on its website.

13 Sec. 229a. Included in the fiscal year ~~2024-2025-2025-2026~~ appropriations for the
14 department of technology, management, and budget are appropriations totaling ~~\$33,481,600.00~~
15 **\$38,032,600.00** to provide funding for the state share of costs for previously constructed
16 capital projects for community colleges. Those appropriations for state building authority
17 rent represent additional state general fund support for community colleges, and the
18 following is an estimate of the amount of that support to each community college:

- 19 (a) Alpena Community College, ~~\$858,200.00.~~ **\$855,000.00.**
- 20 (b) Bay de Noc Community College, ~~\$516,900.00.~~ **\$515,000.00.**
- 21 (c) Delta College, ~~\$2,696,900.00.~~ **\$2,881,100.00.**
- 22 (d) Glen Oaks Community College, ~~\$381,400.00.~~ **\$380,000.00.**
- 23 (e) Gogebic Community College, ~~\$56,200.00.~~ **\$56,000.00.**
- 24 (f) Grand Rapids Community College, ~~\$1,090,000.00.~~ **\$2,346,000.00.**
- 25 (g) Henry Ford College, ~~\$1,570,600.00.~~ **\$1,505,000.00.**
- 26 (h) Jackson College, ~~\$2,051,500.00.~~ **\$2,044,000.00.**
- 27 (i) Kalamazoo Valley Community College, ~~\$1,949,100.00.~~ **\$1,942,000.00.**
- 28 (j) Kellogg Community College, ~~\$681,500.00.~~ **\$679,000.00.**
- 29 (k) Kirtland Community College, ~~\$225,800.00.~~ **\$225,000.00.**
- 30 (l) Lake Michigan College, ~~\$969,600.00.~~ **\$966,000.00.**
- 31 (m) Lansing Community College, ~~\$759,800.00.~~ **\$757,000.00.**
- 32 (n) Macomb Community College, ~~\$2,847,000.00.~~ **\$4,682,200.00.**

- 1 (o) Mid Michigan Community College, ~~\$1,620,900.00.~~ **\$1,615,000.00.**
- 2 (p) Monroe County Community College, ~~\$1,545,700.00.~~ **\$1,540,000.00.**
- 3 (q) Montcalm Community College, ~~\$447,600.00.~~ **\$446,000.00.**
- 4 (r) C.S. Mott Community College, ~~\$2,110,700.00.~~ **\$3,103,000.00.**
- 5 (s) Muskegon Community College, ~~\$985,600.00.~~ **\$982,000.00.**
- 6 (t) North Central Michigan College, ~~\$648,400.00.~~ **\$646,000.00.**
- 7 (u) Northwestern Michigan College, ~~\$1,793,600.00.~~ **\$1,787,000.00.**
- 8 (v) Oakland Community College, \$0.00.
- 9 (w) Schoolcraft College, ~~\$2,240,200.00.~~ **\$2,232,000.00.**
- 10 (x) Southwestern Michigan College, ~~\$825,500.00.~~ **\$822,500.00.**
- 11 (y) St. Clair County Community College, ~~\$720,600.00.~~ **\$718,000.00.**
- 12 (z) Washtenaw Community College, ~~\$1,682,300.00.~~ **\$1,676,000.00.**
- 13 (aa) Wayne County Community College, ~~\$1,467,500.00.~~ **\$1,895,800.00.**
- 14 (bb) West Shore Community College, ~~\$738,500.00.~~ **\$736,000.00.**

15 Sec. 230. (1) Subject to subsection (4), money included in the appropriations for
16 community college operations under section 201(2) for performance funding ~~and under section~~
17 ~~201f for 1-time performance funding payments~~ is distributed based on the following formula:

18 (a) Allocated proportionate to fiscal year ~~2023-2024-2024-2025~~ base appropriations,
19 30%.

20 (b) Based on a weighted student contact hour formula as provided for in the 2016
21 recommendations of the performance indicators task force, 30%.

22 (c) Based on the performance improvement as provided for in the 2016 recommendations
23 of the performance indicators task force and based on data provided by the center, 10%.

24 (d) Based on the performance completion number as provided for in the 2016
25 recommendations of the performance indicators task force, 10%.

26 (e) Based on the performance completion rate as provided for in the 2016
27 recommendations of the performance indicators task force and based on data provided by the
28 center, 10%.

29 (f) Based on administrative costs, 5%.

30 (g) Based on the local strategic value component, as developed in cooperation with
31 the Michigan Community College Association and described in subsection (2), 5%.

32 (2) Money included in the appropriations for community college operations under

1 section 201(2) for local strategic value is allocated only to each community college that
2 certifies to the state budget director, through a board of trustees resolution on or before
3 October 15, ~~2024~~, **2025**, that the college has met 4 out of 5 best practices listed in each
4 category described in subsection (3). The resolution must provide specifics as to how the
5 community college meets each best practice measure within each category. One-third of
6 funding available under the strategic value component is allocated to each category
7 described in subsection (3). Amounts distributed under local strategic value must be on a
8 proportionate basis to each college's fiscal year ~~2023-2024~~ **2024-2025** operations funding.
9 Payments to community colleges that qualify for local strategic value funding must be
10 distributed with the November installment payment described in section 206.

11 (3) For purposes of subsection (2), the following categories of best practices
12 reflect functional activities of community colleges that have strategic value to the local
13 communities and regional economies:

14 (a) For Category A, economic development and business or industry partnerships, the
15 following:

16 (i) The community college has active partnerships with local employers including
17 hospitals and health care providers.

18 (ii) The community college provides customized on-site training for area companies,
19 employees, or both.

20 (iii) The community college supports entrepreneurship through a small business
21 assistance center or other training or consulting activities targeted toward small
22 businesses.

23 (iv) The community college supports technological advancement through industry
24 partnerships, incubation activities, or operation of a Michigan technical education center
25 or other advanced technology center.

26 (v) The community college has active partnerships with local or regional workforce
27 and economic development agencies.

28 (b) For Category B, educational partnerships, the following:

29 (i) The community college has active partnerships with regional high schools,
30 intermediate school districts, and career-tech centers to provide instruction through dual
31 enrollment, concurrent enrollment, direct credit, middle college, or academy programs.

32 (ii) The community college hosts, sponsors, or participates in enrichment programs for

1 area K-12 students, such as college days, summer or after-school programming, or Science
2 Olympiad.

3 (iii) The community college provides, supports, or participates in programming to
4 promote successful transitions to college for traditional age students, including grant
5 programs such as talent search, upward bound, or other activities to promote college
6 readiness in area high schools and community centers.

7 (iv) The community college provides, supports, or participates in programming to
8 promote successful transitions to college for new or reentering adult students, such as
9 adult basic education, a high school equivalency test preparation program and testing, or
10 recruiting, advising, or orientation activities specific to adults. As used in this
11 subparagraph, "high school equivalency test preparation program" means that term as defined
12 in section 4.

13 (v) The community college has active partnerships with regional 4-year colleges and
14 universities to promote successful transfer, such as articulation, 2+2, or reverse transfer
15 agreements or operation of a university center.

16 (c) For Category C, community services, the following:

17 (i) The community college provides continuing education programming for leisure,
18 wellness, personal enrichment, or professional development.

19 (ii) The community college operates or sponsors opportunities for community members to
20 engage in activities that promote leisure, wellness, cultural or personal enrichment such
21 as community sports teams, theater or musical ensembles, or artist guilds.

22 (iii) The community college operates public facilities to promote cultural,
23 educational, or personal enrichment for community members, such as libraries, computer
24 labs, performing arts centers, museums, art galleries, or television or radio stations.

25 (iv) The community college operates public facilities to promote leisure or wellness
26 activities for community members, including gymnasiums, athletic fields, tennis courts,
27 fitness centers, hiking or biking trails, or natural areas.

28 (v) The community college promotes, sponsors, or hosts community service activities
29 for students, staff, or community members.

30 (4) Payments for performance funding under section 201(2) ~~and for 1-time performance~~
31 ~~funding payments under section 201f~~ must be made to a community college only if that
32 community college actively participates in the Michigan Transfer Network sponsored by the

1 Michigan Association of Collegiate Registrars and Admissions Officers and submits timely
2 updates, including updated course equivalencies at least every 6 months, to the Michigan
3 Transfer Network. The state budget director shall determine if a community college has not
4 satisfied this requirement. The state budget director may withhold payments for performance
5 funding ~~and 1-time performance funding~~ until a community college is in compliance with this
6 subsection.

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ARTICLE III

STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2025~~, **2026**, from the funds indicated in this section. The following is a summary of the appropriations in this section and ~~sections 236d and~~ **section** 236j:

(a) The gross appropriation is ~~\$2,324,292,600.00~~. **\$2,378,853,300.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$2,324,292,600.00~~. **\$2,378,853,300.00**.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$3,200,000.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$461,668,300.00~~. **\$550,768,300.00**.

(v) State general fund/general purpose money, ~~\$1,859,424,300.00~~. **\$1,824,885,000.00**.

(c) The totals and subtotals reflected in subdivisions (a) and (b) do not include amounts appropriated under subsection (7) (f) or (8) (b) to avoid duplicating totals of

1 amounts appropriated in this section and section 236j.

2 (2) Amounts appropriated for public universities are as follows:

3 (a) The appropriation for Central Michigan University is ~~\$96,833,700.00,~~
4 ~~\$93,819,600.00 for operations, \$1,407,300.00 for operations increase, and \$1,606,800.00 for~~
5 ~~costs incurred under the North American Indian tuition waiver.~~ **\$100,753,900.00,**
6 **\$95,226,900.00 for operations, \$3,846,600.00 for operations increase, and \$1,680,400.00 for**
7 **costs incurred under the North American Indian tuition wavier.**

8 (b) The appropriation for Eastern Michigan University is ~~\$84,381,000.00,~~
9 ~~\$82,738,700.00 for operations, \$1,241,100.00 for operations increase, and \$401,200.00 for~~
10 ~~costs incurred under the North American Indian tuition waiver.~~ **\$87,785,000.00,**
11 **\$83,979,800.00 for operations, \$3,392,300.00 for operations increase, and \$412,900.00 for**
12 **costs incurred under the North American Indian tuition wavier.**

13 (c) The appropriation for Ferris State University is ~~\$60,548,400.00, \$58,932,300.00~~
14 ~~for operations, \$884,000.00 for operations increase, and \$732,100.00 for costs incurred~~
15 ~~under the North American Indian tuition waiver.~~ **\$63,030,800.00, \$59,816,300.00 for**
16 **operations, \$2,416,200.00 for operations increase, and \$798,300.00 for costs incurred under**
17 **the North American Indian tuition wavier.**

18 (d) The appropriation for Grand Valley State University is ~~\$98,876,100.00,~~
19 ~~\$96,111,200.00 for operations, \$1,441,700.00 for operations increase, and \$1,323,200.00 for~~
20 ~~costs incurred under the North American Indian tuition waiver.~~ **\$102,712,600.00,**
21 **\$97,552,900.00 for operations, \$3,940,600.00 for operations increase, and \$1,219,100.00 for**
22 **costs incurred under the North American Indian tuition wavier.**

23 (e) The appropriation for Lake Superior State University is ~~\$15,838,800.00,~~
24 ~~\$14,251,800.00 for operations, \$213,800.00 for operations increase, and \$1,373,200.00 for~~
25 ~~costs incurred under the North American Indian tuition waiver.~~ **\$16,497,000.00,**
26 **\$14,465,600.00 for operations, \$584,300.00 for operations increase, and \$1,447,100.00 for**
27 **costs incurred under the North American Indian tuition wavier.**

28 (f) The appropriation for Michigan State University is ~~\$396,479,600.00,~~
29 ~~\$316,765,400.00 for operations, \$4,751,500.00 for operations increase, \$2,143,100.00 for~~
30 ~~costs incurred under the North American Indian tuition waiver, \$39,096,200.00 for MSU~~
31 ~~AgBioResearch, and \$33,723,400.00 for MSU Extension.~~ **\$412,774,200.00, \$321,516,900.00 for**
32 **operations, \$12,987,400.00 for operations increase, and \$2,508,800.00 for costs incurred**

1 under the North American Indian tuition wavier, \$40,675,500.00 for MSU AgBioResearch, and
2 \$35,085,600.00 for MSU Extension.

3 (g) The appropriation for Michigan Technological University is ~~\$55,245,300.00,~~
4 ~~\$53,658,800.00 for operations, \$804,900.00 for operations increase, and \$781,600.00 for~~
5 ~~costs incurred under the North American Indian tuition waiver.~~ \$57,395,600.00,
6 \$54,463,700.00 for operations, \$2,200,000.00 for operations increase, and \$731,900.00 for
7 costs incurred under the North American Indian tuition wavier.

8 (h) The appropriation for Northern Michigan University is ~~\$54,263,000.00,~~
9 ~~\$52,069,300.00 for operations, \$781,000.00 for operations increase, and \$1,412,700.00 for~~
10 ~~costs incurred under the North American Indian tuition waiver.~~ \$56,402,900.00,
11 \$52,850,300.00 for operations, \$2,134,800.00 for operations increase, and \$1,417,800.00 for
12 costs incurred under the North American Indian tuition wavier.

13 (i) The appropriation for Oakland University is ~~\$73,327,600.00, \$71,957,000.00 for~~
14 ~~operations, \$1,079,400.00 for operations increase, and \$291,200.00 for costs incurred under~~
15 ~~the North American Indian tuition waiver.~~ \$76,311,800.00, \$73,036,400.00 for operations,
16 \$2,950,200.00 for operations increase, and \$325,200.00 for costs incurred under the North
17 American Indian tuition wavier.

18 (j) The appropriation for Saginaw Valley State University is ~~\$34,394,500.00,~~
19 ~~\$33,690,600.00 for operations, \$505,400.00 for operations increase, and \$198,500.00 for~~
20 ~~costs incurred under the North American Indian tuition waiver.~~ \$35,760,300.00,
21 \$34,196,000.00 for operations, \$1,381,300.00 for operations increase, and \$183,000.00 for
22 costs incurred under the North American Indian tuition wavier.

23 (k) The appropriation for University of Michigan - Ann Arbor is ~~\$362,128,600.00,~~
24 ~~\$355,278,300.00 for operations, \$5,329,000.00 for operations increase, and \$1,521,300.00~~
25 ~~for costs incurred under the North American Indian tuition waiver.~~ \$377,074,300.00,
26 \$360,607,300.00 for operations, \$14,566,400.00 for operations increase, and \$1,900,600.00
27 for costs incurred under the North American Indian tuition wavier.

28 (l) The appropriation for University of Michigan - Dearborn is ~~\$31,722,500.00,~~
29 ~~\$31,048,000.00 for operations, \$465,700.00 for operations increase, and \$208,800.00 for~~
30 ~~costs incurred under the North American Indian tuition waiver.~~ \$32,981,000.00,
31 \$31,513,700.00 for operations, \$1,273,000.00 for operations increase, and \$194,300.00 for
32 costs incurred under the North American Indian tuition wavier.

1 (m) The appropriation for University of Michigan - Flint is ~~\$26,695,600.00,~~
2 ~~\$26,013,500.00 for operations, \$390,200.00 for operations increase, and \$291,900.00 for~~
3 ~~costs incurred under the North American Indian tuition waiver.~~ **\$27,951,200.00,**
4 **\$26,403,700.00 for operations, \$1,066,600.00 for operations increase, and \$480,900.00 for**
5 **costs incurred under the North American Indian tuition wavier.**

6 (n) The appropriation for Wayne State University is ~~\$227,735,900.00, \$223,950,900.00~~
7 ~~for operations, \$3,359,300.00 for operations increase, and \$425,700.00 for costs incurred~~
8 ~~under the North American Indian tuition waiver.~~ **\$236,969,300.00, \$227,310,200.00 for**
9 **operations, \$9,182,000.00 for operations increase, and \$477,100.00 for costs incurred under**
10 **the North American Indian tuition wavier.**

11 (o) The appropriation for Western Michigan University is ~~\$121,845,400.00,~~
12 ~~\$119,440,200.00 for operations, \$1,791,600.00 for operations increase, and \$613,600.00 for~~
13 ~~costs incurred under the North American Indian tuition waiver.~~ **\$126,886,200.00,**
14 **\$121,231,800.00 for operations, \$4,897,000.00 for operations increase, and \$757,400.00 for**
15 **costs incurred under the North American Indian tuition wavier.**

16 (3) The amount appropriated in subsection (2) for public universities is
17 ~~\$1,740,316,000.00,~~ **\$1,811,286,100.00,** appropriated from the following:

18 (a) State school aid fund, ~~\$443,168,300.00.~~ **\$543,168,300.00.**

19 (b) State general fund/general purpose money, ~~\$1,297,147,700.00.~~ **\$1,268,117,800.00.**

20 (4) The amount appropriated for Michigan public school employees' retirement system
21 reimbursement is \$0.00.

22 (5) The amount appropriated for state and regional programs is ~~\$316,800.00,~~
23 **\$322,100.00** appropriated from general fund/general purpose money and allocated as follows:

24 (a) Higher education database modernization and conversion, \$200,000.00.

25 (b) Midwestern Higher Education Compact, ~~\$116,800.00.~~ **\$122,100.00**

26 (6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa
27 Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and
28 allocated as follows:

29 (a) Select student support services, \$1,956,100.00.

30 (b) Michigan college/university partnership program, \$586,800.00.

31 (c) Morris Hood, Jr. educator development program, \$148,600.00.

32 (7) Subject to subsection (8), the amount appropriated for grants and financial aid

1 is ~~\$542,453,600.00~~, **\$556,953,600.00**, allocated as follows:

2 (a) State competitive scholarships, ~~\$19,930,900.00~~, **\$10,930,900.00**.

3 (b) Tuition grants, ~~\$41,522,700.00~~, **\$16,522,700.00**.

4 (c) Tuition incentive program, ~~\$93,800,000.00~~, **\$122,300,000.00**.

5 (d) Children of veterans and officer's survivor tuition grant programs,
6 \$2,000,000.00.

7 (e) Project GEAR-UP, \$3,200,000.00.

8 (f) Michigan achievement scholarships, ~~\$330,000,000.00~~, **\$350,000,000.00**. From this
9 amount, up to \$10,000,000.00 may be used to award **the Michigan achievement** skills
10 scholarships under section 248a.

11 (g) Michigan reconnect, \$52,000,000.00.

12 (8) The money appropriated in subsection (7) for grants and financial aid is
13 appropriated from the following:

14 (a) Federal revenues under the United States Department of Education, Office of
15 Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

16 (b) Postsecondary scholarship fund, ~~\$330,000,000.00~~, **\$350,000,000.00**.

17 (c) State general fund/general purpose money, ~~\$209,253,600.00~~, **\$203,753,600.00**.

18 (d) At the close of the fiscal year, state general fund/general purpose money
19 appropriated in subsection (7) for grants and scholarships that is unspent must be
20 deposited into the postsecondary scholarship fund created in section 236j.

21 (9) For fiscal year ~~2024-2025~~ **2025-2026** only, in addition to the allocation under
22 subsection (4), from the appropriations described in subsection (1), there is allocated an
23 amount not to exceed ~~\$8,500,000.00~~ **\$7,600,000.00** for payments to participating public
24 universities, appropriated from the state school aid fund. A public university that
25 receives money under this subsection shall use that money solely for the purpose of
26 offsetting the normal cost contribution rate. As used in this subsection, "participating
27 public universities" means public universities that are a reporting unit of the Michigan
28 public school employees' retirement system under the public school employees retirement act
29 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that pay contributions to the Michigan
30 public school employees' retirement system for the state fiscal year.

31 ~~(10) For fiscal year 2024-2025 only, from the appropriation described in subsection~~
32 ~~(1), \$1,000,000.00 is appropriated from the state general fund/general purpose money for~~

1 Michigan Transfer Pathways. The department of lifelong education, advancement, and
2 potential shall use funds appropriated under this subsection to work with the Michigan
3 Transfer Network, community colleges, public universities, and other institutions of higher
4 education in this state to facilitate the transfer of students and acceptance of credits
5 among these institutions. The department may hire limited time FTEs or external consultants
6 with the funds. The funds allocated under this subsection for fiscal year 2024-2025 are a
7 work project appropriation, and any unexpended funds remaining at the end of fiscal year
8 2024-2025 are carried forward into fiscal year 2025-2026, and any unexpended funds
9 remaining at the end of fiscal year 2025-2026 are carried forward into fiscal year 2026-
10 2027. The purpose of the work project is to support transfer pathways at postsecondary
11 institutions in this state. The estimated completion date of the work project is September
12 30, 2027.

13 ~~(11) For fiscal year 2024-2025 only, from the appropriation described in subsection~~
14 ~~(1), \$980,000.00 is appropriated from the state general fund/general purpose money for the~~
15 ~~FAFSA completion incentive. The department of lifelong education, advancement, and~~
16 ~~potential shall use funds appropriated under this subsection to run a promotional activity~~
17 ~~to promote completing the Free Application for Federal Student Aid (FAFSA) for the first~~
18 ~~time consistent with the promotional-activity exception provided for in section 372(2) of~~
19 ~~the Michigan penal code, 1931 PA 328, MCL 750.372. The promotional activity must offer~~
20 ~~prize funds that are available to a number, chosen by the department, of randomly selected~~
21 ~~Michigan residents who satisfactorily demonstrate to the department that they have~~
22 ~~completed the FAFSA for the first time.~~

23 ~~(12) For fiscal year 2024-2025 only, from the appropriation described in subsection~~
24 ~~(1), \$750,000.00 is appropriated from state general fund/general purpose money to Western~~
25 ~~Michigan University to support the Project Clean program.~~

26 ~~(13) For fiscal year 2024-2025 only, from the appropriation described in subsection~~
27 ~~(1), \$70,000.00 is appropriated from state general fund/general purpose money to a city~~
28 ~~with a population between 70,000 and 80,000 in a county with a population between 225,000~~
29 ~~and 275,000 according to the most recent federal decennial census for investments to~~
30 ~~improve safety on the campus of a public university based in that city.~~

31 ~~(14) For fiscal year 2024-2025 only, subject to section 236r, from the appropriation~~
32 ~~described in subsection (1), \$200,000.00 is appropriated from state general fund/general~~

1 ~~purpose money for an education performance study.~~

2 ~~(15) All of the following apply for fiscal year 2024-2025 only:~~

3 ~~(a) In addition to the allocations under subsections (4) and (9), there is allocated~~
4 ~~an amount not to exceed \$10,000,000.00 for payments to participating public universities,~~
5 ~~appropriated from the state school aid fund. A public university that receives money under~~
6 ~~this subsection shall use that money solely for the purpose of payments toward the pension~~
7 ~~and other postemployment benefit unfunded actuarial accrued liabilities associated with~~
8 ~~members and pension recipients of those participating public universities.~~

9 ~~(b) The amount allocated in subdivision (a) must be allocated to each participating~~
10 ~~public university based on each participating public university's percentage of the total~~
11 ~~combined payrolls of the universities' employees who are members of the retirement system~~
12 ~~and who were hired before January 1, 1996 and the universities' employees who would have~~
13 ~~been members of the retirement system on or after January 1, 1996, but for the enactment of~~
14 ~~1995 PA 272 for all public universities that are participating public universities for the~~
15 ~~immediately preceding state fiscal year.~~

16 ~~(c) Participating public universities receiving funds under this subsection shall~~
17 ~~forward an amount equal to the amount allocated under subdivision (a) to the retirement~~
18 ~~system in a form, manner, and time frame determined by the retirement system.~~

19 ~~(d) Amounts allocated in subdivision (a) must be paid to participating public~~
20 ~~universities in 1 lump-sum installment no later than October 31, 2024.~~

21 ~~(e) As used in this subsection, "participating public universities" means public~~
22 ~~universities that are reporting units of the Michigan public school employees' retirement~~
23 ~~system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301~~
24 ~~to 38.1437, and that pay contributions to the Michigan public school employees' retirement~~
25 ~~system for the state fiscal year.~~

26 Sec. 236c. In addition to the funds appropriated for fiscal year ~~2024-2025-2025-2026~~
27 in section 236, appropriations to the department of technology, management, and budget in
28 the act providing general appropriations for fiscal year ~~2024-2025-2025-2026~~ for state
29 building authority rent, totaling an estimated \$140,195,300.00, ~~\$142,153,900.00~~, provide
30 funding for the state share of costs for previously constructed capital projects for state
31 universities. These appropriations for state building authority rent represent additional
32 state general fund support provided to public universities, and the following is an

1 estimate of the amount of that support to each public university:

2 (a) Central Michigan University, ~~\$12,927,300.00.~~ **\$12,914,000.00.**

3 (b) Eastern Michigan University, ~~\$6,028,200.00.~~ **\$6,022,000.00.**

4 (c) Ferris State University, ~~\$9,555,800.00.~~ **\$9,546,000.00.**

5 (d) Grand Valley State University, ~~\$8,622,800.00.~~ **\$8,614,000.00.**

6 (e) Lake Superior State University, ~~\$2,231,300.00.~~ **\$2,229,000.00.**

7 (f) Michigan State University, ~~\$16,615,000.00.~~ **\$16,598,000.00.**

8 (g) Michigan Technological University, ~~\$5,787,900.00.~~ **\$5,521,000.00.**

9 (h) Northern Michigan University, ~~\$8,917,700.00.~~ **\$9,735,900.00.**

10 (i) Oakland University, ~~\$11,256,500.00.~~ **\$11,245,000.00.**

11 (j) Saginaw Valley State University, ~~\$7,828,000.00.~~ **\$7,820,000.00.**

12 (k) University of Michigan - Ann Arbor, ~~\$12,280,600.00.~~ **\$14,068,000.00.**

13 (l) University of Michigan - Dearborn, ~~\$10,736,000.00.~~ **\$10,725,000.00.**

14 (m) University of Michigan - Flint, ~~\$6,063,200.00.~~ **\$6,057,000.00.**

15 (n) Wayne State University, ~~\$10,082,300.00.~~ **\$10,072,000.00.**

16 (o) Western Michigan University, ~~\$11,262,700.00.~~ **\$10,987,000.00.**

17 Sec. 236j. (1) The postsecondary scholarship fund is created in the department of
18 treasury for the purpose of providing scholarship awards to eligible students who attend
19 eligible postsecondary educational institutions in this state, as provided in subsection
20 (5).

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

25 (3) Money in the postsecondary scholarship fund at the close of the fiscal year must
26 remain in the postsecondary scholarship fund and not lapse to the general fund.

27 (4) The department of treasury shall be the administrator of the postsecondary
28 scholarship fund for auditing purposes.

29 (5) Money must be expended from the postsecondary scholarship fund only for the
30 purpose of providing Michigan achievement scholarship awards to eligible students who
31 attend eligible postsecondary educational institutions in this state and for other purposes
32 described in this section. ~~Not more than \$10,000,000.00 may be used by the department of~~

1 ~~lifelong education, advancement, and potential annually for the purposes of outreach and~~
2 ~~marketing programs as specified in section 248. From the funds appropriated in section~~
3 ~~236(7) for the Michigan achievement scholarship, the department may use up to~~
4 ~~\$10,000,000.00 annually for the purposes of outreach programs to raise awareness of the~~
5 ~~Michigan achievement scholarship and other state scholarship programs allocated in section~~
6 ~~236(7). The department shall ensure that state scholarships are well publicized and that~~
7 ~~high school students are provided information on the availability of financial aid. The~~
8 ~~department may receive and expend funds received from outside sources for scholarships,~~
9 ~~marketing, or other purposes related to Michigan state scholarships. The department shall~~
10 ~~provide the necessary funding and staff to fully operate the programs.~~

11 (6) For the fiscal year ending September 30, ~~2025, \$300,000,000.00~~ **2026,**
12 **\$350,000,000.00** of ongoing funding ~~and \$30,000,000.00 of 1-time funding~~ is deposited into
13 the postsecondary scholarship fund from the state general fund/general purpose money.

14 (7) It is the intent of the legislature that the postsecondary scholarship fund
15 serves as the primary funding source of the Michigan achievement scholarship. To ensure the
16 Michigan achievement scholarship provides ongoing supports for students, it is the intent
17 of the legislature to increase annual deposits into the postsecondary scholarship fund
18 until the fully implemented costs of the Michigan achievement scholarship are deposited
19 annually into the postsecondary scholarship fund.

20 (8) In addition to the appropriations in section 236, if the amount of general fund
21 allocated in section 236(7) **(a), (7) (b), (7) (c), (7) (d), and (7) (f)** ~~is~~ **are** not sufficient to
22 fully fund the awards under section 236(7) **(a), (7) (b), (7) (c), (7) (d), and (7) (f)** there is
23 appropriated from the postsecondary scholarship fund the amount necessary to fully fund
24 those awards. The state budget director shall provide written notification to the house and
25 senate appropriations subcommittee on higher education and the house and senate fiscal
26 agencies prior to any additional appropriation described in this subsection.

27 Sec. 241. Subject to sections 241a, 241b, 241c, ~~241e,~~ and 244, the funds appropriated
28 in ~~sections~~ **section** 236 ~~and 236d~~ to public universities must be paid out of the state
29 treasury and distributed by the state treasurer to the respective institutions in 11 equal
30 monthly installments on the sixteenth of each month, or the next succeeding business day,
31 beginning with October 16, ~~2024.~~ **2025.** Except for Wayne State University, each institution
32 shall accrue its July and August ~~2025~~ **2026** payments to its institutional fiscal year ending

1 June 30, ~~2025.~~—2026.

2 Sec. 241a. (1) All public universities shall submit higher education institutional
3 data inventory (HEIDI) data and associated financial aid program information requested by
4 and in a manner prescribed by the state budget director. For public universities with
5 fiscal years ending June 30, these data must be submitted to the state budget director by
6 October 15 of each fiscal year. Public universities with a fiscal year ending September 30
7 shall submit preliminary HEIDI data by November 15 and final data by December 15.

8 (2) It is intended that accountability reporting for public universities will be
9 streamlined through HEIDI. The state budget director and the center will work to combine
10 the reporting requirements outlined in this subsection with the existing HEIDI collection
11 cycle. All of the following must be reported to the house and senate fiscal agencies and
12 the state budget director:

13 (a) Each public university's certification of its compliance with the requirements
14 described in subsections (4) and (5).

15 (b) The reporting requirements described in sections 241b and 241c.

16 (3) If a public university fails to submit HEIDI data and associated financial aid
17 program information in accordance with the required reporting schedule, the state treasurer
18 may withhold the monthly **state operations** installments under section ~~241—236~~ to the public
19 university until those data are submitted. If a public university does not comply with all
20 of the requirements described in subsections (4) and (5) by the end of the fiscal year, the
21 public university forfeits the amount withheld. The state budget director shall notify the
22 chairs of the house and senate appropriations subcommittees on higher education at least 10
23 days before withholding funds from any public university.

24 (4) No later than October 15 each year, a public university shall maintain a public
25 transparency website available through a link on its website homepage. The website must
26 include all of the following concerning the public university:

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

28 (b) A summary of current expenditures for the most recent fiscal year for which they
29 are available, expressed as pie charts in the following 2 categories:

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

31 (A) Earnings and wages.

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

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

2 (C) Retirement benefit costs.

3 (D) All other personnel costs.

4 (ii) A chart of all current expenditures the public university reported as part of its
5 higher education institutional data inventory data under subsection (1), broken into the
6 same subcategories in which it reported those data.

7 (c) Links to all of the following for the public university:

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

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

12 (iii) Audits and financial reports for the most recent fiscal year for which they are
13 available.

14 (d) General fund revenue and expenditure projections for the current fiscal year and
15 the next fiscal year.

16 (e) A listing of all debt service obligations, detailed by project, anticipated
17 fiscal year payment for each project, and total outstanding debt for the current fiscal
18 year.

19 (f) The institution's policy regarding the transferability of core college courses
20 between community colleges and the public university.

21 (g) A listing of all community colleges that have entered into reverse transfer
22 agreements with the public university.

23 (h) A dashboard or report card demonstrating the public university's performance in
24 several "best practice" measures. The dashboard or report card must include at least all of
25 the following for the 3 most recent academic years for which the data are available:

26 (i) Enrollment.

27 (ii) Student retention rate.

28 (iii) Six-year graduation rates.

29 (iv) Number of Pell grant recipients and graduating Pell grant recipients.

30 (v) Geographic origination of students, categorized as in-state, out-of-state, and
31 international.

32 (vi) Faculty to student ratios and total public university employee to student

1 ratios.

2 (vii) Teaching load by faculty classification.

3 (viii) Graduation outcome rates, including employment and continuing education.

4 (i) An icon badge that provides statewide consistency and public visibility. For this
5 purpose, public universities shall use the icon badge provided by the department of
6 technology, management, and budget consistent with the icon badge developed by the
7 department of education for K-12 school districts. It must appear on the front of each
8 public university's homepage. The size of the icon may be reduced to 150 x 150 pixels. The
9 font size and style for this reporting must be consistent with other documents on each
10 public university's website.

11 (j) A collection and report of the number and percentage of all enrolled students who
12 complete the Free Application for Federal Student Aid, broken out by undergraduate and
13 graduate/professional classifications, reported to the center and posted on its website
14 under the budget transparency icon badge.

15 (5) No later than October 15 each year, a public university shall develop, maintain,
16 and update a "campus safety information and resources" link, prominently displayed on the
17 homepage of its website, to a section of its website containing, at a minimum, all of the
18 following information:

19 (a) Emergency contact numbers for police, fire, health, and other services.

20 (b) Hours, locations, telephone numbers, and email contacts for campus public safety
21 offices and title IX offices.

22 (c) A list of safety and security services provided by the public university,
23 including transportation, escort services, building surveillance, anonymous tip lines, and
24 other available security services.

25 (d) The public university's policies applicable to minors on university property.

26 (e) A directory of resources available at the public university or surrounding
27 community for students or employees who are survivors of sexual assault or sexual abuse.

28 (f) An electronic copy of "A Resource Handbook for Campus Sexual Assault Survivors,
29 Friends and Family", published in 2018.

30 (g) Campus security policies and crime statistics pursuant to the student right-to-
31 know and campus security act, Public Law 101-542, 104 Stat 2381. Information must include
32 all material prepared pursuant to the public information reporting requirements under the

1 crime awareness and campus security act of 1990, title II of the student right-to-know and
2 campus security act, Public Law 101-542, 104 Stat 2381.

3 Sec. 241c. (1) No later than the last business day of August each year, each public
4 university that receives an appropriation in section 236 shall submit the amount of tuition
5 and fees actually charged to a full-time resident undergraduate student for academic year
6 ~~2024-2025-2025-2026~~ as part of the public university's higher education institutional data
7 inventory (HEIDI) data. A public university shall report any revisions for any semester of
8 the reported academic year to HEIDI within 15 days of being adopted.

9 (2) Payments under section 236 for operations increase ~~and under section 236d~~ must be
10 made only to a public university that certifies to the state budget director by the last
11 business day of August each year that its board did not adopt an increase in tuition and
12 fee rates for resident undergraduate students after September 1, ~~2023-2024~~ for the ~~2023-~~
13 ~~2024-2024-2025~~ academic year and that its board will not adopt an increase in tuition and
14 fee rates for resident undergraduate students for the ~~2024-2025-2025-2026~~ academic year
15 that is greater than 4.5% or ~~\$703.00, \$735.00~~, whichever is greater. For the academic year
16 ~~2025-2026, 2026-2027~~, the tuition and fee restraint rate for resident undergraduate
17 students is an increase of not greater than ~~4.5% or \$735.00, 5% or \$814.00~~, whichever is
18 greater. It is the intent of the legislature that in the next fiscal year, the tuition and
19 fee restraint rate will be adjusted only for the subsequent academic year. As used in this
20 subsection:

21 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all
22 resident undergraduate students at least once during their enrollment at a public
23 university, as described in the higher education institutional data inventory (HEIDI) user
24 manual. A public university increasing a fee that applies to a specific subset of students
25 or courses shall provide sufficient information to prove that the increase applied to that
26 subset will not cause the increase in the average amount of board-authorized total tuition
27 and fees paid by resident undergraduate students in the ~~2024-2025~~ academic year to exceed
28 the limit established in this subsection.

29 (b) "Tuition and fee rate" means the average of full-time rates paid by a majority of
30 students in each undergraduate class, based on an unweighted average of the rates
31 authorized by the public university board and actually charged to students, deducting any
32 uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-

1 time equated resident undergraduate enrollment during the academic year, as described in
2 the higher education institutional data inventory (HEIDI) user manual.

3 (3) Each public university must certify to the state budget director by the last
4 business day of August each year that it complies with all of the following requirements:

5 (a) The public university participates in reverse transfer agreements described in
6 section 286 with at least 3 community colleges in this state.

7 (b) The public university does not and will not apply any of the following criteria
8 when determining whether credits earned outside the public university by a student count
9 toward a degree or certificate program offered by the public university:

10 (i) Whether the credits were earned in a dual enrollment program that counted the
11 credits toward high school graduation requirements.

12 (ii) Whether the credits were earned in a course that was delivered in a high school
13 classroom, community college classroom or campus, or another location.

14 (iii) Whether the credits were earned in a course that was delivered online, in
15 person, or hybrid.

16 (iv) Whether other students enrolled in the course in which the credits were earned
17 were enrolled in high school or counted the course toward high school graduation
18 requirements.

19 (c) The public university actively participates in and submits timely updates to the
20 Michigan Transfer Network created as part of the Michigan Association of Collegiate
21 Registrars and Admissions Officers transfer agreement.

22 **(d) The public university publicly publishes transfer policies and resources for**
23 **students on the institution's website in an easily accessible manner and in admissions**
24 **materials.**

25 **(e) The public university provides publicly available information on the Michigan**
26 **Transfer Network, applicable transfer pathways, and financial aid available to transfer**
27 **students, at no cost to the student.**

28 (4) The state budget director shall implement uniform reporting requirements to
29 ensure that a public university receiving a payment under section 236 for operations
30 increase ~~and under section 236d~~ has satisfied the tuition restraint requirements of this
31 section. The state budget director has the sole authority to determine if a public
32 university has met the requirements of this section. Information reported by a public

1 university to the state budget director under this subsection must also be reported to the
2 house and senate appropriations subcommittees on higher education and the house and senate
3 fiscal agencies.

4 Sec. 244. By October 15 of each year, a public university receiving funds in section
5 236 shall provide its longitudinal data system data set for the preceding academic year to
6 the center for inclusion in the statewide P-20 longitudinal data system described in
7 section 94a. If the state budget director finds that a university has not complied with
8 this section, the state budget director is authorized to withhold the monthly **operations**
9 installments provided to that university under section 241 until the state budget director
10 finds that the university has complied with this section.

11 Sec. 247. (1) The funds appropriated in section 236 for Michigan reconnect must be
12 distributed and administered by the department of lifelong education, advancement, and
13 potential pursuant to the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to
14 390.1709, the Michigan reconnect grant recipient act, 2020 PA 68, MCL 390.1711 to 390.1723,
15 and the department's administrative procedures for Michigan reconnect.

16 (2) ~~For fiscal year 2024-2025 only, after~~ **After** administering Michigan reconnect
17 pursuant to subsection (1), the department may use any remaining funds appropriated in
18 section 236 for Michigan reconnect for outreach, enrollment support, administration of the
19 program, and grants to institutions of higher education or nonprofit organizations to
20 provide support to reconnect eligible students to increase degree or credential completion.

21 Sec. 248. (1) The funds appropriated in section 236 for **the** Michigan achievement
22 scholarships must be distributed as provided in this section ~~and~~, section 248a, **the**
23 **Michigan achievement scholarship act, and the Michigan achievement skills scholarship act**
24 pursuant to the administrative procedures ~~for Michigan achievement scholarships~~ of the
25 department.

26 (2) As used in this section:

27 (a) "Cost of attendance" means ~~expenses for a student's tuition, mandatory fees, and~~
28 ~~contact hours for the student's actual program of study; books, supplies, and equipment~~
29 ~~required for courses of instruction; housing and food costs; transportation expenses;~~
30 ~~federal student loan fees; miscellaneous expenses, including a reasonable amount for the~~
31 ~~documented cost of a personal computer, allowance for child care, or allowance for other~~
32 ~~dependent care; costs related to a disability; costs of obtaining a license, certification,~~

1 ~~or first professional credential; and reasonable costs for study abroad programs.~~ **that term**
2 **as defined by the Michigan achievement scholarship act.**

3 (b) "Department" means the department of lifelong education, advancement, and
4 potential.

5 (c) "Eligible institution" means ~~a public university that receives an appropriation~~
6 ~~in section 236, a community college that receives an appropriation in section 201, a~~
7 ~~federally recognized tribal college in this state, or an independent nonprofit college or~~
8 ~~university in this state as described in section 1 of 1966 PA 313, MCL 390.991.~~ **that term**
9 **as defined by the Michigan achievement scholarship act.**

10 (d) "Gift aid" ~~includes federal Pell grants under 20 USC 1070a, tuition incentive~~
11 ~~program benefits under section 256, state tuition grants under section 252, awards received~~
12 ~~for minimum payments awarded in subsection (4), higher education expenses paid under the~~
13 ~~Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, and all other~~
14 ~~federal, state, local, or institutional aid in the form of grants, scholarships, or~~
15 ~~discounts applied toward tuition and mandatory fees. Gift aid does not include student~~
16 ~~loans, work-study awards, qualified withdrawals made from education savings accounts to pay~~
17 ~~higher education expenses pursuant to the Michigan education savings program act, 2000 PA~~
18 ~~161, MCL 390.1471 to 390.1486, or higher education expenses paid under the Michigan~~
19 ~~education trust program pursuant to the Michigan education trust act, 1986 PA 316, MCL~~
20 ~~390.1421 to 390.1442.~~ **means that term as defined by the Michigan achievement scholarship**
21 **act.**

22 ~~(e) "High school equivalency certificate" means that term as defined in section 4.~~

23 (e) ~~(f)~~ "Last-dollar payment amount" means ~~1 of the following:~~

24 ~~(i) For a student attending a community college or federally recognized tribal~~
25 ~~college, an amount equal to the student's tuition, mandatory fees, and contact hours for~~
26 ~~the student's actual program of study, minus all gift aid received by the student.~~

27 ~~(ii) For a student attending a public university or an independent nonprofit college~~
28 ~~or university, or for a student enrolled in a baccalaureate degree program described in~~
29 ~~section 121 of the community college act of 1966, 1966 PA 331, MCL 389.121, an amount equal~~
30 ~~to the student's individual cost of attendance, minus all gift aid received by the student.~~
31 **that term as defined by the Michigan achievement scholarship act.**

32 (f) ~~(g)~~ "Minimum payment" means a payment for any eligible cost within the student's

1 individual cost of attendance. The minimum payment must be awarded as a separate payment
2 not included in the student's need-based financial aid. The minimum payment must not be
3 reduced.

4 ~~(h) "SAI eligible student" means a student who has completed the Free Application for~~
5 ~~Federal Student Aid and meets at least 1 of the following:~~

6 ~~(i) For awards made during academic year 2023-2024, has an expected family~~
7 ~~contribution of \$25,000.00 or less. An individual is considered to have met the~~
8 ~~requirements of subsection (4) if the individual received the Michigan achievement~~
9 ~~scholarship in academic year 2023-2024, was determined to have an expected family~~
10 ~~contribution of \$25,000.00 or less in academic year 2023-2024, and has completed the Free~~
11 ~~Application for Federal Student Aid for the subsequent award cycles.~~

12 ~~(ii) For awards made during academic year 2024-2025 or a subsequent academic year, has~~
13 ~~completed the Free Application for Federal Student Aid and has a student aid index number~~
14 ~~of 1 of the following, as applicable:~~

15 ~~(A) For a student indicating on the student's Free Application for Federal Student~~
16 ~~Aid that the student is the only member of the student's household or the student's~~
17 ~~parents' household attending a postsecondary institution during that academic year,~~
18 ~~\$30,000.00 or less.~~

19 ~~(B) For a student indicating on the student's Free Application for Federal Student~~
20 ~~Aid that the student is not the only member of the student's household or the student's~~
21 ~~parents' household attending a postsecondary institution during that academic year, the~~
22 ~~greater of the number described in sub-subparagraph (A) or guidance determined by the~~
23 ~~department. For the purposes of this sub-subparagraph, the department, in collaboration~~
24 ~~with the state budget office and the house and senate fiscal agencies, may calculate a~~
25 ~~student aid index number or may issue administrative guidance for the student aid index~~
26 ~~eligibility of students with more than 1 member of the student's household or the student's~~
27 ~~parents' household attending a postsecondary institution during that academic year. It is~~
28 ~~intended that the utilization of a student aid index instead of expected family~~
29 ~~contribution does not adversely impact the eligibility of students with multiple members of~~
30 ~~the student's household or student's parents' household attending postsecondary~~
31 ~~institutions. It is further intended that the legislature and executive branch work~~
32 ~~collaboratively to use Michigan achievement scholarship uptake and other relevant data to~~

1 ~~establish a more permanent measure of financial need for the Michigan achievement~~
2 ~~scholarship for subsequent academic years.~~

3 ~~(3) An individual must meet all of the following criteria each year to be eligible~~
4 ~~for a Michigan achievement scholarship awarded under this section:~~

5 ~~(a) Maintain residency in this state, as determined for purposes of the Free~~
6 ~~Application for Federal Student Aid.~~

7 ~~(b) Have graduated from high school in this state with a diploma or certificate of~~
8 ~~completion or achieved a high school equivalency certificate in 2023 or after.~~

9 ~~(c) Be a full-time undergraduate student at an eligible institution, as defined by~~
10 ~~that eligible institution, and be a first-time enrollee in an eligible institution during~~
11 ~~the 2023-2024 academic year, or a subsequent academic year, within 15 months after high~~
12 ~~school graduation or attainment of a high school equivalency certificate or have received a~~
13 ~~Michigan achievement scholarship in a previous academic year. For the purposes of this~~
14 ~~subdivision, participation in a dual enrollment, early college, or other similar program~~
15 ~~while attending high school does not disqualify a student from being considered a first-~~
16 ~~time enrollee.~~

17 ~~(d) Maintain satisfactory academic progress, as defined by the eligible institution~~
18 ~~in which the student is enrolled.~~

19 ~~(e) Not be in default on a federal student loan.~~

20 ~~(f) Apply for all available gift aid for each academic year in which the individual~~
21 ~~applies for a Michigan achievement scholarship.~~

22 ~~(g) For a student who is enrolled at an eligible institution that is a public~~
23 ~~university or an independent nonprofit college or university, or who is enrolled in a~~
24 ~~baccalaureate degree program described in section 121 of the community college act of 1966,~~
25 ~~1966 PA 331, MCL 389.121, at an eligible institution, be an SAI eligible student.~~

26 ~~(3) (4)~~ The amount awarded to an eligible student at an eligible institution must
27 equal 1 of the following, as applicable:

28 (a) The amount awarded to an eligible student who is enrolled at an eligible
29 institution that is a community college or federally recognized tribal college ~~where the~~
30 ~~student is eligible for that institution's in-district tuition rate must be equal to the~~
31 ~~sum of the last-dollar payment amount. must be awarded pursuant to section 5 of the~~
32 **Michigan achievement scholarship act, as applicable.** The amount awarded to an eligible

1 student who is eligible for a federal Pell grant under 20 USC 1070a must include an
2 additional **payment** amount of \$1,000.00.

3 ~~(b) The amount awarded to an eligible student who is enrolled at an eligible
4 institution that is a community college or federally recognized tribal college where the
5 student is not eligible for that institution's in-district tuition rate must be the lesser
6 of the last-dollar payment amount, or the in-district tuition rate. The amount awarded to
7 an eligible student who is eligible for a federal Pell grant under 20 USC 1070a must
8 include an additional amount of \$1,000.00.~~

9 **(b)** ~~(e)~~ The amount awarded to an eligible student who is enrolled at an eligible
10 institution that is a public university or is enrolled in a baccalaureate degree program
11 described in section 121 of the community college act of 1966, 1966 PA 331, MCL 389.121, ~~at~~
12 ~~an eligible institution~~ must equal the sum of following:

13 (i) A minimum payment of \$2,500.00.

14 (ii) The lesser of \$3,000.00 or the student's last-dollar payment amount.

15 **(c)** ~~(d)~~ The amount awarded to an eligible student at an eligible institution that is
16 an independent nonprofit college or university must equal the sum of the following:

17 (i) A minimum payment of \$2,500.00.

18 (ii) The lesser of \$3,000.00 or the student's last-dollar payment amount.

19 **(d)** ~~(e)~~ Money awarded under this subsection for a Michigan achievement scholarship
20 must be paid to the eligible institution for credit to the student's account.

21 ~~(5) Subject to section 248a(3)(f)(i), an eligible student may receive a Michigan
22 achievement scholarship award under this section or section 248a for a maximum of 5
23 academic years, not more than 3 of which may be for attending eligible institutions that
24 are community colleges or federally recognized tribal colleges unless the student is
25 enrolled in a baccalaureate degree program described in section 121 of the community
26 college act of 1966, 1966 PA 331, MCL 389.121. A student may not receive an award under
27 this section and section 248a(3)(f)(i) during the same academic year.~~

28 ~~(6) The department shall work closely with participating institutions to provide the
29 highest level of participation and ensure that all requirements of the program are met.~~

30 ~~(7) From the funds appropriated in section 236(7) for the Michigan achievement
31 scholarships, the department may not use more than \$10,000,000.00 for the purposes of
32 outreach programs to raise awareness of the Michigan achievement scholarship described in~~

1 ~~this section and section 248a and shall ensure that Michigan achievement scholarships are~~
2 ~~well publicized and that high school students are provided information on the programs. The~~
3 ~~department may receive and expend funds received from outside sources for scholarships,~~
4 ~~marketing, or other purposes related to the Michigan achievement scholarship. The~~
5 ~~department shall provide the necessary funding and staff to fully operate the program.~~

6 ~~(8) The department shall convene a workgroup to consider and advise the department on~~
7 ~~implementing policies for administering the Michigan achievement scholarship. The workgroup~~
8 ~~shall include participation from the Michigan Association of State Universities and its~~
9 ~~institutional members, the Michigan College Access Network, the Michigan Community College~~
10 ~~Association and its institutional members, the Michigan Independent Colleges and~~
11 ~~Universities and its institutional members, and any other interested stakeholders and~~
12 ~~offices as determined by the department. The workgroup shall make recommendations on~~
13 ~~packaging order, packaging structure, definitions of terms not otherwise defined in~~
14 ~~statute, and other administrative regulatory requirements as necessary to implement the~~
15 ~~Michigan achievement scholarship.~~

16 ~~(9) The following reporting obligations apply to the Michigan achievement scholarship~~
17 ~~program:~~

18 ~~(a) By February 15 of each year, the department shall provide a written report,~~
19 ~~organized by eligible institution, to the house and senate appropriations subcommittees on~~
20 ~~higher education, the house and senate fiscal agencies, and the state budget director that~~
21 ~~includes the following information for the previous academic year:~~

22 ~~(i) The number of students who qualified for a Michigan achievement scholarship.~~

23 ~~(ii) The number of students who received a Michigan achievement scholarship.~~

24 ~~(iii) The average number of credits earned by students who received a Michigan~~
25 ~~achievement scholarship.~~

26 ~~(iv) The number of Michigan achievement scholarships that were canceled due to~~
27 ~~failure to maintain satisfactory academic progress as described in subsection (3)(d).~~

28 ~~(v) The number of Michigan achievement scholarships that were canceled due to a~~
29 ~~student ceasing attendance at an eligible institution. The number must not include any~~
30 ~~known transfers to another eligible institution.~~

31 ~~(vi) The number of Michigan achievement scholarships that were canceled due to a~~
32 ~~student's failure to maintain full-time status.~~

1 ~~(vii) The average Michigan achievement scholarship award per student, delineated by~~
2 ~~sector, including community colleges, tribal colleges, public universities, independent~~
3 ~~colleges and universities, and training institutions. As used in this subparagraph,~~
4 ~~"training institutions" means training institutions accepted to participate in the Michigan~~
5 ~~achievement scholarship program under section 248a.~~

6 ~~(b) Each eligible institution whose students receive awards under this section shall~~
7 ~~cooperate with the department in a timely manner to facilitate the creation of the report~~
8 ~~under subdivision (a).~~

9 ~~(10) By April 1 of each year, each eligible institution shall submit a report to the~~
10 ~~department, the state budget office, and the house and senate fiscal agencies providing~~
11 ~~information as to the average amount of institutional grant aid awarded to full-time first-~~
12 ~~time undergraduate students for the immediately preceding 2 institution fiscal years. If~~
13 ~~the average amount of institutional grant aid awarded to full-time first-time undergraduate~~
14 ~~students in fiscal year 2023-2024 is less than the average amount of institutional grant~~
15 ~~aid awarded to full-time first-time undergraduate students in fiscal year 2022-2023, the~~
16 ~~institution must include in the report a description of any changes to the institutional~~
17 ~~financial aid during the 2 immediately preceding fiscal years. An institution's report of~~
18 ~~the average amount of institutional grant aid awarded to full-time first-time undergraduate~~
19 ~~students pursuant to this subsection must be consistent with data most recently reported to~~
20 ~~the Integrated Postsecondary Education Data System.~~

21 ~~(11) For each fiscal year, an eligible institution must maintain and report its~~
22 ~~compliance with the following tuition restraint requirements, as applicable:~~

23 ~~(a) For an eligible institution that is a community college, the tuition restraint~~
24 ~~described in section 217b.~~

25 ~~(b) For an eligible institution that is a public university or independent nonprofit~~
26 ~~college or university, the tuition restraint described in section 241c.~~

27 ~~(12) The state budget director shall implement reporting requirements to ensure that~~
28 ~~an eligible institution has satisfied the tuition restraint requirements of this section.~~
29 ~~The state budget director has the sole authority to determine if an eligible institution~~
30 ~~has met the requirements of this section.~~

31 ~~(13) If an eligible institution exceeds the applicable tuition restraint level for 2~~
32 ~~consecutive years, the state budget director may consider the institution ineligible for~~

1 ~~funding under this section in the subsequent academic year.~~

2 ~~(14) If an institution is considered ineligible for funding under this section, the~~
3 ~~state budget director must reevaluate the status of the ineligible institution after 1~~
4 ~~academic year.~~

5 ~~(15) It is the intent of the legislature that an eligible institution will not make~~
6 ~~reductive changes to scholarship or financial aid programs offered by that eligible~~
7 ~~institution that have the goal or net effect of shifting the cost burden of those programs~~
8 ~~to the program described in this section.~~

9 Sec. 248a. (1) The funds appropriated in section 236 for **the** Michigan achievement
10 **skills** scholarships must be distributed as provided in this section ~~and~~, section 248, **the**
11 **Michigan achievement skills scholarship act, and the Michigan achievement scholarship act**
12 pursuant to the administrative procedures ~~for Michigan achievement scholarship private~~
13 ~~training program~~ of the department **of lifelong education, advancement and potential.**

14 (2) ~~As used in this section: A skills scholarship is a grant not to exceed \$2,000.00~~
15 **per year to contribute to tuition costs for a qualified occupational training program at a**
16 **training institution for a training program participant who meets the requirements defined**
17 **in the Michigan achievement skills scholarship act. A skills scholarship must not exceed the**
18 **full amount of the tuition charged for the training program. A program participant may**
19 **receive a skills scholarship under this section for a maximum of 2 academic years.**

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

22 ~~(b) "High school equivalency certificate" means that term as defined in section 4.~~

23 ~~(c) "Qualified occupational training program" means that term as defined in section~~
24 ~~13 of the Michigan reconnect grant recipient act, 2020 PA 68, MCL 390.1713, or a program~~
25 ~~that provides not less than 150 clock hours of instructional time over a period of not less~~
26 ~~than 8 weeks in career-oriented skilled trades instruction in maritime trades, at an~~
27 ~~independent nonprofit institution incorporated in this state that is nationally accredited~~
28 ~~and approved for federal financial aid.~~

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

30 ~~(a) Develop and implement a process by which those seeking to participate in the~~
31 ~~Michigan achievement scholarship private training program as training institutions offering~~
32 ~~qualified occupational training programs must apply to the department.~~

1 ~~(b) Approve as a qualified occupational training program a program for which an~~
2 ~~application is submitted under subdivision (a) that meets all of the criteria to qualify as~~
3 ~~a qualified occupational training program, and post these criteria to the department's~~
4 ~~website.~~

5 ~~(c) Ensure that an applicant under subdivision (a) is first included on this state's~~
6 ~~eligible training provider list before each of the applicant's programs receives separate~~
7 ~~approval from the department as being a qualified occupational training program.~~

8 ~~(d) Require that training institutions accepted to participate in the Michigan~~
9 ~~achievement scholarship private training program comply with data requests from the~~
10 ~~department as a condition of continued participation. For purposes of this subdivision, the~~
11 ~~department shall require institutions operating apprenticeship programs subject to this~~
12 ~~section to provide data that tracks relevant work experience required to verify a student's~~
13 ~~status as an apprentice.~~

14 ~~(e) Maintain on its website a list of all qualified occupational training program~~
15 ~~options available to potential skills scholarship recipients.~~

16 ~~(f) Award skills scholarships, subject to all of the following:~~

17 ~~(i) A skills scholarship is a grant not to exceed \$2,000.00 per year to contribute to~~
18 ~~tuition costs for a qualified occupational training program at a training institution, both~~
19 ~~of which are approved under this section, for a training program participant who meets the~~
20 ~~requirements of subparagraph (ii). A skills scholarship must not exceed the full amount of~~
21 ~~the tuition charged for the training program. A program participant may receive a skills~~
22 ~~scholarship under this section for a maximum of 2 academic years.~~

23 ~~(ii) To receive the skills scholarship described in subparagraph (i), a qualified~~
24 ~~occupational training program participant must meet all of the following:~~

25 ~~(A) Be a resident of this state for at least the immediately preceding year.~~

26 ~~(B) Have graduated from a high school in this state with a diploma or certificate of~~
27 ~~completion or achieved a high school equivalency certificate in 2023 or after.~~

28 ~~(C) Not have previously earned an associate or baccalaureate degree.~~

29 ~~(D) Not have previously earned a degree, certificate, or other credential using a~~
30 ~~skills scholarship awarded under this section.~~

31 ~~(E) Timely complete a Michigan achievement scholarship private training program~~
32 ~~skills scholarship application in a form and manner determined by the department.~~

1 ~~(iii) The department may award skills scholarships under this section only until money~~
2 ~~appropriated to the Michigan achievement scholarship private training program has been~~
3 ~~fully committed.~~

4 ~~(g) Inform each recipient of a skills scholarship that the recipient will remain~~
5 ~~eligible for the Michigan achievement scholarship under section 248 for a maximum of 5~~
6 ~~years, less any years of eligibility used for a skills scholarship awarded under this~~
7 ~~section, to pursue an associate degree, baccalaureate degree, or occupational certificate~~
8 ~~upon completion of a certification course of study in a qualified occupational training~~
9 ~~program.~~

10 ~~(4) Except as otherwise provided in subsection (5), the department shall promulgate~~
11 ~~rules to implement subsection (3) (a), (b), and (d) only, pursuant to the administrative~~
12 ~~procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, subject to all of the following:~~

13 ~~(a) Under subsection (3) (a), the department is limited to developing the form for the~~
14 ~~application described in subsection (3) (a) and prescribing the time and manner of its~~
15 ~~completion.~~

16 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2024-2025~~
17 **2025-2026** for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in
18 section 236 for MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN is
19 intended to address critical regulatory, food safety, economic, and environmental problems
20 faced by this state's plant-based agriculture, forestry, and processing industries.
21 "GREEN" is an acronym for Generating Research and Extension to Meet Environmental and
22 Economic Needs.

23 (2) The department of agriculture and rural development and Michigan State
24 University, in consultation with agricultural commodity groups and other interested
25 parties, shall develop Project GREEN and its program priorities.

26 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2024-2025~~
27 **2025-2026** for Michigan State University is \$80,000.00 for the Michigan Future Farmers of
28 America Association. This \$80,000.00 allocation must not supplant any existing support that
29 Michigan State University provides to the Michigan Future Farmers of America Association.

30 Sec. 268. (1) For the fiscal year ending September 30, ~~2025,~~**2026**, it is the intent
31 of the legislature that funds be allocated for unfunded North American Indian tuition
32 waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253,

1 from the general fund.

2 (2) By January 15 of each year, the department of lifelong education, advancement,
3 and potential shall annually submit to the state budget director, the house and senate
4 appropriations subcommittees on higher education, and the house and senate fiscal agencies
5 a report on North American Indian tuition waivers for the preceding academic year that
6 includes, but is not limited to, all of the following information:

7 (a) The number of waiver applications received and the number of waiver applications
8 approved.

9 (b) For each public university submitting information under subsection (3), all of
10 the following:

11 (i) The number of graduate and undergraduate North American Indian students enrolled
12 each term for the previous academic year.

13 (ii) The number of North American Indian waivers granted each term, including to
14 continuing education students, and the monetary value of the waivers for the previous
15 academic year.

16 (iii) The number of North American Indian students who receive a granted waiver for
17 the previous academic year.

18 (iv) The number of graduate and undergraduate students attending under a North
19 American Indian tuition waiver who withdrew from the public university each term during the
20 previous academic year. For purposes of this subparagraph, a withdrawal occurs when a
21 student who has been awarded the waiver withdraws from the institution at any point during
22 the term, regardless of enrollment in subsequent terms.

23 (v) The number of graduate and undergraduate students attending under a North
24 American Indian tuition waiver who successfully transfer to a 4-year public or private
25 university, or complete a degree or certificate program, separated by degree or certificate
26 level, and the graduation rate for graduate and undergraduate students attending under a
27 North American Indian tuition waiver who complete a degree or certificate within 150% of
28 the normal time to complete, separated by the level of the degree or certificate.

29 (3) By January 1 of each year, a public university that receives an appropriation in
30 section 236, or a tribal college receiving pass-through funds under section 269 or 270c,
31 shall provide to the department of lifelong education, advancement, and potential any
32 information necessary for preparing the report detailed in subsection (2), using guidelines

1 and procedures developed by the department of lifelong education, advancement, and
2 potential.

3 (4) The department of lifelong education, advancement, and potential may consolidate
4 the report required under this section with the report required under section 223, but a
5 consolidated report must separately identify data for public universities and data for
6 community colleges.

7 Sec. 269. For fiscal year ~~2024-2025~~, **2025-2026**, from the amount appropriated in
8 section 236 to Central Michigan University for costs incurred under the North American
9 Indian tuition waiver, ~~\$76,300.00~~ **\$80,800.00** must be paid to Saginaw Chippewa Tribal
10 College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL
11 390.1251 to 390.1253. It is the intent of the legislature that Saginaw Chippewa Tribal
12 College provide the department of lifelong education, advancement, and potential the
13 necessary information for the college to be included in the report required under section
14 268.

15 Sec. 270. For fiscal year ~~2024-2025~~, **2025-2026**, from the amount appropriated in
16 section 236 to Lake Superior State University for costs incurred under the North American
17 Indian tuition waiver, \$498,800.00 must be paid to Bay Mills Community College for the
18 costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to
19 390.1253. It is the intent of the legislature that Bay Mills Community College provide the
20 department of lifelong education, advancement, and potential the necessary information for
21 the college to be included in the report required under section 268.

22 Sec. 270c. For fiscal year ~~2024-2025~~, **2025-2026**, from the amount appropriated in
23 section 236 to Northern Michigan University for costs incurred under the North American
24 Indian tuition waiver, ~~\$155,200.00~~ **\$105,700.00** 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 that Keweenaw Bay Ojibwa
27 Community College provide the department of lifelong education, advancement, and potential
28 the necessary information for the community college to be included in the report required
29 under section 268.

30 Sec. 276. (1) Included in the appropriation for fiscal year ~~2024-2025~~ **2025-2026** for
31 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
32 Chavez - Rosa Parks future faculty fellowship program that is intended to increase the pool

1 of academically or economically disadvantaged candidates pursuing faculty or administration
2 careers in postsecondary education in this state. Preference may not be given to applicants
3 on the basis of race, color, ethnicity, gender, or national origin. Institutions should
4 encourage applications from applicants who would otherwise not adequately be represented in
5 the graduate student, faculty, or administration populations. Each public university shall
6 apply the percentage change applicable to every public university in the calculation of
7 appropriations in section 236 to the amount of funds allocated to the future faculty
8 fellowship program.

9 (2) Each public university shall administer the program in a manner prescribed by the
10 department of labor and economic opportunity. The department of labor and economic
11 opportunity shall use a good-faith effort standard to evaluate whether a fellowship is in
12 default. All of the following apply to the program:

13 (a) By June 15 of each year, public universities shall report any anticipated
14 unexpended or unencumbered program funds to the department of labor and economic
15 opportunity. Encumbered funds are those funds that were committed by a fellowship agreement
16 that is signed during the current fiscal year or administrative expenses that have been
17 approved by the department of labor and economic opportunity.

18 (b) Before September 1 of each year, unexpended or unencumbered funds may be
19 transferred, under the direction of the department of labor and economic opportunity, to a
20 future faculty fellowship program at another public university to be awarded to an eligible
21 candidate at that public university.

22 (c) Program allocations not expended or encumbered by September 30, ~~2026~~**2027** must be
23 returned to the department of labor and economic opportunity so that those funds may lapse
24 to the state general fund.

25 (d) Not more than 5% of each public university's allocation for the program may be
26 used for administration of the program.

27 (e) In addition to the appropriation for fiscal year ~~2024-2025~~**2025-2026**, any revenue
28 received during prior fiscal years by the department of labor and economic opportunity from
29 defaulted fellowship agreements is appropriated for the purposes originally intended.

30 Sec. 277. (1) Included in the appropriation for fiscal year ~~2024-2025~~**2025-2026** for
31 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
32 Chavez - Rosa Parks college day program that is intended to introduce academically or

1 economically disadvantaged schoolchildren to the potential of a college education in this
2 state. Preference may not be given to participants on the basis of race, color, ethnicity,
3 gender, or national origin. Public universities should encourage participation from those
4 who would otherwise not adequately be represented in the student population.

5 (2) Individual program plans of each public university must include a budget of equal
6 contributions from this program, the participating public university, the participating
7 school district, and the participating independent degree-granting college. College day
8 funds must not be expended to cover indirect costs. Not more than 20% of the university
9 match may be attributable to indirect costs. Each public university shall apply the
10 percentage change applicable to every public university in the calculation of
11 appropriations in section 236 to the amount of funds allocated to the college day program.

12 (3) Each public university shall administer the program described in this section in
13 a manner prescribed by the department of labor and economic opportunity.

14 Sec. 278. (1) Included in the appropriation for fiscal year ~~2024-2025~~**-2025-2026** for
15 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
16 Chavez - Rosa Parks select student support services program for developing academically or
17 economically disadvantaged student retention programs for 4-year public and independent
18 educational institutions in this state. Preference may not be given to participants on the
19 basis of race, color, ethnicity, gender, or national origin. Institutions should encourage
20 participation from those who would otherwise not adequately be represented in the student
21 population.

22 (2) An award made under this program to any 1 institution must not be greater than
23 \$150,000.00, must have an award period of no more than 2 years, and must be matched on a
24 70% state, 30% college or university basis.

25 (3) The department of labor and economic opportunity shall administer the program
26 described in this section.

27 Sec. 279. (1) Included in the appropriation for fiscal year ~~2024-2025~~**-2025-2026** for
28 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
29 Chavez - Rosa Parks college/university partnership program between 4-year public and
30 independent colleges and universities and public community colleges, which is intended to
31 increase the number of academically or economically disadvantaged students who transfer
32 from community colleges into baccalaureate programs in this state. Preference may not be

1 given to participants on the basis of race, color, ethnicity, gender, or national origin.
2 Institutions should encourage participation from those who would otherwise not adequately
3 be represented in the transfer student population.

4 (2) The grants must be made under the program described in this section to Michigan
5 public and independent colleges and universities. An award to any 1 institution must not be
6 greater than \$150,000.00, must have an award period of no more than 2 years, and must be
7 matched on a 70% state, 30% college or university basis.

8 (3) The department of labor and economic opportunity shall administer the program
9 described in this section.

10 Sec. 280. (1) Included in the appropriation for fiscal year ~~2024-2025-2025-2026~~ for
11 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
12 Chavez - Rosa Parks visiting professors program, which is intended to increase the number
13 of instructors in the classroom to provide role models for academically or economically
14 disadvantaged students. Preference may not be given to participants on the basis of race,
15 color, ethnicity, gender, or national origin. Public universities should encourage
16 participation from those who would otherwise not adequately be represented in the student
17 population.

18 (2) The department of labor and economic opportunity shall administer the program
19 described in this section.

20 (3) The amount allocated to each public university is ~~\$11,184.00~~ **\$11,631.00** and is
21 subject to an award period of no more than 2 years. Each public university receiving funds
22 for fiscal year ~~2024-2025-2025-2026~~ under this section shall report to the department of
23 labor and economic opportunity by April 15, ~~2025-2026~~ the amount of its unobligated and
24 unexpended funds as of March 31, ~~2025-2026~~ and a plan to expend the remaining funds by the
25 end of the fiscal year. The amount of funding reported as not being expended may be
26 transferred, under the direction of the department, to another public university for use
27 under this section.

28 Sec. 281. (1) Included in the appropriation for fiscal year ~~2024-2025-2025-2026~~ for
29 each public university in section 236 is funding under the Martin Luther King, Jr. - Cesar
30 Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program, which
31 is intended to increase the number of academically or economically disadvantaged students
32 who enroll in and complete K-12 teacher education programs at the baccalaureate level and

1 teach in this state. Preference may not be given to participants on the basis of race,
2 color, ethnicity, gender, or national origin. Institutions should encourage participation
3 from those who would otherwise not adequately be represented in the teacher education
4 student population.

5 (2) The program described in this section must be administered by each state-approved
6 teacher education institution in a manner prescribed by the department of labor and
7 economic opportunity.

8 (3) Approved teacher education institutions may and are encouraged to use select
9 student support services funding in coordination with the Morris Hood, Jr. funding to
10 achieve the goals of the program described in this section.

11 Sec. 282. (1) Each institution receiving funds for fiscal year ~~2024-2025~~**2025-2026**
12 under section 278, 279, or 281 shall provide to the department of labor and economic
13 opportunity by April 15, ~~2025-2026~~ the unobligated and unexpended funds as of March 31,
14 ~~2025-2026~~ and a plan to expend the remaining funds by the end of the fiscal year.
15 Notwithstanding the award limitations in sections 278 and 279, the amount of funding
16 reported as not being expended will be reallocated to the institutions that intend to
17 expend all funding received under section 278, 279, or 281.

18 (2) Funds received for the purpose of administering programs under sections 278, 279,
19 and 281 must not be used for direct financial aid or indirect financial aid. However, a
20 public university may provide academic incentives to motivate participating students as
21 approved by the department. As used in this subsection:

22 (a) "Direct financial aid" includes, but is not limited to, scholarships, payment of
23 tuition, stipends, and work-studies.

24 (b) "Indirect financial aid" includes, but is not limited to, transportation,
25 textbook allowances, child care support, and assistance with medical premiums or expenses.

26 Sec. 283. (1) Using the data provided to the center as required by section 244 of
27 this act, the center shall use the P-20 longitudinal data system to inform interested
28 Michigan high schools and the public regarding the aggregate academic status of its
29 students. The center shall work with the public universities and the Michigan Association
30 of State Universities and in cooperation with the Michigan Association of Secondary School
31 Principals.

32 (2) Michigan high schools shall systematically inform the public universities about

1 the use of information received under this section in a manner prescribed by the Michigan
2 Association of Secondary School Principals in cooperation with the Michigan Association of
3 State Universities.

4 (3) The center shall conduct a review of the statewide longitudinal data system and
5 associated data collection processes to identify strategies that would allow for the legal
6 dissemination of student directory information for all students in grades 11 and 12 to
7 Michigan public and independent nonprofit postsecondary institutions. ~~The center shall
8 collaborate with relevant stakeholders to recommend a process to share this data by June
9 30, 2024.~~

10 Sec. 284. Using data provided to the center as required by section 244 of this act,
11 the center shall use the P-20 longitudinal data system to inform Michigan community
12 colleges regarding the academic status of community college transfer students. The center
13 shall work with the **department of lifelong education, advancement and potential,**
14 universities and the Michigan Association of State Universities in cooperation with the
15 Michigan Community College Association.

16 Sec. 285. From the funds appropriated in section 236(2), public universities ~~shall~~
17 **must** work with the state community colleges to encourage the transfer of students from the
18 community colleges to the public universities and to facilitate the transfer of credits
19 from the community colleges to those public universities. **Each public university receiving**
20 **appropriations under section 236 must consult with the department of lifelong education,**
21 **advancement and potential at least once an academic year on the policies and services their**
22 **institutions implement regarding transfer credits and transfer students.**

23 Sec. 286. From the funds appropriated in section 236(2), public universities ~~shall~~
24 **must** work with community colleges in this state to implement statewide reverse transfer
25 agreements to increase the number of students that are awarded credentials of value upon
26 completion of the necessary credits. These statewide agreements shall enable students who
27 have earned a significant number of credits at a community college and transfer to a
28 baccalaureate granting institution before completing a degree to transfer the credits
29 earned at the baccalaureate institution back to the community college in order to be
30 awarded a credential of value. **Each public university receiving appropriations under**
31 **section 236 must consult with the department of lifelong education, advancement and**
32 **potential at least once an academic year on the policies and services their institutions**

1 implement regarding reverse transfer agreements.

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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, 2026 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, 2027, with the following exceptions:

	Fiscal Year Ending September 30, 2026	Fiscal Year Ending September 30, 2027
(2) Appropriations for School Aid (Article I)		
Consolidation Grants (Sec. 12f)	\$ 150,000,000	\$ 0
Best Practices Funding (Sec. 16b)	\$ 232,000,000	\$ 107,000,000
Proposal A Obligation Payment (Sec. 22a)	\$ 3,803,000,000	\$ 3,684,000,000
Discretionary Payment (Sec. 22b)	\$ 6,576,000,000	\$ 6,525,000,000
Transportation Cost Reimbursements (Sec. 22l)	\$ 125,000,000	\$ 0

1	Promise Zone Payments (Sec.26c)	\$ 43,300,000	\$ 48,300,000
2	Grow Your Own Teacher Supports (Sec. 27b)	\$ 50,000,000	\$ 0
3	Enrollment Stability Supports (Sec. 29)	\$ 71,000,000	\$ 0
4	Great Start Readiness Program (Sec. 32d)	\$ 651,070,000	\$ 633,070,000
5	GSRP Startup Grants (Sec. 32d)	\$ 25,000,000	\$ 0
6	Strong Beginnings Preschool P	\$ 61,000,000	\$ 0
7	State Special Education Payments (Sec. 51a(2))	\$ 491,700,000	\$ 548,800,000
8	Special Education Headlee Obligations (Sec. 51c) ...	\$ 1,108,900,000	\$1,142,800,000
9	Special Education Foundation Allowance		
10	Payments (Sec. 51e)	\$ 523,900,000	\$ 522,600,000
11	CTE Equipment Upgrades (Sec. 61c)	\$ 20,000,000	\$ 0
12	CTE Pathways to Success (Sec. 61v)	\$ 125,000,000	\$ 0
13	Michigan College Access Network (Sec. 67)	\$ 4,000,000	\$ 3,000,000
14	Michigan Virtual University (Sec. 98)	\$ 9,800,000	\$ 8,000,000
15	Michigan Public School Employees Retirement		
16	System (Sec. 147a, 147c, 147e, 147g)	\$ 2,181,500,000	\$2,050,400,000
17	(3) Appropriations for Community Colleges (Article II)		
18	Michigan Public School Employees Retirement		
19	System (Sec. 201)	\$ 116,289,000	\$ 112,789,000
20	(4) Appropriations for Universities and Student Financial Aid (Article III)		
21	Michigan Public School Employees Retirement		
22	System (Sec. 236)	\$ 7,600,000	\$ 6,900,000

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 2025-2026 is estimated at
4 \$18,784,574,100.00 and state appropriations for school aid to be paid to local units of
5 government for fiscal year 2025-2026 are estimated at \$17,363,633,000.

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 2025-2026
8 under article II as amended by this amendatory act is estimated at \$496,689,600.00 and the
9 amount of that state spending from state sources to be paid to local units of government
10 for fiscal year 2025-2026 is estimated at \$496,689,600.00.

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 2025-2026
13 under article III as amended by this amendatory act is estimated at \$2,375,653,300.00 and
14 the amount of that state spending from state sources to be paid to local units of
15 government for fiscal year 2025-2026 is estimated at \$0.

16 Enacting section 2. Sections 12c, 20f, 22e, 23h, 27f, 27g, 27l, 27n, 27o, 27s, 35d,
17 35j, 41b, 51h, 55, 61j, 61s, 67a, 67b, 67d, 97a, 97h, 97j, 97k, 97m, 98d, 99, 99b, 99c,
18 99d, 99g, 99i, 99t, 99u, 99x, 99aa, 99ee, 99ff, 99hh, 99ii, 99jj, 104f, 152b, 201f, 201h,
19 216e, 228, 236d, 236f, 236n, 236r, 241e, 263b, 275d, 275m, and 287 of the state school aid
20 act of 1979, 1979 PA 94, MCL 388.1612c, 388.1620f, 388.1622e, 388.1623h, 388.1627f,
21 388.1627g, 388.1627l, 388.1627n, 388.1627o, 388.1627s, 388.1635d, 388.1635j, 388.1641b,
22 388.1651h, 388.1655, 388.1661j, 388.1661s, 388.1667a, 388.1667b, 388.1667d, 388.1697a,
23 388.1697h, 388.1697j, 388.1697k, 388.1697m, 388.1698d, 388.1699, 388.1699b, 388.1699c,
24 388.1699d, 388.1699g, 388.1699i, 388.1699t, 388.1699u, 388.1699x, 388.1699aa, 388.1699ee,
25 388.1699ff, 388.1699hh, 388.1699ii, 388.1699jj, 388.1704f, 388.1752b, 388.1801f, 388.1801h,
26 388.1816e, 388.1828, 388.1836d, 388.1836f, 388.1836n, 388.1836r, 388.1841e, 388.1863b,
27 388.1875d, 388.1875m, and 388.1887 are repealed effective October 1, 2025.

28 Enacting section 3. This amendatory act takes effect October 1, 2025.