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**FISCAL YEARS 2020 AND 2021**  
**EXECUTIVE BUDGET RECOMMENDATION**  
**EDUCATION BUDGET**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 20, 20d, 20f, 21h, 22a,  
22b, 22d, 22m, 22n, 24, 24a, 25e, 26a, 26b, 26c, 31a, 31d, 31f, 31j, 31n, 32d, 32p, 35a,  
39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 54d, 56, 61a, 61b, 62, 67, 74, 81, 94, 94a, 95a,  
98, 99h, 99s, 101, 104, 104b, 104c, 107, 147, 147a, 147b, 147c, 147e, 152a, 160, 201, 206,  
207a, 207b, 207c, 209, 209a, 210b, 217, 225, 229a, 230, 236, 236b, 236c, 241, 242, 245,  
251, 252, 256, 263, 264, 265, 265a, 265b, 265d, 267, 268, 269, 270, 274c, 276, 277, 278,  
279, 280, 281, 282, and 289 (MCL 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a,  
388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1618, 388.1620, 388.1620d,  
388.1620f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622m, 388.1622n, 388.1624,  
388.1624a, 388.1625e, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f,  
388.1631j, 388.1631n, 388.1632d, 388.1632p, 388.1635a, 388.1639, 388.1639a, 388.1641,

1 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1656,  
2 388.1661a, 388.1661b, 388.1662, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a,  
3 388.1695a, 388.1698, 388.1699h, 388.1699s, 388.1701, 388.1704, 388.1704b, 388.1704c,  
4 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1747e, 388.1752a, 388.1760,  
5 388.1801, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1809a, 388.1810b,  
6 388.1817, 388.1825, 388.1829a, 388.1830, 388.1836, 388.1836b, 388.1836c, 388.1841,  
7 388.1842, 388.1845, 388.1851, 388.1852, 388.1856, 388.1863, 388.1864, 388.1865, 388.1865a,  
8 388.1865b, 388.1865d, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874c, 388.1876,  
9 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, and 388.1889), sections 4 and  
10 8b as amended and section 160 as added by PA 108 of 2017, sections 6, 11, 18, 31a, 31j,  
11 32d, 35a, 39a, 99h, 101, and 265 as amended and section 31n as added by PA 586 of 2018  
12 sections 11a, 11j, 11k, 11m, 11s, 15, 20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 22n, 24, 24a,  
13 25e, 26a, 26b, 26c, 31d, 31f, 32p, 39, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b, 62,  
14 67, 74, 81, 94, 94a, 98, 99s, 104, 104b, 104c, 107, 147, 147a, 147b, 147c, 147e, 152a, 201,  
15 206, 207a, 207b, 207c, 209, 210b, 217, 225, 229a, 230, 236, 236b, 236c, 241, 245, 251, 252,  
16 256, 263, 264, 265a, 267, 268, 269, 270, 274c, 276, 277, 278, 279, 280, 281, 282, and 289  
17 as amended and sections 54d, 209a, 265b, and 265d as added by PA 265 of 2018, section 95a  
18 as amended by PA 85 of 2015, section 242 as amended by PA 201 of 2012, and by adding  
19 sections 28 and 231; and to repeal acts and parts of acts.

20  
21 **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

22 **ARTICLE I**

23  
24 Sec. 4. (1) "Elementary pupil" means a pupil in membership in grades K to 8 in a  
25 district not maintaining classes above the eighth grade or in grades K to 6 in a district  
26 maintaining classes above the eighth grade. ~~For the purposes of calculating universal~~  
27 ~~service fund (e rate) discounts, "elementary pupil" includes children enrolled in a~~  
28 ~~preschool program operated by a district in its facilities. **OR IS ENROLLED AND IN REGULAR**~~  
29 **ATTENDANCE IN A PUBLICLY FUNDED PRE-K SETTING.**

30 (2) "Extended school year" means an educational program conducted by a district in  
31 which pupils must be enrolled but not necessarily in attendance on the pupil membership  
32 count day in an extended year program. The mandatory clock hours shall be completed by each

1 pupil not more than 365 calendar days after the pupil's first day of classes for the school  
2 year prescribed. The department shall prescribe pupil, personnel, and other reporting  
3 requirements for the educational program.

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

6 (4) "High school equivalency certificate" means a certificate granted for the  
7 successful completion of a high school equivalency test.

8 (5) "High school equivalency test" means the G.E.D. test developed by the GED Testing  
9 Service, the Test Assessing Secondary Completion (TASC) developed by CTS/McGraw-Hill, the  
10 HISET test developed by the ~~Education~~ **EDUCATIONAL** Testing Service (ETS), or another  
11 comparable test approved by the department of talent and economic development.

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

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

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

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

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

6 (4) "Membership", except as otherwise provided in this article, means for a district,  
7 a public school academy, or an intermediate district the sum of the product of .90 times  
8 the number of full-time equated pupils in grades K to 12 actually enrolled and in regular  
9 daily attendance on the pupil membership count day for the current school year, plus the  
10 product of .10 times the final audited count from the supplemental count day for the  
11 immediately preceding school year. A district's, public school academy's, or intermediate  
12 district's membership shall be adjusted as provided under section 25e for pupils who enroll  
13 after the pupil membership count day in a strict discipline academy operating under  
14 sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m. However,  
15 for a district that is a community district, "membership" means the sum of the product of  
16 .90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in  
17 regular daily attendance in the community district on the pupil membership count day for  
18 the current school year, plus the product of .10 times the sum of the final audited count  
19 from the supplemental count day of pupils in grades K to 12 actually enrolled and in  
20 regular daily attendance in the community district for the immediately preceding school  
21 year. ~~plus the final audited count from the supplemental count day of pupils in grades K to~~  
22 ~~12 actually enrolled and in regular daily attendance in the education achievement system~~  
23 ~~for the immediately preceding school year.~~ All pupil counts used in this subsection are as  
24 determined by the department and calculated by adding the number of pupils registered for  
25 attendance plus pupils received by transfer and minus pupils lost as defined by rules  
26 promulgated by the superintendent, and as corrected by a subsequent department audit. The  
27 amount of the foundation allowance for a pupil in membership is determined under  
28 section 20. In making the calculation of membership, all of the following, as applicable,  
29 apply to determining the membership of a district, a public school academy, or an  
30 intermediate district:

31 (a) Except as otherwise provided in this subsection, and pursuant to subsection (6),  
32 a pupil shall be counted in membership in the pupil's educating district or districts. An

1 individual pupil shall not be counted for more than a total of 1.0 full-time equated  
2 membership.

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

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

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

16 (e) A pupil enrolled in the Michigan Schools for the Deaf and Blind shall be counted  
17 in membership in the pupil's intermediate district of residence.

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

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

24 (h) For the purposes of this section and section 6a, for a cyber school, as defined  
25 in section 551 of the revised school code, MCL 380.551, that is in compliance with  
26 section 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber  
27 school's educational program is considered regular daily attendance, and for a district or  
28 public school academy, a pupil's participation in a virtual course as defined in  
29 section 21f is considered regular daily attendance. For the purposes of this subdivision,  
30 for a pupil enrolled in a cyber school and utilizing sequential learning, participation  
31 means that term as defined in the pupil accounting manual, section 5-o-d: requirements for  
32 counting pupils in membership-subsection 10.

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

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

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

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

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

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

31 (i) A special education pupil who is enrolled and receiving instruction in a special  
32 education program or service approved by the department, who does not have a high school

1 diploma, and who is less than 26 years of age as of September 1 of the current school year  
2 shall be counted in membership.

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

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

8 (B) Had dropped out of school.

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

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

16 (m) An individual who has achieved a high school diploma shall not be counted in  
17 membership. An individual who has achieved a high school equivalency certificate shall not  
18 be counted in membership unless the individual is a student with a disability as defined in  
19 R 340.1702 of the Michigan Administrative Code. An individual participating in a job  
20 training program funded under former section 107a or a jobs program funded under former  
21 section 107b, administered by the department of talent and economic development, or  
22 participating in any successor of either of those 2 programs, shall not be counted in  
23 membership.

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

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

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

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

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

22 (q) The number of class hours used to calculate full-time equated memberships shall  
23 be consistent with section 101. In determining full-time equated memberships for pupils who  
24 are enrolled in a postsecondary institution or for pupils engaged in an internship or work  
25 experience under section 1279h of the revised school code, MCL 380.1279h, a pupil shall not  
26 be considered to be less than a full-time equated pupil solely because of the effect of his  
27 or her postsecondary enrollment or engagement in the internship or work experience,  
28 including necessary travel time, on the number of class hours provided by the district to  
29 the pupil.

30 (r) Full-time equated memberships for pupils in kindergarten shall be determined by  
31 dividing the number of instructional hours scheduled and provided per year per kindergarten  
32 pupil by the same number used for determining full-time equated memberships for pupils in



1 grades 1 to 12. However, to the extent allowable under federal law, for a district or  
2 public school academy that provides evidence satisfactory to the department that it used  
3 federal title I money in the 2 immediately preceding school fiscal years to fund full-time  
4 kindergarten, full-time equated memberships for pupils in kindergarten shall be determined  
5 by dividing the number of class hours scheduled and provided per year per kindergarten  
6 pupil by a number equal to 1/2 the number used for determining full-time equated  
7 memberships for pupils in grades 1 to 12. The change in the counting of full-time equated  
8 memberships for pupils in kindergarten that took effect for 2012-2013 is not a mandate.

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

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

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

1 a district shall be considered to be providing appropriate instruction if all of the  
2 following are met:

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

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

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

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

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

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

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

1 include the square mileage of both districts in determining the number of pupils per square  
2 mile for each of the districts for the purposes of this subdivision. The membership figure  
3 calculated under this subdivision is the greater of the following:

4 (i) The average of the district's membership for the 3-fiscal-year period ending with  
5 that fiscal year, calculated by adding the district's actual membership for each of those 3  
6 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those  
7 3 membership figures by 3.

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

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

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

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

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

1 (cc) A pupil enrolled in a district other than the pupil's district of residence  
2 pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in  
3 the educating district.

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

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

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

25 (ee) A pupil participating in a virtual course under section 21f shall be counted in  
26 membership in the district enrolling the pupil.

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

1 counted in the district or other public school academy on the supplemental count day of the  
2 preceding school year.

3 (gg) If a special education pupil is expelled under section 1311 or 1311a of the  
4 revised school code, MCL 380.1311 and 380.1311a, and is not in attendance on the pupil  
5 membership count day because of the expulsion, and if the pupil remains enrolled in the  
6 district and resumes regular daily attendance during that school year, the district's  
7 membership shall be adjusted to count the pupil in membership as if he or she had been in  
8 attendance on the pupil membership count day.

9 (hh) A pupil enrolled in a community district shall be counted in membership in the  
10 community district.

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

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

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

21 (ii) The course in which the pupil is enrolled would meet the definition of an  
22 eligible course under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
23 388.524, if the course were provided by an eligible postsecondary institution under that  
24 act.

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

30 (iv) The district or public school academy pays for a portion of the pupil's tuition  
31 at the college or university in an amount equal to the eligible charges that the district  
32 or public school academy would pay to an eligible postsecondary institution under the

1 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, as if the course  
2 were an eligible course under that act.

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

5 (kk) A pupil enrolled in a middle college program may be counted for more than a  
6 total of 1.0 full-time equated membership if the pupil is enrolled in more than the minimum  
7 number of instructional days and hours required under section 101 and the pupil is expected  
8 to complete the 5-year program with both a high school diploma and at least 60 transferable  
9 college credits or is expected to earn an associate's degree in fewer than 5 years.

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

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

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

24 (A) 5% of the district's or public school academy's membership for pupils not counted  
25 in membership under section 166b.

26 (B) 10% more than the district's or public school academy's membership for pupils  
27 counted under section 166b in the immediately preceding fiscal year.

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

32 (mm) Beginning with the 2019-2020 school year, if a district, intermediate district,

1 or public school academy charges tuition for a pupil that resided out of state in the  
2 immediately preceding school year, the pupil shall not be counted in membership in the  
3 district, intermediate district, or public school academy.

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

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

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

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

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

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

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

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

32 (i) "At school" means in a classroom, elsewhere on school premises, on a school bus

1 or other school-related vehicle, or at a school-sponsored activity or event whether or not  
2 it is held on school premises.

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

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

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

13 (i) The pupil has been suspended or expelled from his or her district of residence  
14 for any reason, including, but not limited to, a suspension or expulsion under  
15 section 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and  
16 380.1311a.

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

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

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

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

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

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

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

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



1 attends a United States Olympic Education Center.

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

4 (o) A pupil who enrolls in a district other than the pupil's district of residence as  
5 a result of the pupil's school not making adequate yearly progress under the no child left  
6 behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-  
7 95.

8 However, except for pupils enrolled in the youth challenge program at the site at  
9 which the youth challenge program operated for 2015-2016, if a district educates pupils who  
10 reside in another district and if the primary instructional site for those pupils is  
11 established by the educating district after 2009-2010 and is located within the boundaries  
12 of that other district, the educating district must have the approval of that other  
13 district to count those pupils in membership.

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

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

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

22 (i) Fourth Wednesday in July.

23 (ii) First Wednesday in October.

24 (iii) Second Wednesday in February.

25 (iv) Fourth Wednesday in April.

26 (8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance"  
27 means pupils in grades K to 12 in attendance and receiving instruction in all classes for  
28 which they are enrolled on the pupil membership count day or the supplemental count day, as  
29 applicable. Except as otherwise provided in this subsection, a pupil who is absent from any  
30 of the classes in which the pupil is enrolled on the pupil membership count day or  
31 supplemental count day and who does not attend each of those classes during the 10  
32 consecutive school days immediately following the pupil membership count day or

1 supplemental count day, except for a pupil who has been excused by the district, shall not  
2 be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on  
3 the pupil membership count day or supplemental count day and who fails to attend each of  
4 the classes in which the pupil is enrolled within 30 calendar days after the pupil  
5 membership count day or supplemental count day shall not be counted as 1.0 full-time  
6 equated membership. In addition, a pupil who was enrolled and in attendance in a district,  
7 intermediate district, or public school academy before the pupil membership count day or  
8 supplemental count day of a particular year but was expelled or suspended on the pupil  
9 membership count day or supplemental count day shall only be counted as 1.0 full-time  
10 equated membership if the pupil resumed attendance in the district, intermediate district,  
11 or public school academy within 45 days after the pupil membership count day or  
12 supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated  
13 membership due to an absence from a class shall be counted as a prorated membership for the  
14 classes the pupil attended. For purposes of this subsection, "class" means a period of time  
15 in 1 day when pupils and a certificated teacher, a teacher engaged to teach under  
16 section 1233b of the revised school code, MCL 380.1233b, or an individual working under a  
17 valid substitute permit, authorization, or approval issued by the department, are together  
18 and instruction is taking place.

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

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

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

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

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

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

32 (15) "Supplemental count day" means the day on which the supplemental pupil count is

1 conducted under section 6a.

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

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

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

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

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

21 Sec. 8b. (1) The department shall **WORK WITH THE CENTER TO** assign a district code to  
22 each public school academy that is authorized under the revised school code and is eligible  
23 to receive funding under this article. ~~within~~ **WITHIN** 30 days after a contract is submitted  
24 to the department by the authorizing body of a public school academy, **THE CENTER SHALL MAKE**  
25 **THE DISTRICT CODE AVAILABLE.**

26 ~~(2) If the department does not assign a district code to a public school academy~~  
27 ~~within the 30 day period described in subsection (1), the district code the department~~  
28 ~~shall use to make payments under this article to the newly authorized public school academy~~  
29 ~~shall be a number that is equivalent to the sum of the last district code assigned to a~~  
30 ~~public school academy located in the same county as the newly authorized public school~~  
31 ~~academy plus 1. However, if there is not an existing public school academy located in the~~  
32 ~~same county as the newly authorized public school academy, then the district code the~~

1 ~~department shall use to make payments under this article to the newly authorized public~~  
2 ~~school academy shall be a 5-digit number that has the county code in which the public~~  
3 ~~school academy is located as its first 2 digits, 9 as its third digit, 0 as its fourth~~  
4 ~~digit, and 1 as its fifth digit. If the number of public school academies in a county grows~~  
5 ~~to exceed 100, the third digit in this 5-digit number shall then be 7 for the public school~~  
6 ~~academies in excess of 100.~~

7 (2) ~~(3)~~ For each school of excellence that is a cyber school and is authorized under  
8 part 6e of the revised school code, MCL 380.551 to 380.561, by a school district,  
9 intermediate school district, community college other than a federal tribally controlled  
10 community college, or other authorizing body that is not empowered to authorize a school of  
11 excellence to operate statewide and is eligible to receive funding under this article, all  
12 of the following apply:

13 (a) The department shall assign a district code that includes as the first 2 digits  
14 the county code in which the authorizing body is located.

15 (b) If the cyber school does not provide instruction at a specific location, the  
16 intermediate district that would normally provide programs and services to the school  
17 district in which the administrative office of the cyber school is located shall provide  
18 programs and services to the cyber school. The intermediate school district required to  
19 provide programs and services to a cyber school under this subdivision remains the same for  
20 as long as that cyber school is in operation.

21 Sec. 11. (1) ~~For the fiscal year ending September 30, 2018, there is appropriated for~~  
22 ~~the public schools of this state and certain other state purposes relating to education the~~  
23 ~~sum of \$12,682,127,200.00 from the state school aid fund, the sum of \$78,500,000.00 from~~  
24 ~~the general fund, an amount not to exceed \$72,000,000.00 from the community district~~  
25 ~~education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489,~~  
26 ~~MCL 12.262, an amount not to exceed \$23,100,000.00 from the MPERS retirement obligation~~  
27 ~~reform reserve fund, and an amount not to exceed \$100.00 from the water emergency reserve~~  
28 ~~fund.~~ For the fiscal year ending September 30, ~~2019,~~**2020**, there is appropriated for the  
29 public schools of this state and certain other state purposes relating to education the sum  
30 of ~~\$12,876,925,200.00~~**\$13,504,660,300.00** from the state school aid fund, the sum of  
31 ~~\$87,920,000.00~~**\$45,000,000.00** from the general fund, an amount not to exceed \$72,000,000.00  
32 from the community district education trust fund created under section 12 of the Michigan

1 trust fund act, 2000 PA 489, MCL 12.262, ~~an amount not to exceed \$31,900,000.00 from the~~  
2 ~~MPSEERS retirement obligation reform reserve fund, an amount not to exceed \$30,000,000.00~~  
3 ~~from the school mental health and support services fund created under section 31m,~~ and an  
4 amount not to exceed \$100.00 from the water emergency reserve fund. In addition, all  
5 available federal funds are appropriated ~~each fiscal year~~ for the fiscal ~~years~~ **YEAR** ending  
6 September 30, ~~2018 and September 30, 2019.~~ **2020.**

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

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

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

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

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

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

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

24 (3) Money available in the school aid stabilization fund may not be expended without  
25 a specific appropriation from the school aid stabilization fund. Money in the school aid  
26 stabilization fund shall be expended only for purposes for which state school aid fund  
27 money may be expended.

28 (4) The state treasurer shall direct the investment of the school aid stabilization  
29 fund. The state treasurer shall credit to the school aid stabilization fund interest and  
30 earnings from fund investments.

31 (5) Money in the school aid stabilization fund at the close of a fiscal year shall  
32 remain in the school aid stabilization fund and shall not lapse to the unreserved school

1 aid fund balance or the general fund.

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

12 (7) For ~~2018-2019~~, **2019-2020**, in addition to the appropriations in section 11, there  
13 is appropriated from the school aid stabilization fund to the state school aid fund the  
14 amount necessary to fully fund the allocations under this article.

15 Sec. 11j. From the appropriation in section 11, there is allocated an amount not to  
16 exceed \$125,500,000.00 for ~~2018-2019~~**2019-2020** for payments to the school loan bond  
17 redemption fund in the department of treasury on behalf of districts and intermediate  
18 districts. Notwithstanding section 296 or any other provision of this act, funds allocated  
19 under this section are not subject to proration and shall be paid in full.

20 Sec. 11k. For ~~2018-2019~~, **2019-2020** there is appropriated from the general fund to the  
21 school loan revolving fund an amount equal to the amount of school bond loans assigned to  
22 the Michigan finance authority, not to exceed the total amount of school bond loans held in  
23 reserve as long-term assets. As used in this section, "school loan revolving fund" means  
24 that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL  
25 141.1066c.

26 Sec. 11m. From the appropriation in section 11, ~~there is allocated for 2017-2018 an~~  
27 ~~amount not to exceed \$18,000,000.00 and there is allocated for 2018-2019~~**2019-2020** an  
28 amount not to exceed ~~\$24,000,000.00~~**\$56,000,000.00** for fiscal year cash-flow borrowing  
29 costs solely related to the state school aid fund established by section 11 of article IX  
30 of the state constitution of 1963.

31 Sec. 11s. (1) From the ~~general fund~~ appropriation in section 11, there is allocated  
32 ~~\$3,230,000.00~~**\$8,075,000.00** for ~~2018-2019~~**2019-2020** for the purpose of providing services

1 and programs to children who reside within the boundaries of a district with the majority  
2 of its territory located within the boundaries of a city for which an executive  
3 proclamation of emergency is issued in the current or immediately preceding ~~3-4~~ fiscal  
4 years under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. From the  
5 funding appropriated in section 11, there is allocated for fiscal year ~~2018-2019-2019-2020~~  
6 \$100.00 from the water emergency reserve fund for the purposes of this section.

7 (2) From the allocation in subsection (1), there is allocated to a district with the  
8 majority of its territory located within the boundaries of a city in which an executive  
9 proclamation of emergency is issued in the current or immediately preceding ~~3-4~~ fiscal  
10 years and that has at least 4,500 pupils in membership for the 2016-2017 fiscal year or has  
11 at least 4,000 pupils in membership for a fiscal year after 2016-2017, an amount not to  
12 exceed ~~\$2,625,000.00~~ **\$2,425,000.00** for ~~2018-2019-2019-2020~~ for the purpose of employing  
13 school nurses, classroom aides, and school social workers. The district shall provide a  
14 report to the department in a form, manner, and frequency prescribed by the department. The  
15 department shall provide a copy of that report to the governor, the house and senate school  
16 aid subcommittees, the house and senate fiscal agencies, and the state budget director  
17 within 5 days after receipt. The report shall provide at least the following information:

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

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

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

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

23 (3) For ~~2018-2019 only, 2019-2020~~, from the allocation in subsection (1), there is  
24 allocated an amount not to exceed ~~\$0.00~~ **\$4,000,000.00** to an intermediate district that has  
25 a constituent district described in subsection (2) to provide state early intervention  
26 services for children described in subsection (1) who are ~~less than 4 years of age as of~~  
27 ~~September 1, 2016.~~ **BETWEEN 3 YEARS OF AGE AND 5 YEARS OF AGE.** The intermediate district  
28 shall use these funds to provide state early intervention services that are similar to the  
29 services described in the early on Michigan state plan, including ensuring that all  
30 children described in subsection (1) who are less than 4 years of age as of September 1,  
31 2016 are assessed and evaluated at least twice annually.

32 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED

1 \$1,000,000.00 FOR 2019-2020 TO THE INTERMEDIATE DISTRICTS DESCRIBED IN SUBSECTION (3) TO  
2 ENROLL CHILDREN DESCRIBED IN SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS,  
3 REGARDLESS OF HOUSEHOLD INCOME ELIGIBILITY REQUIREMENTS CONTAINED IN SECTION 39. THE  
4 DEPARTMENT SHALL ADMINISTER THIS FUNDING CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT  
5 START READINESS PROGRAMS CONTAINED IN SECTION 32D AND SECTION 39.

6 (4) For ~~2018-2019, 2019-2020~~ from the allocation in subsection (1), there is  
7 allocated an amount not to exceed ~~\$605,000.00~~ \$650,000.00 for nutritional services to  
8 children described in subsection (1).

9 (5) In addition to other funding allocated and appropriated in this section, there is  
10 appropriated an amount not to exceed \$15,000,000.00 for fiscal year ~~2018-2019~~ 2019-2020 for  
11 state restricted contingency funds. These contingency funds are not available for  
12 expenditure until they have been transferred to a section within this article under section  
13 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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



1 (2) If the result of an audit conducted by or for the department affects the current  
2 fiscal year membership, affected payments shall be adjusted in the current fiscal year. A  
3 deduction due to an adjustment made as a result of an audit conducted by or for the  
4 department, or as a result of information obtained by the department from the district, an  
5 intermediate district, the department of treasury, or the office of auditor general, shall  
6 be deducted from the district's apportionments when the adjustment is finalized. At the  
7 request of the district and upon the district presenting evidence satisfactory to the  
8 department of the hardship, the department may grant up to an additional ~~9-4~~ years for the  
9 adjustment and may advance payments to the district otherwise authorized under this article  
10 if the district would otherwise experience a significant hardship in satisfying its  
11 financial obligations.

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

25 **(4) IF THE DEPARTMENT BASES AN ADJUSTMENT UNDER THIS SECTION IN WHOLE OR IN PART ON A**  
26 **FINDING THAT A DISTRICT OR INTERMEDIATE DISTRICT EMPLOYED AN EDUCATOR IN VIOLATION OF**  
27 **CERTIFICATION REQUIREMENTS SET FORTH IN THE REVISED SCHOOL CODE AND RULES PROMULGATED BY**  
28 **THE DEPARTMENT, THE DEPARTMENT SHALL PRORATE THE ADJUSTMENT ACCORDING TO THE PERIOD OF**  
29 **NONCOMPLIANCE WITH THE CERTIFICATION REQUIREMENTS.**

30 (5) ~~(4)~~The department may conduct audits, or may direct audits by designee of the  
31 department, for the current fiscal year and the immediately preceding ~~3~~ fiscal ~~year~~**YEARS**  
32 of all records related to a program for which a district or intermediate district has

1 received funds under this article.

2 (6) ~~(5)~~ Expenditures made by the department under this article that are caused by the  
3 write-off of prior year accruals may be funded by revenue from the write-off of prior year  
4 accruals.

5 (7) ~~(6)~~ In addition to funds appropriated in section 11 for all programs and  
6 services, there is appropriated for ~~2018-2019~~ **2019-2020** for obligations in excess of  
7 applicable appropriations an amount equal to the collection of overpayments, but not to  
8 exceed amounts available from overpayments.

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

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

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

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

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

32 (A) Salaries and wages.

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

3 (C) Retirement benefit costs.

4 (D) All other personnel costs.

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

6 (A) Instruction.

7 (B) Support services.

8 (C) Business and administration.

9 (D) Operations and maintenance.

10 (c) Links to all of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the immediately preceding fiscal year by less than 5%.

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

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

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

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

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

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

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

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

25 (5) By November 1 each fiscal year, each district and intermediate district shall  
26 submit to the center, in a manner prescribed by the center, annual comprehensive financial  
27 data consistent with the district's or intermediate district's audited financial statements  
28 and consistent with accounting manuals and charts of accounts approved and published by the  
29 department. For an intermediate district, the report shall also contain the website address  
30 where the department can access the report required under section 620 of the revised school  
31 code, MCL 380.620. The department shall ensure that the prescribed Michigan public school  
32 accounting manual chart of accounts includes standard conventions to distinguish

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

9 (6) By September 30 of each year, each district and intermediate district shall file  
10 with the center the special education actual cost report, known as "SE-4096", on a form and  
11 in the manner prescribed by the center. An intermediate district shall certify the audit of  
12 a district's report.

13 (7) By October 7 of each year, each district and intermediate district shall file  
14 with the center the audited transportation expenditure report, known as "SE-4094", on a  
15 form and in the manner prescribed by the center. An intermediate district shall certify the  
16 audit of a district's report.

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

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

23 (10) If a district or intermediate district does not comply with subsections (4),  
24 (5), (6), (7), and (12), or if the department determines that the financial data required  
25 under subsection (5) are not consistent with audited financial statements, the department  
26 shall withhold all state school aid due to the district or intermediate district under this  
27 article, beginning with the next payment due to the district or intermediate district,  
28 until the district or intermediate district complies with subsections (4), (5), (6), (7),  
29 and (12). If the district or intermediate district does not comply with subsections (4),  
30 (5), (6), (7), and (12) by the end of the fiscal year, the district or intermediate  
31 district forfeits the amount withheld.

32 (11) If a district or intermediate district does not comply with subsection (2), the

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

7 (12) By November 1 of each year, if a district or intermediate district offers  
8 virtual learning under section 21f, or for a school of excellence that is a cyber school,  
9 as defined in section 551 of the revised school code, MCL 380.551, the district or  
10 intermediate district shall submit to the department a report that details the per-pupil  
11 costs of operating the virtual learning by vendor type and virtual learning model. The  
12 report shall include information concerning the operation of virtual learning for the  
13 immediately preceding school fiscal year, including information concerning summer  
14 programming. Information must be collected in a form and manner determined by the  
15 department and must be collected in the most efficient manner possible to reduce the  
16 administrative burden on reporting entities.

17 (13) By March 31 of each year, the department shall submit to the house and senate  
18 appropriations subcommittees on state school aid, the state budget director, and the house  
19 and senate fiscal agencies a report summarizing the per-pupil costs by vendor type of  
20 virtual courses available under section 21f and virtual courses provided by a school of  
21 excellence that is a cyber school, as defined in section 551 of the revised school code,  
22 MCL 380.551.

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

24 (a) Virtual courses provided by the Michigan Virtual University.

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

27 (c) Virtual courses provided by third party vendors not affiliated with a Michigan  
28 public school.

29 (d) Virtual courses created and offered by a district or intermediate district.

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

32 ~~(16) Beginning October 1, 2018, and annually thereafter, the department shall submit~~

1 ~~to the senate and house subcommittees on school aid and to the senate and house standing~~  
2 ~~committees on education an itemized list of allocations under this article to any~~  
3 ~~association or consortium consisting of associations in the immediately preceding fiscal~~  
4 ~~year. The report shall detail the recipient or recipients, the amount allocated, and the~~  
5 ~~purpose for which the funds were distributed.~~

6 Sec. 20. (1) For ~~2018-2019,~~ **2019-2020** both of the following apply:

7 (a) The basic foundation allowance is ~~\$8,409.00.~~ **\$8,529.00.**

8 (b) The minimum foundation allowance is ~~\$7,871.00.~~ **\$8,051.00.**

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

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

15 (a) Except as otherwise provided in this subdivision, for a district that had a  
16 foundation allowance for the immediately preceding state fiscal year that was at least  
17 equal to the minimum foundation allowance for the immediately preceding state fiscal year,  
18 but less than the basic foundation allowance for the immediately preceding state fiscal  
19 year, the district shall receive a foundation allowance in an amount equal to the sum of  
20 the district's foundation allowance for the immediately preceding state fiscal year plus  
21 the difference between ~~twice~~ **ONE AND A HALF TIMES** the dollar amount of the adjustment from  
22 the immediately preceding state fiscal year to the current state fiscal year made in the  
23 basic foundation allowance and [(the difference between the basic foundation allowance for  
24 the current state fiscal year and basic foundation allowance for the immediately preceding  
25 state fiscal year minus \$40.00) times (the difference between the district's foundation  
26 allowance for the immediately preceding state fiscal year and the minimum foundation  
27 allowance for the immediately preceding state fiscal year) divided by the difference  
28 between the basic foundation allowance for the current state fiscal year and the minimum  
29 foundation allowance for the immediately preceding state fiscal year.] However, the  
30 foundation allowance for a district that had less than the basic foundation allowance for  
31 the immediately preceding state fiscal year shall not exceed the basic foundation allowance  
32 for the current state fiscal year.



1 (b) Except as otherwise provided in this subsection, for a district that in the  
2 immediately preceding state fiscal year had a foundation allowance in an amount equal to  
3 the amount of the basic foundation allowance for the immediately preceding state fiscal  
4 year, the district shall receive a foundation allowance for ~~2018-2019~~ **2019-2020** in an  
5 amount equal to the basic foundation allowance for ~~2018-2019~~ **2019-2020**.

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

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

19 ~~(c) For a district that received a foundation allowance supplemental payment~~  
20 ~~calculated under section 20m and paid under section 22b for 2017-2018, the district's 2017-~~  
21 ~~2018 foundation allowance is considered to have been an amount equal to the sum of the~~  
22 ~~district's actual 2017-2018 foundation allowance as otherwise calculated under this section~~  
23 ~~plus the lesser of the per pupil amount of the district's supplemental payment for 2017-~~  
24 ~~2018 as calculated under section 20m or the product of the district's foundation allowance~~  
25 ~~for the immediately preceding state fiscal year times the percentage increase in the United~~  
26 ~~States consumer price index in the calendar year ending in the immediately preceding fiscal~~  
27 ~~year as reported by the May revenue estimating conference conducted under section 367b of~~  
28 ~~the management and budget act, 1984 PA 431, MCL 18.1367b.~~

29 (4) Except as otherwise provided in this subsection, beginning in 2014-2015, the  
30 state portion of a district's foundation allowance is an amount equal to the district's  
31 foundation allowance or the basic foundation allowance for the current state fiscal year,  
32 whichever is less, minus the local portion of the district's foundation allowance. For a

1 district described in subsection (3)(c), beginning in 2014-2015, the state portion of the  
2 district's foundation allowance is an amount equal to \$6,962.00 plus the difference between  
3 the district's foundation allowance for the current state fiscal year and the district's  
4 foundation allowance for 1998-99, minus the local portion of the district's foundation  
5 allowance. For a district that has a millage reduction required under section 31 of article  
6 IX of the state constitution of 1963, the state portion of the district's foundation  
7 allowance shall be calculated as if that reduction did not occur. For a receiving district,  
8 if school operating taxes continue to be levied on behalf of a dissolved district that has  
9 been attached in whole or in part to the receiving district to satisfy debt obligations of  
10 the dissolved district under section 12 of the revised school code, MCL 380.12, the taxable  
11 value per membership pupil of property in the receiving district used for the purposes of  
12 this subsection does not include the taxable value of property within the geographic area  
13 of the dissolved district. For a community district, if school operating taxes continue to  
14 be levied by a qualifying school district under section 12b of the revised school code, MCL  
15 380.12b, with the same geographic area as the community district, the taxable value per  
16 membership pupil of property in the community district to be used for the purposes of this  
17 subsection does not include the taxable value of property within the geographic area of the  
18 community district.

19 (5) The allocation calculated under this section for a pupil shall be based on the  
20 foundation allowance of the pupil's district of residence. For a pupil enrolled pursuant to  
21 section 105 or 105c in a district other than the pupil's district of residence, the  
22 allocation calculated under this section shall be based on the lesser of the foundation  
23 allowance of the pupil's district of residence or the foundation allowance of the educating  
24 district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in  
25 another district in a grade not offered by the pupil's district of residence, the  
26 allocation calculated under this section shall be based on the foundation allowance of the  
27 educating district if the educating district's foundation allowance is greater than the  
28 foundation allowance of the pupil's district of residence. ~~The calculation under this~~  
29 ~~subsection shall take into account a district's per-pupil allocation under section 20m.~~

30 (6) Except as otherwise provided in this subsection, for pupils in membership, other  
31 than special education pupils, in a public school academy, the allocation calculated under  
32 this section is an amount per membership pupil other than special education pupils in the

1 public school academy equal to the foundation allowance of the district in which the public  
2 school academy is located or the state maximum public school academy allocation, whichever  
3 is less. Except as otherwise provided in this subsection, for pupils in membership, other  
4 than special education pupils, in a public school academy that is a cyber school and is  
5 authorized by a school district, the allocation calculated under this section is an amount  
6 per membership pupil other than special education pupils in the public school academy equal  
7 to the foundation allowance of the district that authorized the public school academy or  
8 the state maximum public school academy allocation, whichever is less. However, a public  
9 school academy that had an allocation under this subsection before 2009-2010 that was equal  
10 to the sum of the local school operating revenue per membership pupil other than special  
11 education pupils for the district in which the public school academy is located and the  
12 state portion of that district's foundation allowance shall not have that allocation  
13 reduced as a result of the 2010 amendment to this subsection. Notwithstanding section 101,  
14 for a public school academy that begins operations after the pupil membership count day,  
15 the amount per membership pupil calculated under this subsection shall be adjusted by  
16 multiplying that amount per membership pupil by the number of hours of pupil instruction  
17 provided by the public school academy after it begins operations, as determined by the  
18 department, divided by the minimum number of hours of pupil instruction required under  
19 section 101(3). The result of this calculation shall not exceed the amount per membership  
20 pupil otherwise calculated under this subsection. **BEGINNING IN 2019-2020, FOR PUPILS IN**  
21 **MEMBERSHIP IN A PUBLIC SCHOOL ACADEMY THAT WAS ISSUED A CONTRACT UNDER SECTION 552 OF THE**  
22 **REVISED SCHOOL CODE, MCL 380.552, TO OPERATE AS A SCHOOL OF EXCELLENCE THAT IS A CYBER**  
23 **SCHOOL, THE ALLOCATION CALCULATED UNDER THIS SECTION SHALL BE AN AMOUNT EQUAL TO 80% OF THE**  
24 **AMOUNT AS WOULD OTHERWISE BE CALCULATED UNDER THIS SUBSECTION FOR A PUBLIC SCHOOL ACADEMY.**

25 (7) Except as otherwise provided in this subsection, for pupils in membership, other  
26 than special education pupils, in a community district, the allocation calculated under  
27 this section is an amount per membership pupil other than special education pupils in the  
28 community district equal to the foundation allowance of the qualifying school district, as  
29 described in section 12b of the revised school code, MCL 380.12b, that is located within  
30 the same geographic area as the community district.

31 (8) Subject to subsection (4), for a district that is formed or reconfigured after  
32 June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting

1 district's foundation allowance under this section beginning after the effective date of  
2 the consolidation or annexation shall be the lesser of the sum of the average of the  
3 foundation allowances of each of the original or affected districts, calculated as provided  
4 in this section, weighted as to the percentage of pupils in total membership in the  
5 resulting district who reside in the geographic area of each of the original or affected  
6 districts plus \$100.00 or the highest foundation allowance among the original or affected  
7 districts. This subsection does not apply to a receiving district unless there is a  
8 subsequent consolidation or annexation that affects the district. ~~The calculation under~~  
9 ~~this subsection shall take into account a district's per pupil allocation under section~~  
10 ~~20m.~~

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

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

17 (11) To assist the legislature in determining the basic foundation allowance for the  
18 subsequent state fiscal year, each revenue estimating conference conducted under section  
19 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil  
20 membership factor, a revenue adjustment factor, and an index as follows:

21 (a) The pupil membership factor shall be computed by dividing the estimated  
22 membership in the school year ending in the current state fiscal year, excluding  
23 intermediate district membership, by the estimated membership for the school year ending in  
24 the subsequent state fiscal year, excluding intermediate district membership. If a  
25 consensus membership factor is not determined at the revenue estimating conference, the  
26 principals of the revenue estimating conference shall report their estimates to the house  
27 and senate subcommittees responsible for school aid appropriations not later than 7 days  
28 after the conclusion of the revenue conference.

29 (b) The revenue adjustment factor shall be computed by dividing the sum of the  
30 estimated total state school aid fund revenue for the subsequent state fiscal year plus the  
31 estimated total state school aid fund revenue for the current state fiscal year, adjusted  
32 for any change in the rate or base of a tax the proceeds of which are deposited in that

1 fund and excluding money transferred into that fund from the countercyclical budget and  
2 economic stabilization fund under the management and budget act, 1984 PA 431, MCL 18.1101  
3 to 18.1594, by the sum of the estimated total school aid fund revenue for the current state  
4 fiscal year plus the estimated total state school aid fund revenue for the immediately  
5 preceding state fiscal year, adjusted for any change in the rate or base of a tax the  
6 proceeds of which are deposited in that fund. If a consensus revenue factor is not  
7 determined at the revenue estimating conference, the principals of the revenue estimating  
8 conference shall report their estimates to the house and senate subcommittees responsible  
9 for school aid appropriations not later than 7 days after the conclusion of the revenue  
10 conference.

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

16 (12) Payments to districts and public school academies shall not be made under this  
17 section. Rather, the calculations under this section shall be used to determine the amount  
18 of state payments under section 22b.

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

23 (14) As used in this section:

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

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

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

32 (d) "Current state fiscal year" means the state fiscal year for which a particular

1 calculation is made.

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

5 (f) "Immediately preceding state fiscal year" means the state fiscal year immediately  
6 preceding the current state fiscal year.

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

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

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

25 (j) "Maximum public school academy allocation", except as otherwise provided in this  
26 subdivision, means the maximum per-pupil allocation as calculated by adding the highest  
27 per-pupil allocation among all public school academies for the immediately preceding state  
28 fiscal year plus the difference between ~~twice~~ **ONE AND A HALF TIMES** the amount of the  
29 difference between the basic foundation allowance for the current state fiscal year and the  
30 basic foundation allowance for the immediately preceding state fiscal year and [(the amount  
31 of the difference between the basic foundation allowance for the current state fiscal year  
32 and the basic foundation allowance for the immediately preceding state fiscal year minus

1 \$40.00) times (the difference between the highest per-pupil allocation among all public  
2 school academies for the immediately preceding state fiscal year and the minimum foundation  
3 allowance for the immediately preceding state fiscal year) divided by the difference  
4 between the basic foundation allowance for the current state fiscal year and the minimum  
5 foundation allowance for the immediately preceding state fiscal year.] For the purposes of  
6 this subdivision, for ~~2018-2019~~, **2019-2020** the maximum public school academy allocation is  
7 ~~\$7,871.00~~. **\$8,051.00**.

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

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

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

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

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

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

26 (q) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the  
27 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local  
28 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
29 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, or the corridor  
30 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

31 (r) "Taxable value per membership pupil" means taxable value, as certified by the  
32 county treasurer and reported to the department, for the calendar year ending in the

1 current state fiscal year divided by the district's membership excluding special education  
2 pupils for the school year ending in the current state fiscal year.

3 Sec. 20d. In making the final determination required under former section 20a of a  
4 district's combined state and local revenue per membership pupil in 1993-94 and in making  
5 calculations under section 20 for ~~2018-2019~~, **2019-2020**, the department and the department  
6 of treasury shall comply with all of the following:

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

18 (b) If a district had an adjustment made to its 1993-94 total state school aid that  
19 excluded payments made under former section 146 and under section 147 on behalf of the  
20 district's employees who provided direct services for intermediate district center programs  
21 operated by the district under sections 51 to 56, if nonresident pupils attending the  
22 center programs were included in the district's membership for purposes of calculating the  
23 combined state and local revenue per membership pupil for 1993-94, and if there is a signed  
24 agreement by all constituent districts of the intermediate district that an adjustment  
25 under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of  
26 all districts that had pupils attending the intermediate district center program operated  
27 by the district that had the adjustment shall be calculated as if their combined state and  
28 local revenue per membership pupil for 1993-94 included resident pupils attending the  
29 center program and excluded nonresident pupils attending the center program.

30 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount  
31 not to exceed \$18,000,000.00 for ~~2018-2019~~ **2019-2020** for payments to eligible districts  
32 under this section.



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

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

7 (b) The district's equity payment per membership pupil under former section 22c for  
8 2013-2014.

9 (c) The quotient of the district's allocation under section 147a for 2012-2013  
10 divided by the district's membership pupils for 2012-2013 minus the quotient of the  
11 district's allocation under section 147a for 2013-2014 divided by the district's membership  
12 pupils for 2013-2014.

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

16 (4) The funding under this subsection is from the allocation under subsection (1). A  
17 district is eligible for funding under this subsection if the sum of the following is less  
18 than \$25.00:

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

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

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

25 (d) The quotient of the district's allocation under section 31a for 2015-2016 divided  
26 by the district's membership pupils for 2015-2016 minus the quotient of the district's  
27 allocation under section 31a for 2014-2015 divided by the district's membership pupils for  
28 2014-2015.

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

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

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

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

5 (d) The quotient of the district's allocation under section 31a for 2015-2016 divided  
6 by the district's membership pupils for 2015-2016 minus the quotient of the district's  
7 allocation under section 31a for 2014-2015 divided by the district's membership pupils for  
8 2014-2015.

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

12 Sec. 21h. (1) From the appropriation in section 11, there is allocated \$7,000,000.00  
13 for ~~2018-2019~~ **2019-2020** for assisting districts assigned by the superintendent to  
14 participate in a partnership to improve student achievement. The purpose of the partnership  
15 is to identify district needs, develop intervention plans, and partner with public,  
16 private, and nonprofit organizations to coordinate resources and improve student  
17 achievement. Assignment of a district to a partnership is at the sole discretion of the  
18 superintendent.

19 (2) A district assigned to a partnership by the superintendent is eligible for  
20 funding under this section if the district includes at least 1 school that has been rated  
21 with a grade of "F", or comparable performance rating, in the most recent state  
22 accountability system rating, that is not under the supervision of the state school  
23 reform/redesign office, and that does all of the following:

24 (a) Completes a comprehensive needs evaluation in collaboration with an intermediate  
25 school district, community members, education organizations, and postsecondary  
26 institutions, as applicable and approved by the superintendent, within 90 days of  
27 assignment to the partnership described in this section. The comprehensive needs evaluation  
28 shall include at least all of the following:

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

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

1 (iii) A review of classroom, instructional, and operational practices and curriculum  
2 to ensure alignment with research-based instructional practices and state curriculum  
3 standards.

4 (b) Develops an intervention plan that has been approved by the superintendent and  
5 that addresses the needs identified in the comprehensive needs evaluation completed under  
6 subdivision (a). The intervention plan shall include at least all of the following:

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

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

12 (c) Crafts academic goals that put pupils on track to meet or exceed grade level  
13 proficiency.

14 (3) Upon approval of the intervention plan developed under subsection (2), the  
15 department shall assign a team of individuals with expertise in comprehensive school and  
16 district reform to partner with the district, the intermediate district, community  
17 organizations, education organizations, and postsecondary institutions identified in the  
18 intervention plan to review the district's use of existing financial resources to ensure  
19 that those resources are being used as efficiently and effectively as possible to improve  
20 student academic achievement. The superintendent of public instruction may waive burdensome  
21 administrative rules for a partnership district for the duration of the partnership  
22 agreement.

23 (4) Funds allocated under this section may be used to pay for district expenditures  
24 approved by the superintendent to improve student achievement. Funds may be used for  
25 professional development for teachers or district or school leadership, increased  
26 instructional time, teacher mentors, or other expenditures that directly impact student  
27 achievement and cannot be paid from existing district financial resources. An eligible  
28 district shall not receive funds under this section for more than 3 years. Notwithstanding  
29 section 17b, payments to eligible districts under this section shall be paid on a schedule  
30 determined by the department.

31 (5) The department shall annually report in person to the legislature on the  
32 activities funded under this section and how those activities impacted student achievement

1 in eligible districts that received funds under this section. To the extent possible,  
2 participating districts receiving funding under this section shall participate in the  
3 report.

4 Sec. 22a. (1) From the appropriation in section 11, ~~there is allocated an amount not~~  
5 ~~to exceed \$5,176,000,000.00 for 2017-2018 and there is allocated an amount not to exceed~~  
6 ~~\$5,107,000,000.00~~ **\$4,953,000,000.00** for ~~2018-2019-2019-2020~~ for payments to districts and  
7 qualifying public school academies to guarantee each district and qualifying public school  
8 academy an amount equal to its 1994-95 total state and local per pupil revenue for school  
9 operating purposes under section 11 of article IX of the state constitution of 1963.  
10 Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does  
11 not apply to a district in a year in which the district levies a millage rate for school  
12 district operating purposes less than it levied in 1994. However, subsection (2) applies to  
13 calculating the payments under this section. Funds allocated under this section that are  
14 not expended in the state fiscal year for which they were allocated, as determined by the  
15 department, may be used to supplement the allocations under sections 22b and 51c in order  
16 to fully fund those calculated allocations for the same fiscal year.

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

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

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

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

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

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

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

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

23 (6) ~~(7)~~ As used in this section:

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

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

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

31 (d) "Current year hold harmless school operating taxes per pupil" means the per pupil  
32 revenue generated by multiplying a district's 1994-95 hold harmless millage by the

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

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

23 (g) "Homestead", "qualified agricultural property", "qualified forest property",  
24 "supportive housing property", "industrial personal property", and "commercial personal  
25 property" mean those terms as defined in section 1211 of the revised school code, MCL  
26 380.1211.

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

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

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

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

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

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

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

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

27 (ii) For the number of mills of school operating taxes that may be levied on all  
28 property as provided in section 1211(2) of the revised school code, MCL 380.1211, the  
29 taxable value of all property for the calendar year ending in the current state fiscal  
30 year. For a receiving district, if school operating taxes are to be levied on behalf of a  
31 dissolved district that has been attached in whole or in part to the receiving district to  
32 satisfy debt obligations of the dissolved district under section 12 of the revised school



1 code, MCL 380.12, school operating taxes do not include school operating taxes levied  
2 within the geographic area of the dissolved district.

3 Sec. 22b. (1) For discretionary nonmandated payments to districts under this section,  
4 ~~there is allocated for 2017-2018 an amount not to exceed \$3,957,000,000.00 from the state~~  
5 ~~school aid fund and general fund appropriations in section 11 and an amount not to exceed~~  
6 ~~\$72,000,000.00 from the community district education trust fund appropriation in section~~  
7 ~~11, and there is allocated for 2018-2019-2019-2020~~ an amount not to exceed  
8 ~~\$4,252,000,000.00~~ **\$4,401,000,000.00** from the state school aid fund and general fund  
9 appropriations in section 11 and an amount not to exceed \$72,000,000.00 from the community  
10 district education trust fund appropriation in section 11. Except for money allocated from  
11 the community district trust fund, money allocated under this section that is not expended  
12 in the state fiscal year for which it was allocated, as determined by the department, may  
13 be used to supplement the allocations under sections 22a and 51c in order to fully fund  
14 those calculated allocations for the same fiscal year.

15 (2) Subject to subsection (3) and section 296, the allocation to a district under  
16 this section shall be an amount equal to the sum of the amounts calculated under sections  
17 20, ~~20m~~, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district  
18 under sections 22a and 51c. For a community district, the allocation as otherwise  
19 calculated under this section shall be increased by an amount equal to the amount of local  
20 school operating tax revenue that would otherwise be due to the community district if not  
21 for the operation of section 386 of the revised school code, MCL 380.386, and this increase  
22 shall be paid from the community district education trust fund allocation in subsection (1)  
23 in order to offset the absence of local school operating revenue in a community district in  
24 the funding of the state portion of the foundation allowance under section 20(4).

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

- 27 (a) Comply with section 1280b of the revised school code, MCL 380.1280b.
- 28 (b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a  
29 and 380.1278b.

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

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

2 (e) Comply with section 21f.

3 ~~(f) For a district or public school academy that has entered into a partnership~~  
4 ~~agreement with the department, comply with section 22p.~~

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

9 (5) From the allocation in subsection (1), the department shall pay up to  
10 \$1,000,000.00 in litigation costs incurred by this state related to commercial or  
11 industrial property tax appeals, including, but not limited to, appeals of classification,  
12 that impact revenues dedicated to the state school aid fund.

13 (6) From the allocation in subsection (1), the department shall pay up to  
14 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by  
15 1 or more districts or intermediate districts against this state. If the allocation under  
16 this section is insufficient to fully fund all payments required under this section, the  
17 payments under this subsection shall be made in full before any proration of remaining  
18 payments under this section.

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

30 (8) If the local claims review board or a court of competent jurisdiction makes a  
31 final determination that this state is in violation of section 29 of article IX of the  
32 state constitution of 1963 regarding state payments to districts, the state budget director

1 shall use work project funds under subsection (7) or allocate from the discretionary funds  
2 for nonmandated payments under this section the amount as may be necessary to satisfy the  
3 amount owed to districts before making any payments to districts under subsection (2).

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

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

15 (11) If a lawsuit challenging payments made to districts related to costs reimbursed  
16 by federal title XIX Medicaid funds is filed against this state, then, for the purpose of  
17 addressing potential liability under such a lawsuit, the state budget director may place  
18 funds allocated under this section in escrow or allocate money from the funds otherwise  
19 allocated under this section, up to a maximum of 50% of the amount allocated in subsection  
20 (1). If funds are placed in escrow under this subsection, those funds are a work project  
21 appropriation and the funds are carried forward into the following fiscal year. The purpose  
22 of the work project is to provide for any payments that may be awarded to districts as a  
23 result of the litigation. The work project shall be completed upon resolution of the  
24 litigation. In addition, this state reserves the right to terminate future federal title  
25 XIX Medicaid reimbursement payments to districts if the amount or allocation of reimbursed  
26 funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX  
27 of the social security act, 42 USC 1396 to 1396w-5.

28 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed  
29 \$6,000,000.00 is allocated for ~~2018-2019-2019-2020~~ for supplemental payments to rural  
30 districts under this section.

31 (2) From the allocation under subsection (1), there is allocated for ~~2018-2019-2019-~~  
32 **2020** an amount not to exceed \$957,300.00 for payments under this subsection to districts

1 that meet all of the following:

2 (a) Operates grades K to 12.

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

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

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

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

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

21 (4) Subject to subsection (6), from the allocation in subsection (1), there is  
22 allocated for ~~2018-2019~~**2019-2020** an amount not to exceed \$5,042,700.00 For payments under  
23 this subsection to districts that have 7.7 or fewer pupils per square mile as determined by  
24 the department.

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

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

29 Sec. 22m. (1) From the appropriations in section 11, there is allocated for ~~2018-2019~~  
30 **2019-2020** an amount not to exceed \$2,200,000.00 for supporting the integration of local  
31 data systems into the Michigan data hub network based on common standards and applications  
32 that are in compliance with section 19(6).

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

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

8 (4) The center, in collaboration with the Michigan data hub network, shall determine  
9 the amount of funds distributed under this section to each participating regional data hub  
10 within the network, based upon a competitive grant process. Entities receiving funding  
11 under this section shall represent geographically diverse areas in this state.

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

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

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

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

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

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

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

30 (d) Promoting 100% district adoption of the Michigan data hub network by September  
31 30, 2020.

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

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

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

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

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

16 Sec. 22n. (1) From the appropriation in section 11, there is allocated an amount not  
17 to exceed \$11,000,000.00 for ~~2018-2019~~ **2019-2020** for additional payments to districts for  
18 the higher instructional costs of educating high school pupils.

19 (2) A district is eligible for a payment under this section if it educates pupils in  
20 1 or more of grades 9 to 12.

21 (3) The payment to each eligible district under this section shall be an amount equal  
22 to \$25.00 multiplied by the district's total pupil membership in grades 9 to 12 as  
23 calculated under section 6 for the current fiscal year. If the allocation under subsection  
24 (1) is insufficient to fully fund payments under this subsection, the department shall  
25 prorate payments under this section on an equal per-pupil basis.

26 Sec. 24. (1) From the appropriation in section 11, there is allocated ~~each fiscal~~  
27 ~~year for 2017-2018 and for 2018-2019~~ **FOR 2019-2020** an amount not to exceed \$7,150,000.00  
28 for payments to the educating district or intermediate district for educating pupils  
29 assigned by a court or the department of health and human services to reside in or to  
30 attend a juvenile detention facility or child caring institution licensed by the department  
31 of health and human services and approved by the department to provide an on-grounds  
32 education program. The amount of the payment under this section to a district or

1 intermediate district shall be calculated as prescribed under subsection (2).

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

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

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

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

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

30 Sec. 24a. From the appropriation in section 11, there is allocated an amount not to  
31 exceed \$1,355,700.00 for ~~2018-2019~~ **2019-2020** for payments to intermediate districts for  
32 pupils who are placed in juvenile justice service facilities operated by the department of

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

13 Sec. 25e. (1) The pupil membership transfer application and pupil transfer process  
14 administered by the center under this section shall be used for processing pupil transfers.

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

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

29 (b) Notify both the pupil auditing staff of the intermediate district in which the  
30 educating district is located and the pupil auditing staff of the intermediate district in  
31 which the district that previously enrolled the pupil is located. The pupil auditing staff  
32 shall investigate a representative sample based on required audit sample sizes in the pupil



1 auditing manual and may deny the pupil membership transfer.

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

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

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

19 (b) Adjust the membership calculation for the educating district or intermediate  
20 district in which the pupil is enrolled and is in attendance so that the district's or  
21 intermediate district's membership is increased to allow the district or intermediate  
22 district to receive an amount equal to the difference between the full-time equated  
23 membership claimed in the fall pupil membership count and the sum of the adjustments  
24 calculated under subdivision (a) for each district or intermediate district in which the  
25 pupil was previously enrolled and in attendance. The educating district or intermediate  
26 district shall receive a prorated foundation allowance in an amount equal to the product of  
27 the adjustment under this subdivision for the educating district or intermediate district  
28 multiplied by the per-pupil payment as calculated under section 20 for the educating  
29 district or intermediate district. The foundation allowance or per-pupil payment shall be  
30 adjusted by the pupil's full-time equated status as affected by the membership definition  
31 under section 6(4).

32 (4) The changes in calculation of state school aid required under subsection (3)

1 shall take effect as of the date that the pupil becomes enrolled and in attendance in the  
2 educating district or intermediate district, and the department shall base all subsequent  
3 payments under this article for the fiscal year to the affected districts or intermediate  
4 districts on this recalculation of state school aid.

5 (5) If a pupil enrolls in an educating district or intermediate district as described  
6 in subsection (2), the district or intermediate district in which the pupil is counted in  
7 membership or another educating district or intermediate district that received an  
8 adjustment in its membership calculation under subsection (3), if any, and the educating  
9 district or intermediate district shall provide to the center and the department all  
10 information they require to comply with this section.

11 (6) The portion of the full-time equated pupil membership for which a pupil is  
12 enrolled in 1 or more online courses under section 21f that is representative of the amount  
13 that the primary district paid in course costs to the course provider shall not be counted  
14 or transferred under the pupil transfer process under this section.

15 ~~(7) It is the intent of the legislature that the center determine the number of~~  
16 ~~pupils who did not reside in this state as of the 2018-2019 pupil membership count day but~~  
17 ~~who newly enrolled in a district or intermediate district after that pupil membership count~~  
18 ~~day and before the 2018-2019 supplemental count day. It is the intent of the legislature~~  
19 ~~that the center further determine the number of pupils who were counted in membership for~~  
20 ~~the 2018-2019 pupil membership count day but who left this state before the 2018-2019~~  
21 ~~supplemental count day. In 2019-2020, the **THE** center shall **ANNUALLY** provide a report to the~~  
22 ~~senate and house appropriations subcommittees on state school aid, and to the senate and~~  
23 ~~house fiscal agencies, detailing the number of pupils transferring in from outside the~~  
24 ~~public school system of this state and the number of pupils transferring out of the public~~  
25 ~~school system in this state between the pupil membership count day and supplemental count~~  
26 ~~day as described in this subsection.~~

27 (8) As used in this section:

28 (a) "Educating district or intermediate district" means the district or intermediate  
29 district in which a pupil enrolls after the pupil membership count day or after an  
30 adjustment was made in another district's or intermediate district's membership calculation  
31 under this section due to the pupil's enrollment and attendance.

32 (b) "Pupil" means that term as defined under section 6 and also children receiving

1 early childhood special education programs and services.

2 Sec. 26a. From the funds appropriated in section 11, ~~there is allocated an amount not~~  
3 ~~to exceed \$15,000,000.00 for 2017-2018 and~~ there is allocated an amount not to exceed  
4 ~~\$15,000,000.00~~ **\$15,300,000.00** for ~~2018-2019~~ **2019-2020** to reimburse districts and  
5 intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA  
6 376, MCL 125.2692, for taxes levied in ~~2017 and 2018, as applicable.~~ **2019**. The allocations  
7 shall be made not later than 60 days after the department of treasury certifies to the  
8 department and to the state budget director that the department of treasury has received  
9 all necessary information to properly determine the amounts due to each eligible recipient.

10 Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2018-2019~~  
11 **2019-2020** an amount not to exceed \$4,405,100.00 for payments to districts, intermediate  
12 districts, and community college districts for the portion of the payment in lieu of taxes  
13 obligation that is attributable to districts, intermediate districts, and community college  
14 districts under section 2154 of the natural resources and environmental protection act,  
15 1994 PA 451, MCL 324.2154.

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

19 Sec. 26c. (1) From the appropriation in section 11, ~~there is allocated an amount not~~  
20 ~~to exceed \$1,600,000.00 for 2017-2018 and~~ there is allocated an amount not to exceed  
21 ~~\$3,000,000.00~~ **\$8,400,000.00** for ~~2018-2019~~ **2019-2020** to the promise zone fund created in  
22 subsection (3). The funds allocated under this section reflect the amount of revenue from  
23 the collection of the state education tax captured under section 17(2) of the Michigan  
24 promise zone authority act, 2008 PA 549, MCL 390.1677.

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

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

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

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

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

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

15 **SEC. 28. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT**  
16 **TO EXCEED \$794,000,000.00 FOR 2019-2020 TO PROVIDE ADDITIONAL RESOURCES TO DISTRICTS AND**  
17 **INTERMEDIATE DISTRICTS FOR COSTS ASSOCIATED WITH PROVIDING INSTRUCTION TO HIGHER-NEEDS**  
18 **PUPILS AND TO MAKE PAYMENTS BASED ON THE WEIGHTED PER PUPIL EDUCATION FUNDING MODEL**  
19 **PURSUANT TO THIS SECTION.**

20 (2) BEGINNING IN 2019-2020, THERE IS IMPLEMENTED A WEIGHTED PER PUPIL EDUCATION  
21 FUNDING MODEL THAT PROVIDES FOR A PER-PUPIL BASE AMOUNT FOR ALL DISTRICTS AND ADDS WEIGHTS  
22 FOR ADDITIONAL RESOURCES TO SERVE HIGHER-NEEDS PUPILS WHO REQUIRE SPECIAL EDUCATION  
23 SERVICES, ARE ACADEMICALLY AT RISK, OR ARE RECEIVING CAREER AND TECHNICAL EDUCATION  
24 PROGRAMMING. A DISTRICT'S BASE AMOUNT PER PUPIL IS EQUAL TO THE DISTRICT'S FOUNDATION  
25 ALLOWANCE CALCULATED UNDER SECTION 20 AND PAID OUT UNDER SECTIONS 22A AND 22B. FUNDS  
26 ALLOCATED UNDER THIS SECTION MUST BE SPENT ON RESOURCES THAT ARE SHOWN THROUGH RESEARCH AND  
27 BEST PRACTICE TO IMPROVE STUDENT LEARNING.

28 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED  
29 \$120,000,000.00 FOR PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS TO INCREASE THE LEVEL  
30 OF REIMBURSEMENT OF COSTS ASSOCIATED WITH PROVIDING SPECIAL EDUCATION SERVICES REQUIRED  
31 UNDER STATE AND FEDERAL STATUTES.

32 (A) A DISTRICT'S OR INTERMEDIATE DISTRICT'S ALLOCATION UNDER THIS SUBSECTION IS EQUAL

1 TO THE LEVEL PERCENTAGE MULTIPLIED BY EACH DISTRICT'S OR INTERMEDIATE DISTRICT'S COSTS  
2 REPORTED TO THE CENTER ON THE SPECIAL EDUCATION ACTUAL COST REPORT, KNOWN AS "SE-4096"  
3 UNDER SECTION 18(6), AS APPROVED BY THE DEPARTMENT. THE TOTAL REIMBURSEMENT UNDER THIS  
4 SUBSECTION AND UNDER SECTION 51C SHALL NOT EXCEED THE TOTAL REPORTED COSTS FOR A DISTRICT  
5 OR INTERMEDIATE DISTRICT. FOR THE PURPOSES OF THIS SUBSECTION "THE LEVEL PERCENTAGE" MEANS  
6 AN AMOUNT EQUAL TO THE ALLOCATION IN SUBSECTION (2) DIVIDED BY THE TOTAL OF COSTS REPORTED  
7 TO THE CENTER ON THE SPECIAL EDUCATION ACTUAL COST REPORT, KNOWN AS "SE-4096" UNDER SECTION  
8 18(6), AS APPROVED BY THE DEPARTMENT. FOR 2019-2020, THE LEVEL PERCENTAGE IS ESTIMATED AT  
9 4.0%.

10 (B) ON A STATEWIDE BASIS, THE ALLOCATION UNDER THIS SUBSECTION AND UNDER SECTIONS 51A  
11 AND 51C TO REIMBURSE DISTRICTS AND INTERMEDIATE DISTRICTS FOR 28.6138% OF TOTAL APPROVED  
12 COSTS OF SPECIAL EDUCATION ARE ESTIMATED TO PROVIDE AN ADDITIONAL AMOUNT PER FULL-TIME  
13 EQUATED SPECIAL EDUCATION PUPIL EQUAL TO 92% OF THE FOUNDATION ALLOWANCE AMOUNT PAID TO  
14 DISTRICTS AND INTERMEDIATE DISTRICTS FOR SPECIAL EDUCATION PUPILS.

15 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO  
16 EXCEED \$619,000,000.00 TO IMPLEMENT A WEIGHTED FOUNDATION PER-PUPIL PAYMENT FOR DISTRICTS  
17 ENROLLING ECONOMICALLY DISADVANTAGED PUPILS. PAYMENTS SHALL BE MADE TO DISTRICTS FOR THE  
18 PURPOSES OF ENSURING THAT PUPILS ARE PROFICIENT IN ENGLISH LANGUAGE ARTS BY THE END OF  
19 GRADE 3, THAT PUPILS ARE PROFICIENT IN MATHEMATICS BY THE END OF GRADE 8, THAT PUPILS ARE  
20 ATTENDING SCHOOL REGULARLY, AND THAT HIGH SCHOOL GRADUATES ARE CAREER AND COLLEGE READY.

21 (A) A DISTRICT'S ALLOCATION UNDER THIS SUBSECTION FOR EACH MEMBERSHIP PUPIL IN THE  
22 DISTRICT WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED, AS REPORTED TO THE CENTER IN  
23 THE FORM AND MANNER PRESCRIBED BY THE CENTER NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE  
24 PUPIL MEMBERSHIP COUNT DAY OF THE IMMEDIATELY PRECEDING FISCAL YEAR, IS EQUAL TO 11% OF THE  
25 DISTRICT'S FOUNDATION ALLOWANCE AS CALCULATED IN SECTION 20, NOT TO EXCEED THE STATE  
26 MINIMUM FOUNDATION ALLOWANCE. IT IS INTENDED THAT THE STATEWIDE TARGET PERCENTAGE FOR ALL  
27 SOURCES OF FUNDS BE SET AT 35.0%. IF FUNDS ALLOCATED UNDER THIS SUBSECTION ARE INSUFFICIENT  
28 TO FULLY FUND THE PAYMENTS PRESCRIBED IN THIS SUBSECTION, PAYMENTS SHALL BE PRORATED ON AN  
29 EQUAL PERCENTAGE BASIS.

30 (B) FOR A DISTRICT THAT HAS COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL  
31 UNDER SECTION 20 THAT IS GREATER THAN THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR  
32 THE CURRENT FISCAL YEAR, THE ALLOCATION UNDER THIS SUBSECTION SHALL BE AN AMOUNT EQUAL TO

1 50% OF THE ALLOCATION FOR WHICH IT WOULD OTHERWISE BE ELIGIBLE UNDER THIS SUBSECTION,  
2 BEFORE ANY PRORATION UNDER SUBDIVISION (A) .

3 (C) A DISTRICT THAT BEGAN OPERATIONS AFTER THE PUPIL MEMBERSHIP COUNT DAY OF THE  
4 IMMEDIATELY PRECEDING SCHOOL YEAR SHALL RECEIVE UNDER THIS SUBSECTION FOR EACH MEMBERSHIP  
5 PUPIL IN THE DISTRICT, WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED, AS REPORTED TO  
6 THE CENTER IN THE FORM AND MANNER PRESCRIBED BY THE CENTER NOT LATER THAN THE FIFTH  
7 WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT DAY OF THE CURRENT FISCAL YEAR, THE SAME  
8 PERCENTAGE AS PAID IN SUBDIVISION (A) OF THE DISTRICT'S FOUNDATION ALLOWANCE AS CALCULATED  
9 IN SECTION 20, NOT TO EXCEED THE STATE MINIMUM FOUNDATION ALLOWANCE.

10 (D) PAYMENTS UNDER THIS SUBSECTION ARE SUBJECT TO A DISTRICT'S COMPLIANCE WITH THE  
11 REQUIREMENTS DESCRIBED IN SECTION 31A. PAYMENTS SHALL BE USED BY DISTRICTS FOR THE PURPOSES  
12 DESCRIBED IN SECTION 31A. IN ADDITION, DISTRICTS SHALL USE FUNDS UNDER THIS SUBSECTION TO  
13 SHOW PROGRESS TOWARD MEETING THE FOLLOWING GOALS:

14 (I) PROVIDING AT LEAST 1 TUTOR PER EVERY 100 ECONOMICALLY DISADVANTAGED PUPILS  
15 ENROLLED IN THE DISTRICT.

16 (II) PROVIDING AT LEAST 1 PUPIL SUPPORT POSITION - INCLUDING BEHAVIOR SPECIALISTS,  
17 READING SUPPORT EXPERTS, AND COUNSELORS - PER EVERY 125 ECONOMICALLY DISADVANTAGED PUPILS  
18 ENROLLED IN THE DISTRICT.

19 (III) PROVIDING AT LEAST 1 SUMMER SCHOOL TEACHING POSITION PER EVERY 120 ECONOMICALLY  
20 DISADVANTAGED PUPILS ENROLLED IN THE DISTRICT.

21 (IV) EXPANDING PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR TEACHERS.

22 (V) PROVIDING ADDITIONAL SUPPORTS FOR STUDENTS ON THE COMPLETION OF THE FREE  
23 APPLICATION FOR FEDERAL STUDENT FINANCIAL AID (FAFSA) .

24 (E) AS USED IN THIS SECTION, "ECONOMICALLY DISADVANTAGED" MEANS THAT TERM AS DEFINED  
25 IN SECTION 31A.

26 (5) FROM THE ALLOCATION IN SUBSECTION (1) , THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED  
27 \$55,000,000.00 TO IMPLEMENT A WEIGHTED FOUNDATION PER-PUPIL PAYMENT FOR DISTRICTS WITH  
28 PUPILS ENROLLED IN CAREER AND TECHNICAL EDUCATION PROGRAMS. A SCHOOL OF EXCELLENCE THAT IS  
29 A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, IS NOT  
30 ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION.

31 (A) A DISTRICT SHALL RECEIVE UNDER THIS SUBSECTION FOR EACH PUPIL IN THE DISTRICT WHO  
32 IS IN GRADES 9 TO 12 AND WHO IS COUNTED IN MEMBERSHIP IN THE DISTRICT AND WHO IS ENROLLED

1 IN AT LEAST 1 CAREER AND TECHNICAL EDUCATION PROGRAM IN THE CAREER PATHWAY IDENTIFIED BY  
2 THE STUDENT ON THE STUDENT'S EDUCATIONAL DEVELOPMENT PLAN, EXCLUDING THOSE PUPILS ENROLLED  
3 IN DISTRICTS IN ACCORDANCE WITH SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION 6, 6%  
4 OF THE DISTRICT'S FOUNDATION ALLOWANCE AS CALCULATED IN SECTION 20, NOT TO EXCEED THE STATE  
5 MINIMUM FOUNDATION ALLOWANCE. IT IS INTENDED THAT THE STATEWIDE TARGET PERCENTAGE FOR ALL  
6 SOURCES OF FUNDS BE SET AT 10.0%. IF FUNDS ALLOCATED UNDER THIS SUBSECTION ARE INSUFFICIENT  
7 TO FULLY FUND THE PAYMENTS PRESCRIBED IN THIS SUBSECTION, PAYMENTS SHALL BE PRORATED ON AN  
8 EQUAL PERCENTAGE BASIS.

9 (B) AS USED IN THIS SUBSECTION "CAREER AND TECHNICAL EDUCATION PROGRAM" MEANS A  
10 STATE-APPROVED CAREER AND TECHNICAL EDUCATION PROGRAM, AS DETERMINED BY THE DEPARTMENT.

11 (C) PAYMENTS UNDER THIS SUBSECTION ARE INTENDED TO SUPPORT THE HIRING OF ADDITIONAL  
12 CAREER AND TECHNICAL EDUCATION STAFF AND CAREER COUNSELORS; TO UPDATE AND MAINTAIN  
13 FACILITIES, EQUIPMENT, AND MATERIALS RELATED TO CAREER AND TECHNICAL EDUCATION PROGRAMMING;  
14 AND TO EXPAND THE NUMBER OF CAREER AND TECHNICAL EDUCATION PROGRAMS AVAILABLE TO STUDENTS.

15 ~~Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there~~  
16 ~~is allocated for 2018-2019 an amount not to exceed \$528,207,300.00 for payments to eligible~~  
17 ~~districts and eligible public school academies for the purposes of ensuring that pupils are~~  
18 ~~proficient in English language arts by the end of grade 3, that pupils are proficient in~~  
19 ~~mathematics by the end of grade 8, that pupils are attending school regularly, that high~~  
20 ~~school graduates are career and college ready, and for the purposes under subsections (7)~~  
21 ~~and (8).~~

22 ~~(2) For a district that has combined state and local revenue per membership pupil~~  
23 ~~under sections 20 and 20m that is greater than the basic foundation allowance under~~  
24 ~~section 20 for the current fiscal year, the allocation under this section shall be an~~  
25 ~~amount equal to 30% of the allocation for which it would otherwise be eligible under this~~  
26 ~~section before any proration under subsection (14).~~

27 (1) ~~(3)~~ For a district or public school academy to be eligible to receive funding  
28 under this section, other than funding under subsection (7) or (8), **SECTION 28(4)**, the  
29 district or public school academy, for grades K to 12, shall comply with the requirements  
30 under section 1280f of the revised school code, MCL 380.1280f, and shall use resources to  
31 address early literacy and numeracy, and for at least grades K to 12 or, if the district or  
32 public school academy does not operate all of grades K to 12, for all of the grades it

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

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

11 ~~(4) Except as otherwise provided in this subsection, an eligible district or eligible~~  
12 ~~public school academy shall receive under this section for each membership pupil in the~~  
13 ~~district or public school academy who is determined to be economically disadvantaged, as~~  
14 ~~reported to the center in the form and manner prescribed by the center not later than the~~  
15 ~~fifth Wednesday after the pupil membership count day of the immediately preceding fiscal~~  
16 ~~year, an amount per pupil equal to 11.5% of the statewide weighted average foundation~~  
17 ~~allowance. However, a public school academy that began operations as a public school~~  
18 ~~academy after the pupil membership count day of the immediately preceding school year shall~~  
19 ~~receive under this section for each membership pupil in the public school academy, who is~~  
20 ~~determined to be economically disadvantaged, as reported to the center in the form and~~  
21 ~~manner prescribed by the center not later than the fifth Wednesday after the pupil~~  
22 ~~membership count day of the current fiscal year, an amount per pupil equal to 11.5% of the~~  
23 ~~statewide weighted average foundation allowance.~~

24 (2) ~~(5)~~ Except as otherwise provided in this section, a district or public school  
25 academy receiving funding under ~~this section~~ **28(4)** shall use that money only to provide  
26 instructional programs and direct noninstructional services, including, but not limited to,  
27 medical, mental health, or counseling services, for at-risk pupils; for school health  
28 clinics; and for the purposes of subsection ~~(6), (7), or (8)~~. **(3), (4), OR (5)**. In  
29 addition, a district that is a school district of the first class or a district or public  
30 school academy in which at least 50% of the pupils in membership were determined to be  
31 economically disadvantaged in the immediately preceding state fiscal year, as determined  
32 and reported as described in ~~subsection (4)~~, **SECTION 28(4)** may use not more than 20% of the



1 funds it receives under ~~this~~ section **28(4)** for school security **THAT ALIGNS TO THE NEEDS**  
2 **ASSESSMENT AND THE MULTI-TIERED SYSTEM OF SUPPORTS MODEL**. A district or public school  
3 academy shall not use any of that money for administrative costs. The instruction or direct  
4 noninstructional services provided under this section **OR UNDER SECTION 28(4)** may be  
5 conducted before or after regular school hours or by adding extra school days to the school  
6 year. Funds spent on school security under this subsection must be counted toward required  
7 spending under subsection ~~(16)(e)~~. **(12)(C)**.

8 **(3)** ~~(6)~~ A district or public school academy that receives funds under ~~this~~ section  
9 **28(4)** and that operates a school breakfast program under section 1272a of the revised  
10 school code, MCL 380.1272a, shall use from the funds received under ~~this~~ section **28(4)** an  
11 amount, not to exceed \$10.00 per pupil for whom the district or public school academy  
12 receives funds under ~~this~~ section **28(4)**, necessary to pay for costs associated with the  
13 operation of the school breakfast program.

14 **(4)** ~~(7)~~ From the funds ~~allocated under subsection (1)~~, **APPROPRIATED IN SECTION 11**,  
15 there is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed \$6,057,300.00 to support  
16 primary health care services provided to children and adolescents up to age 21. These funds  
17 shall be expended in a form and manner determined jointly by the department and the  
18 department of health and human services. ~~If any funds allocated under this subsection are~~  
19 ~~not used for the purposes of this subsection for the fiscal year in which they are~~  
20 ~~allocated, those unused funds shall be used that fiscal year to avoid or minimize any~~  
21 ~~proration that would otherwise be required under subsection (14) for that fiscal year.~~

22 **(5)** ~~(8)~~ From the funds ~~allocated under subsection (1)~~, **APPROPRIATED IN SECTION 11**,  
23 there is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed \$5,150,000.00 for the  
24 state portion of the hearing and vision screenings as described in section 9301 of the  
25 public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay  
26 at least 50% of the total cost of the screenings. The frequency of the screenings shall be  
27 as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan  
28 Administrative Code. Funds shall be awarded in a form and manner approved jointly by the  
29 department and the department of health and human services. Notwithstanding section 17b,  
30 payments to eligible entities under this subsection shall be paid on a schedule determined  
31 by the department.

32 **(6)** ~~(9)~~ Each district or public school academy receiving funds under ~~this~~ section

1 **28(4)** shall submit to the department by July 15 of each fiscal year a report, in the form  
2 and manner prescribed by the department, that includes a brief description of each program  
3 conducted or services performed by the district or public school academy using funds under  
4 ~~this~~ **section 28(4)**, the amount of funds under ~~this~~ **section 28(4)** allocated to each of those  
5 programs or services, the total number of at-risk pupils served by each of those programs  
6 or services, and the data necessary for the department and the department of health and  
7 human services to verify matching funds for the temporary assistance for needy families  
8 program. In prescribing the form and manner of the report, the department shall ensure that  
9 districts are allowed to expend funds received under ~~this~~ **section 28(4)** on any activities  
10 that are permissible under this section **OR SECTION 28(4)**. If a district or public school  
11 academy does not comply with this subsection, the department shall withhold an amount equal  
12 to the August payment due under ~~this~~ **section 28(4)** until the district or public school  
13 academy complies with this subsection. If the district or public school academy does not  
14 comply with this subsection by the end of the state fiscal year, the withheld funds shall  
15 be forfeited to the school aid fund.

16 (7) ~~(10)~~ In order to receive funds under ~~this~~ **section 28(4)**, a district or public  
17 school academy shall allow access for the department or the department's designee to audit  
18 all records related to the program for which it receives those funds. The district or  
19 public school academy shall reimburse the state for all disallowances found in the audit.

20 (8) ~~(11)~~ Subject to subsections ~~(6), (7), and (8)~~, **(3), (4), AND (5)**, for schools in  
21 which more than 40% of pupils are identified as at-risk, a district or public school  
22 academy may use the funds it receives under ~~this~~ **section 28(4)** to implement **TIER 1,**  
23 **EVIDENCE-BASED PRACTICES IN** schoolwide reforms that are guided by the district's  
24 comprehensive needs assessment and are included in the district improvement plan.  
25 Schoolwide reforms must include parent and community supports, activities, and services,  
26 that may include the pathways to potential program created by the department of health and  
27 human services or the communities in schools program. **AS USED IN THE SUBDIVISION, "TIER 1,**  
28 **EVIDENCE-BASED PRACTICES" MEANS RESEARCH-BASED INSTRUCTION AND CLASSROOM INTERVENTIONS THAT**  
29 **ARE AVAILABLE TO ALL LEARNERS AND EFFECTIVELY MEET THE NEEDS OF MOST STUDENTS.**

30 (9) ~~(12)~~ A district or public school academy that receives funds under ~~this~~ **section**  
31 **28(4)** may use up to ~~5%~~ **10%** of those funds to provide research-based professional  
32 development and to implement a coaching model that supports the multi-tiered system of

1 supports framework. Professional development may be provided to district and school  
2 leadership and teachers and must be aligned to professional learning standards; integrated  
3 into district, school building, and classroom practices; and solely related to the  
4 following:

5 (a) Implementing the multi-tiered system of supports required in subsection ~~(3)~~**(1)**  
6 with fidelity and utilizing the data from that system to inform curriculum and instruction.

7 (b) Implementing section 1280f of the revised school code, MCL 380.1280f, as required  
8 under subsection ~~(3)~~**(1)**, with fidelity.

9 **(10)** ~~(13)~~—A district or public school academy that receives funds under ~~this~~ section  
10 **28(4)** may use funds received under ~~this~~ section **28(4)** to support instructional or  
11 behavioral coaches. Funds used for this purpose are not subject to the cap under  
12 subsection ~~(12)~~**(9)**.

13 ~~(14) If necessary, and before any proration required under section 296, the~~  
14 ~~department shall prorate payments under this section, except payments under subsection (7),~~  
15 ~~(8), or (17), by reducing the amount of the allocation as otherwise calculated under this~~  
16 ~~section by an equal percentage per district.~~

17 **(11)** ~~(15)~~—If a district is dissolved pursuant to section 12 of the revised school  
18 code, MCL 380.12, the intermediate district to which the dissolved school district was  
19 constituent shall determine the estimated number of pupils that are economically  
20 disadvantaged and that are enrolled in each of the other districts within the intermediate  
21 district and provide that estimate to the department for the purposes of distributing funds  
22 under ~~this~~ section **28(4)** within 60 days after the school district is declared dissolved.

23 **(12)** ~~(16)~~—Beginning in 2019-2020, if a district or public school academy does not  
24 demonstrate to the satisfaction of the department that at least 50% of ~~at-risk~~**ECONOMICALLY**  
25 **DISADVANTAGED** pupils are proficient in English language arts by the end of grade 3 as  
26 measured by the state assessment for the immediately preceding school year ~~or have achieved~~  
27 ~~at least 1 year's growth in English language arts during grade 3 as measured by a local~~  
28 ~~benchmark assessment for the immediately preceding school year,~~ demonstrate to the  
29 satisfaction of the department that at least 50% of ~~at-risk~~**ECONOMICALLY DISADVANTAGED**  
30 pupils are proficient in mathematics by the end of grade 8 as measured by the state  
31 assessment for the immediately preceding school year ~~or have achieved at least 1 year's~~  
32 ~~growth in mathematics during grade 8 as measured by a local benchmark assessment for the~~

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

7 (a) The district or public school academy shall determine the proportion of ~~at-risk~~  
8 **ECONOMICALLY DISADVANTAGED** pupils in grade 3 that represents the number of ~~at-risk~~  
9 **ECONOMICALLY DISADVANTAGED** pupils in grade 3 that are not proficient in English language  
10 arts by the end of grade 3, ~~or that did not achieve at least 1 year's growth in English~~  
11 ~~language arts during grade 3,~~ and the district or public school academy shall expend that  
12 same proportion multiplied by 1/3 of its total ~~at-risk funds~~ **ECONOMICALLY DISADVANTAGED PER**  
13 **PUPIL PAYMENT** under ~~this~~ section **28 (4)** on ~~tutoring~~ **INTERVENTIONS** and other methods of  
14 improving grade 3 English language arts proficiency or growth.

15 (b) The district or public school academy shall determine the proportion of ~~at-risk~~  
16 **ECONOMICALLY DISADVANTAGED** pupils in grade 8 that represents the number of ~~at-risk~~  
17 **ECONOMICALLY DISADVANTAGED** pupils in grade 8 that are not proficient in mathematics by the  
18 end of grade 8, ~~or that did not achieve at least 1 year's growth in mathematics during~~  
19 ~~grade 8,~~ and the district or public school academy shall expend that same proportion  
20 multiplied by 1/3 of its total ~~at-risk funds~~ **ECONOMICALLY DISADVANTAGED PER PUPIL PAYMENT**  
21 under ~~this~~ section **28 (4)** on ~~tutoring~~ **INTERVENTIONS** and other methods of improving grade 8  
22 mathematics proficiency or growth.

23 (c) The district or public school academy shall determine the proportion of ~~at-risk~~  
24 **ECONOMICALLY DISADVANTAGED** pupils in grade 11 that represents the number of ~~at-risk~~  
25 **ECONOMICALLY DISADVANTAGED** pupils in grade 11 that are not career- and college-ready as  
26 measured by the student's score on the English language arts, mathematics, and science  
27 content area assessments on the grade 11 summative assessment under section 1279g(2) (a) of  
28 the revised school code, MCL 380.1279g, and the district or public school academy shall  
29 expend that same proportion multiplied by 1/3 of its total ~~at-risk funds~~ **ECONOMICALLY**  
30 **DISADVANTAGED PER PUPIL PAYMENT** under ~~this~~ section **28 (4)** on ~~tutoring~~ **INTERVENTIONS** and  
31 other activities to improve scores on the college entrance examination portion of the  
32 Michigan merit examination.

1           ~~(17) From the funds allocated under subsection (1), there is allocated for 2018-2019~~  
2 ~~an amount not to exceed \$18,000,000.00 for payments to districts and public school~~  
3 ~~academics that otherwise received an allocation under this section in 2018-2019 and that~~  
4 ~~allocation was less than the district's or public school academy's allocation under this~~  
5 ~~section in 2017-2018. The allocation for each district or public school academy under this~~  
6 ~~subsection is an amount equal to its allocation under this section in 2017-2018 minus its~~  
7 ~~allocation as otherwise calculated under this section for 2018-2019. If necessary, and~~  
8 ~~before any proration required under section 296, the department shall prorate payments~~  
9 ~~under this subsection by reducing the amount of the allocation as otherwise calculated~~  
10 ~~under this subsection by an equal percentage per district or public school academy.~~

11           **(13)** ~~(18)~~—A district or public school academy that receives funds under ~~this~~ section  
12 **28(4)** may use funds received under ~~this~~ section **28(4)** to provide an anti-bullying or crisis  
13 intervention program.

14           **(14)** ~~(19)~~—The department shall collaborate with the department of health and human  
15 services to prioritize assigning Pathways to Potential Success coaches to elementary  
16 schools that have a high percentage of pupils in grades K to 3 who are not proficient in  
17 English language arts, based upon state assessments for pupils in those grades.

18           **(15)** ~~(20)~~—As used in this section:

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

21           (i) The pupil is economically disadvantaged.

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

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

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

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

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

28           (vii) The pupil is an immigrant who has immigrated within the immediately preceding  
29 3 years.

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

32           (ix) For pupils for whom the results of the state summative assessment have been

1 received, is a pupil who did not achieve proficiency on the English language arts,  
2 mathematics, science, or social studies content area assessment.

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

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

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

14 ~~(d) "Statewide weighted average foundation allowance" means the number that is~~  
15 ~~calculated by adding together the result of each district's or public school academy's~~  
16 ~~foundation allowance or per pupil payment calculated under section 20 multiplied by the~~  
17 ~~number of pupils in membership in that district or public school academy, and then dividing~~  
18 ~~that total by the statewide number of pupils in membership. For the purposes of this~~  
19 ~~calculation, a district's foundation allowance shall not exceed the basic foundation~~  
20 ~~allowance under section 20 for the current state fiscal year.~~

21 Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not  
22 to exceed ~~\$22,802,000.00 for 2017-2018 and there is allocated an amount not to exceed~~  
23 ~~\$23,144,000.00 for 2018-2019~~ **2019-2020** for the purpose of making payments to districts and  
24 other eligible entities under this section.

25 (2) The amounts allocated from state sources under this section shall be used to pay  
26 the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state  
27 mandated portion of the school lunch programs provided by those districts. The amount due  
28 to each district under this section shall be computed by the department using the methods  
29 of calculation adopted by the Michigan supreme court in the consolidated cases known as  
30 *Durant 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 school 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 school lunch program shall be in an amount not to exceed \$10.00 per eligible  
5 pupil plus 5 cents for each free lunch and 2 cents for each reduced price lunch provided,  
6 as determined by the department.

7 (5) From the federal funds appropriated in section 11, there is allocated for ~~2018-~~  
8 ~~2019-2019-2020~~ all available federal funding, estimated at ~~\$520,000,000.00~~ **\$533,000,000.00**  
9 for the national school lunch program and all available federal funding, estimated at  
10 ~~\$3,200,000.00~~ **\$4,200,000.00** for the emergency food assistance program.

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

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

16 Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not  
17 to exceed \$4,500,000.00 for ~~2018-2019-~~ **2019-2020** for the purpose of making payments to  
18 districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

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

4 Sec. 31j. (1) From the general fund money appropriated in section 11, there is  
5 allocated an amount not to exceed \$575,000.00 for ~~2018-2019~~ **2019-2020** for a pilot project  
6 to support districts in the purchase of locally grown fruits and vegetables as described in  
7 this section.

8 (2) The department shall provide funding in an amount equal to \$125,000.00 per region  
9 to districts in prosperity regions 2, 4, 6, and 9 for the pilot project described under  
10 this section. In addition, the department shall provide funding in an amount equal to  
11 \$75,000.00 to districts in prosperity region 8 for the pilot project described under this  
12 section. From the funding to districts in subsection (1), funding retained by prosperity  
13 regions that administer the project shall not exceed 10%, and funding retained by the  
14 department for administration shall not exceed 6%. A prosperity region may enter into a  
15 memorandum of understanding with the department or another prosperity region, or both, to  
16 administer the project. If the department administers the project for a prosperity region,  
17 the department may retain up to 10% of that prosperity region's funding for administration  
18 **OR MAY DISTRIBUTE TO PROJECT PARTNERS AS APPROPRIATE.**

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

28 (4) The goals of the pilot project include improving daily nutrition and eating  
29 habits for children through the school settings while investing in Michigan's agricultural  
30 and related food business economy.

31 (5) A district that receives a grant under this section shall use those funds for the  
32 costs incurred by the school district to purchase whole or minimally processed fruits,



1 vegetables, and legumes that meet all of the following:

2 (a) Are purchased on or after the date the district received notification from the  
3 department of the amount to be distributed to the district under this subsection, including  
4 purchases made to launch meals in September ~~2018-2019~~ for the ~~2018-2019-2019-2020~~ fiscal  
5 year.

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

8 (c) Are used for meals that are served as part of the United States Department of  
9 Agriculture's child nutrition programs.

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

15 (7) A district that receives a grant for reimbursement under this section shall use  
16 the grant to purchase whole or minimally processed fruits, vegetables, and legumes that are  
17 grown in this state and, if minimally processed, are also processed in this state.

18 (8) In awarding grants under this section, the department shall work in conjunction  
19 with prosperity region offices, in consultation with Michigan-based farm to school resource  
20 organizations, to develop scoring criteria that assess an applicant's ability to procure  
21 Michigan-grown products, prepare and menu Michigan-grown products, promote and market  
22 Michigan-grown products, and submit letters of intent from districts on plans for  
23 educational activities that promote the goals of the program.

24 (9) The department shall give preference to districts that propose educational  
25 activities that meet 1 or more of the following: promote healthy food activities; have  
26 clear educational objectives; involve parents or the community; connect to a school's farm-  
27 to-school procurement activities; and market and promote the program, leading to increased  
28 pupil knowledge and consumption of Michigan-grown products. Applications with robust  
29 marketing and promotional activities shall receive stronger weighting and consideration.

30 (10) In awarding grants, the department shall also consider all of the following: the  
31 percentage of children who qualify for free or reduced price school meals under the Richard  
32 B. Russell national school lunch act, 42 USC 1751 to 1769j; the variety of school sizes and

1 geographic locations within the identified prosperity regions; and existing or future  
2 collaboration opportunities between more than 1 district in a prosperity region.

3 (11) As a condition of receiving a grant under this section, a district shall provide  
4 or direct its vendors to provide to prosperity region offices copies of monthly receipts  
5 that show the quantity of different Michigan-grown fruits, vegetables, and legumes  
6 purchased, the amount of money spent on each of these products, the name and Michigan  
7 location of the farm that grew the products, and the methods or plans to market and promote  
8 the program. The district shall also provide to the prosperity region monthly lunch numbers  
9 and lunch participation rates, and calendars or monthly menus noting when and how Michigan-  
10 grown products were used in meals. The district and school food service director or  
11 directors also shall agree to respond to brief online surveys and to provide a report that  
12 shows the percentage relationship of Michigan spending compared to total food spending. Not  
13 later than March 1, ~~2019~~, 2020, each prosperity region office, either on its own or in  
14 conjunction with another prosperity region, shall submit a report to the department on  
15 expected outcomes and related measurements for economic development and children's  
16 nutrition and readiness to learn based on progress so far. The report shall include at  
17 least all of the following:

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

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

28 (ii) The prosperity region office shall use purchasing data collected for the project  
29 and surveys of school food service directors on the impact and success of the project as  
30 the source for the data described in subparagraph (i).

31 (b) The ability to which pupils can access a variety of healthy Michigan-grown foods  
32 through schools and increase their consumption of those foods. All of the following apply

1 for purposes of this subdivision:

2 (i) The data used to determine whether this subparagraph is met shall be the number  
3 of pupils exposed to Michigan-grown fruits, vegetables, and legumes at schools; the variety  
4 of products served; new items taste-tested or placed on menus; and the increase in pupil  
5 willingness to try new local, healthy foods.

6 (ii) The prosperity region office shall use purchasing data collected for the  
7 project, meal count and enrollment numbers, school menu calendars, and surveys of school  
8 food service directors as the source for the data described in subparagraph (i).

9 (12) The department shall compile the reports provided by prosperity region offices  
10 under subsection (11) into 1 legislative report. The department shall provide this report  
11 not later than April 1, ~~2019-2020~~ to the house and senate subcommittees responsible for  
12 school aid, the house and senate fiscal agencies, and the state budget director.

13 **(13) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A**  
14 **SCHEDULE DETERMINED BY THE DEPARTMENT.**

15 Sec. 31n. (1) From the ~~school mental health and support services fund money~~  
16 appropriated in section 11, there is allocated for ~~2018-2019-2019-2020~~ for the purposes of  
17 this section an amount not to exceed ~~\$30,000,000.00~~ **\$22,000,000.00** and from the general  
18 fund money appropriated in section 11, there is allocated for ~~2018-2019-2019-2020~~ for the  
19 purposes of this section an amount not to exceed \$1,300,000.00. ~~Not later than February 15,~~  
20 ~~2019, the~~ **THE** department and the department of health and human services shall ~~establish~~  
21 **CONTINUE** a program to distribute this funding to add licensed behavioral health providers  
22 for general education pupils, and shall **CONTINUE TO** seek federal Medicaid match funding for  
23 all eligible mental health and support services.

24 (2) ~~Not later than February 15, 2019, the~~ **THE** department and the department of health  
25 and human services shall ~~create an~~ **MAINTAIN AN** advisory council **FOR PROGRAMS FUNDED UNDER**  
26 **THIS SECTION. THE ADVISORY COUNCIL SHALL** ~~and~~ define goals for implementation of programs  
27 funded under this section, and shall provide feedback on that implementation. At a minimum,  
28 the advisory council shall include representatives of state associations representing  
29 school health, school mental health, school counseling, education, health care, and other  
30 organizations, representatives from the department and the department of health and human  
31 services, and a representative from the school safety task force created under Executive  
32 Order No. 2018-5. The department and department of health and human services, working with

1 the advisory council, shall determine an approach to increase capacity for mental health  
2 and support services in schools for general education pupils, and shall determine where  
3 that increase in capacity qualifies for federal Medicaid match funding.

4 (3) The advisory council shall develop a fiduciary agent checklist for intermediate  
5 districts to facilitate development of a plan to submit to the department and to the  
6 department of health and human services. The department and department of health and human  
7 services shall determine the requirements and format for intermediate districts to submit a  
8 plan for possible funding under subsection (5). Applications for funding for this program  
9 shall be made available to districts and intermediate districts not later than March 1,  
10 ~~2019, 2020~~ and funding shall be awarded not later than April 1, ~~2019, 2020~~.

11 (4) ~~Not later than January 1, 2019, the~~ **THE** department of health and human services  
12 shall seek to amend the state Medicaid plan or obtain appropriate Medicaid waivers as  
13 necessary for the purpose of generating additional Medicaid match funding for school mental  
14 health and support services for general education pupils. It is ~~the intent of the~~  
15 ~~legislature~~ **INTENDED** that a successful state plan amendment or other Medicaid match  
16 mechanisms will result in additional federal Medicaid match funding for both the new  
17 funding allocated under this section and for any expenses already incurred by districts and  
18 intermediate districts for mental health and support services for general education pupils.

19 (5) From the funds allocated under subsection (1), there is allocated an amount not  
20 to exceed \$5,000,000.00 to be distributed to the existing network of child and adolescent  
21 health centers to place a licensed master's level behavioral health provider in schools  
22 that do not currently have services available to general education students. Existing child  
23 and adolescent health centers receiving funding under this subsection shall provide a  
24 commitment to maintain services and implement all available federal Medicaid match  
25 methodologies. The department of health and human services shall use all existing or  
26 additional federal Medicaid match opportunities to maximize funding allocated under this  
27 subsection. Funds under this subsection shall be provided to existing child and adolescent  
28 health centers in the same proportion that funding under section ~~31a(7)~~ **31A(4)** is provided  
29 to child and adolescent health centers located and operating in those districts.

30 (6) From the funds allocated under subsection (1), there is allocated an amount not  
31 to exceed \$16,500,000.00 to be distributed to intermediate districts for the provision of  
32 mental health and support services to general education students. From the funds allocated

1 under this subsection, the department shall distribute \$294,500.00 to each intermediate  
2 district that submits a plan approved by the department and the department of health and  
3 human services. The department and department of health and human services shall work  
4 cooperatively in providing oversight and assistance to intermediate districts during the  
5 plan submission process and shall monitor the program upon implementation. An intermediate  
6 district shall use funds awarded under this subsection to provide funding to its  
7 constituent districts, including public school academies that are considered to be  
8 constituent districts under section 705(7) of the revised school code, MCL 380.705, for the  
9 provision of mental health and support services to general education students. In addition  
10 to the criteria identified under subsection (7), an intermediate district shall consider  
11 geography, cost, or other challenges when awarding funding to its constituent districts. If  
12 funding awarded to an intermediate district remains after funds are provided by the  
13 intermediate district to its constituent districts, the intermediate district may hire or  
14 contract for experts to provide mental health and support services to general education  
15 students residing within the boundaries of the intermediate district.

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

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

26 (b) The district's commitment to implement all federal Medicaid match methodologies  
27 and provide a local match of at least 20%.

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

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

32 (e) The district's documentation of need, including gaps in current mental health and

1 support services for the general education population.

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

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

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

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

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

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

12 (8) Funding under this section, including any federal Medicaid funds that are  
13 generated, shall not be used to supplant existing services.

14 (9) Both of the following are allocated for ~~2018-2019~~**2019-2020** to the department of  
15 health and human services from the general fund money allocated under subsection (1):

16 (a) An amount not to exceed \$1,000,000.00 for the purpose of upgrading technology and  
17 systems infrastructure and other administrative requirements to support the programs funded  
18 under this section.

19 (b) An amount not to exceed \$300,000.00 for the purpose of administering the programs  
20 under this section and working on generating additional Medicaid funds as a result of  
21 programs funded under this section.

22 (10) From the funds allocated under subsection (1), there is allocated for ~~2018-2019~~  
23 **2019-2020** an amount not to exceed \$500,000.00 to intermediate districts on an equal per  
24 intermediate district basis for the purpose of administering programs funded under this  
25 section.

26 (11) The department and the department of health and human services shall work with  
27 the advisory council to develop proposed measurements of outcomes and performance. Those  
28 measurements shall include, at a minimum, the number of pupils served, the number of  
29 schools served, and where those pupils and schools were located. The department and the  
30 department of health and human services shall compile data necessary to measure outcomes  
31 and performance, and districts and intermediate districts receiving funding under this  
32 section shall provide data requested by the department and department of health and human

1 services for the measurement of outcomes and performance. The department and department of  
2 health and human services shall provide a report not later than December 1, 2019 and by  
3 December 1 annually thereafter to the house and senate appropriations subcommittees on  
4 school aid and health and human services, and to the house and senate fiscal agencies. At a  
5 minimum, the report shall include measurements of outcomes and performance, proposals to  
6 increase efficacy and usefulness, proposals to increase performance, and proposals to  
7 expand coverage.

8 ~~(12) From the funds allocated in subsection (1), there is allocated for 2018-2019 an~~  
9 ~~amount not to exceed \$8,000,000.00 for the behavioral health team pilot program. The~~  
10 ~~department shall award funds under this subsection to intermediate school districts to~~  
11 ~~create school based behavioral health assessment teams utilizing a "train the trainer"~~  
12 ~~model of training that focuses on providing age appropriate interventions, identifying~~  
13 ~~behaviors that suggest a pupil may be struggling with mental health challenges, providing~~  
14 ~~treatment and support of the pupil, and using disciplinary interventions and the criminal~~  
15 ~~justice system as methods of last resort. The intermediate district may hire or contract~~  
16 ~~with experts to provide training to intermediate district staff so that it may provide~~  
17 ~~similar training for staff of the constituent districts. The department shall award the~~  
18 ~~entire \$8,000,000.00 allocated under this subsection by allocating an equal dollar amount~~  
19 ~~to each intermediate district that has its application approved under subsection (13).~~

20 ~~(13) An intermediate district shall apply for funds under subsection (12) in a form~~  
21 ~~and manner determined by the department. The application shall include, but is not limited~~  
22 ~~to, all of the following:~~

23 ~~(a) A detailed plan on how the intermediate district will work with constituent~~  
24 ~~districts to identify a behavioral health assessment team within each school to be trained~~  
25 ~~under this pilot. The plan shall demonstrate that a behavioral health assessment team must~~  
26 ~~consist of, but is not limited to, all of the following individuals:~~

27 ~~(i) School administrators and teachers.~~

28 ~~(ii) An individual whose primary purpose is ensuring safety in a school.~~

29 ~~(iii) Pathways to potential workers, if the school participates in the pathways to~~  
30 ~~potential program.~~

31 ~~(iv) Local mental health agency representatives.~~

32 ~~(v) Local law enforcement agency personnel.~~

1 ~~(vi) If appropriate under the model being used, a pupil.~~

2 ~~(b) Identification of a behavioral health assessment training implementation plan~~  
3 ~~that shall include a description of how results of the training will be incorporated into~~  
4 ~~administrative policies and a comprehensive school safety plan, including into a multi-~~  
5 ~~tiered system of support.~~

6 ~~(14) The funds allocated under this section for 2018-2019 are a work project~~  
7 ~~appropriation, and any unexpended funds for 2018-2019 are carried forward into 2019-2020.~~  
8 ~~The purpose of the work project is to continue to provide funding for the expansion of~~  
9 ~~mental health and support services for general education students. The estimated completion~~  
10 ~~date of the work project is September 30, 2022.~~

11 Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to  
12 eligible intermediate districts and consortia of intermediate districts for great start  
13 readiness programs an amount not to exceed ~~\$244,600,000.00~~ **\$328,600,000.00** for ~~2018-2019.~~  
14 **2019-2020**. Funds allocated under this section for great start readiness programs shall be  
15 used to provide part-day, school-day, or GSRP/Head Start blended comprehensive free  
16 compensatory classroom programs designed to improve the readiness and subsequent  
17 achievement of educationally disadvantaged children who meet the participant eligibility  
18 and prioritization guidelines as defined by the department. For a child to be eligible to  
19 participate in a program under this section, the child shall be at least 4, but less than  
20 5, years of age as of September 1 of the school year in which the program is offered and  
21 shall meet those eligibility and prioritization guidelines. A child who is not 4 years of  
22 age as of September 1, but who will be 4 years of age not later than December 1, is  
23 eligible to participate if the child's parent or legal guardian seeks a waiver from the  
24 September 1 eligibility date by submitting a request for enrollment in a program to the  
25 responsible intermediate district, if the program has capacity on or after September 1 of  
26 the school year, and if the child meets eligibility and prioritization guidelines.

27 (2) From the funds allocated under subsection (1), an amount not to exceed  
28 ~~\$242,600,000.00~~ **\$328,600,000.00** is allocated to intermediate districts or consortia of  
29 intermediate districts based on the formula in section 39. An intermediate district or  
30 consortium of intermediate districts receiving funding under this section shall act as the  
31 fiduciary for the great start readiness programs. In order to be eligible to receive funds  
32 allocated under this subsection from an intermediate district or consortium of intermediate



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

3 (3) In addition to the allocation under subsection (1), from the general fund money  
4 appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for  
5 ~~2018-2019~~ **2019-2020** for a competitive grant to continue a longitudinal evaluation of  
6 children who have participated in great start readiness programs.

7 (4) To be eligible for funding under this section, a program shall prepare children  
8 for success in school through comprehensive part-day, school-day, or GSRRP/Head Start  
9 blended programs that contain all of the following program components, as determined by the  
10 department:

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

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

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

19 (d) Physical and dental health and developmental screening services for all program  
20 participants.

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

23 (f) Active and continuous involvement of the parents or guardians of the program  
24 participants.

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

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

1 regarding other community services designed to improve all children's school readiness.

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

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

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

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

9 (b) Except as otherwise provided in this subdivision, ensure that at least 90% of the  
10 children participating in an eligible great start readiness program for whom the  
11 intermediate district is receiving funds under this section are children who live with  
12 families with a household income that is equal to or less than ~~250%~~**300%** of the federal  
13 poverty level. If the intermediate district determines that all eligible children are being  
14 served and that there are no children on the waiting list who live with families with a  
15 household income that is equal to or less than ~~250%~~**300%** of the federal poverty level, the  
16 intermediate district may then enroll children who live with families with a household  
17 income that is equal to or less than ~~300%~~**350%** of the federal poverty level. The enrollment  
18 process shall consider income and risk factors, such that children determined with higher  
19 need are enrolled before children with lesser need. For purposes of this subdivision, all  
20 age-eligible children served in foster care or who are experiencing homelessness or who  
21 have individualized education plans recommending placement in an inclusive preschool  
22 setting shall be considered to live with families with household income equal to or less  
23 than ~~250%~~**300%** of the federal poverty level regardless of actual family income and shall be  
24 prioritized for enrollment within the lowest quintile.

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

27 (i) Teachers possessing proper training. A lead teacher must have a valid teaching  
28 certificate with an early childhood (ZA or ZS) endorsement or a bachelor's or higher degree  
29 in child development or early childhood education with specialization in preschool  
30 teaching. However, if an applicant demonstrates to the department that it is unable to  
31 fully comply with this subparagraph after making reasonable efforts to comply, teachers who  
32 have significant but incomplete training in early childhood education or child development

1 may be used if the applicant provides to the department, and the department approves, a  
2 plan for each teacher to come into compliance with the standards in this subparagraph. A  
3 teacher's compliance plan must be completed within 2 years of the date of employment.  
4 Progress toward completion of the compliance plan shall consist of at least 2 courses per  
5 calendar year.

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

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

25 (6) For a grant recipient that enrolls pupils in a school-day program funded under  
26 this section, each child enrolled in the school-day program shall be counted as described  
27 in section 39 for purposes of determining the amount of the grant award.

28 (7) For a grant recipient that enrolls pupils in a GSRP/Head Start blended program,  
29 the grant recipient shall ensure that all Head Start and GSRP policies and regulations are  
30 applied to the blended slots, with adherence to the highest standard from either program,  
31 to the extent allowable under federal law.

32 (8) An intermediate district or consortium of intermediate districts receiving a

1 grant under this section shall designate an early childhood coordinator, and may provide  
2 services directly or may contract with 1 or more districts or public or private for-profit  
3 or nonprofit providers that meet all requirements of subsections (4) and (5).

4 (9) An intermediate district or consortium of intermediate districts may retain for  
5 administrative services provided by the intermediate district or consortium of intermediate  
6 districts an amount not to exceed 4% of the grant amount. Expenses incurred by  
7 subrecipients engaged by the intermediate district or consortium of intermediate districts  
8 for directly running portions of the program shall be considered program costs or a  
9 contracted program fee for service.

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

13 (11) Each grant recipient shall enroll children identified under subsection (5) (b)  
14 according to how far the child's household income is below ~~250%~~**300%** of the federal poverty  
15 level by ranking each applicant child's household income from lowest to highest and  
16 dividing the applicant children into quintiles based on how far the child's household  
17 income is below ~~250%~~**300%** of the federal poverty level, and then enrolling children in the  
18 quintile with the lowest household income before enrolling children in the quintile with  
19 the next lowest household income until slots are completely filled. If the grant recipient  
20 determines that all eligible children are being served and that there are no children on  
21 the waiting list who live with families with a household income that is equal to or less  
22 than ~~250%~~**300%** of the federal poverty level, the grant recipient may then enroll children  
23 who live with families with a household income that is equal to or less than ~~300%~~**350%** of  
24 the federal poverty level. The enrollment process shall consider income and risk factors,  
25 such that children determined with higher need are enrolled before children with lesser  
26 need. For purposes of this subdivision, all age-eligible children served in foster care or  
27 who are experiencing homelessness or who have individualized education plans recommending  
28 placement in an inclusive preschool setting shall be considered to live with families with  
29 household income equal to or less than ~~250%~~**300%** of the federal poverty level regardless of  
30 actual family income and shall be prioritized for enrollment within the lowest quintile.

31 (12) An intermediate district or consortium of intermediate districts receiving a  
32 grant under this section shall allow parents of eligible children who are residents of the

1 intermediate district or within the consortium to choose a program operated by or  
2 contracted with another intermediate district or consortium of intermediate districts and  
3 shall enter into a written agreement regarding payment, in a manner prescribed by the  
4 department.

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

1 department.

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 of at least 3 stars.

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

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

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

23 (b) Provide, or ensure that an organization with which the department contracts  
24 provides, a community-based provider with a validated great start to quality rating within  
25 90 days of the provider's having submitted a request and self-assessment.

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

32 (d) Not later than December 1 of each year, compile the results of the information

1 reported by each intermediate district or consortium under subsection (13) and report to  
2 the legislature a list by intermediate district or consortium with the number and  
3 percentage of each intermediate district's or consortium's total allocation allocated to  
4 community-based providers by provider type, including private for-profit, private  
5 nonprofit, community college or university, Head Start grantee or delegate, and district or  
6 intermediate district.

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

14 (17) As used in this section:

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

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

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

24 (18) An intermediate district or consortium of intermediate districts receiving funds  
25 under this section shall establish and charge tuition according to a sliding scale of  
26 tuition rates based upon household income for children participating in an eligible great  
27 start readiness program who live with families with a household income that is more than  
28 ~~250%~~ 300% of the federal poverty level to be used by all of its providers, as approved by  
29 the department.

30 (19) From the amount appropriated in subsection (1), there is allocated an amount not  
31 to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending  
32 great start readiness programs funded under this section. To receive reimbursement under

1 this subsection, not later than November 1, ~~2018~~, **OF EACH YEAR**, a program funded under this  
2 section that provides transportation shall submit to the intermediate district that is the  
3 fiscal agent for the program a projected transportation budget. The amount of the  
4 reimbursement for transportation under this subsection shall be no more than the projected  
5 transportation budget or \$300.00 multiplied by the number of children funded for the  
6 program under this section. If the amount allocated under this subsection is insufficient  
7 to fully reimburse the transportation costs for all programs that provide transportation  
8 and submit the required information, the reimbursement shall be prorated in an equal amount  
9 per child funded. Payments shall be made to the intermediate district that is the fiscal  
10 agent for each program, and the intermediate district shall then reimburse the program  
11 provider for transportation costs as prescribed under this subsection.

12 (20) Subject to, and from the funds allocated under, subsection (19), the department  
13 shall reimburse a program for transportation costs related to parent- or guardian-  
14 accompanied transportation provided by transportation service companies, buses, or other  
15 public transportation services. To be eligible for reimbursement under this subsection, a  
16 program must submit to the intermediate district or consortia of intermediate districts all  
17 of the following:

18 (a) The names of families provided with transportation support along with a  
19 documented reason for the need for transportation support and the type of transportation  
20 provided.

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

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

25 (21) The department shall implement a process to review and approve age-appropriate  
26 comprehensive classroom level quality assessments for GSRP grantees that support the early  
27 childhood standards of quality for prekindergarten children adopted by the state board. The  
28 department shall make available to intermediate districts at least 2 classroom level  
29 quality assessments that were approved in 2018.

30 (22) An intermediate district that is a GSRP grantee may approve the use of a  
31 supplemental curriculum that aligns with and enhances the age-appropriate educational  
32 curriculum in the classroom. If the department objects to the use of a supplemental



1 curriculum approved by an intermediate district, the superintendent of public instruction  
2 shall establish a review committee independent of the department. The review committee  
3 shall meet within 60 days of the department registering its objection in writing and  
4 provide a final determination on the validity of the objection within 60 days of the review  
5 committee's first meeting.

6 (23) The department shall implement a process to evaluate and approve age-appropriate  
7 educational curricula that are in compliance with the early childhood standards of quality  
8 for prekindergarten children adopted by the state board.

9 ~~(24) From the funds allocated under subsection (1), there is allocated an amount not~~  
10 ~~to exceed \$2,000,000.00 for payments to intermediate districts or consortia of intermediate~~  
11 ~~districts for professional development and training materials for educators in programs~~  
12 ~~implementing new curricula in 2019-2020.~~

13 (24) ~~(25)~~ A great start readiness program or a GSRP/Head Start blended program funded  
14 under this section shall be permitted to utilize AmeriCorps Pre-K Reading Corps members in  
15 classrooms implementing research-based early literacy intervention strategies.

16 Sec. 32p. (1) From the appropriation in section 11, there is allocated an amount not  
17 to exceed \$13,400,000.00 to intermediate districts for ~~2018-2019~~ **2019-2020** for the purpose  
18 of providing early childhood funding to intermediate school districts to support the  
19 activities under subsection (2) and subsection (4), and to provide early childhood programs  
20 for children from birth through age 8. The funding provided to each intermediate district  
21 under this section shall be determined by the distribution formula established by the  
22 department's office of great start to provide equitable funding statewide. In order to  
23 receive funding under this section, each intermediate district shall provide an application  
24 to the office of great start not later than September 15 of the immediately preceding  
25 fiscal year indicating the activities planned to be provided.

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

31 (a) Children born healthy.

32 (b) Children healthy, thriving, and developmentally on track from birth to third

1 grade.

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

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

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

9 (a) Physical health.

10 (b) Social-emotional health.

11 (c) Family supports and basic needs.

12 (d) Parent education.

13 (e) Early education, including the child's development of skills linked to success in  
14 foundational literacy, and care.

15 (4) From the funds allocated in subsection (1), at least \$2,500,000.00 shall be used  
16 for the purpose of providing home visits to at-risk children and their families. The home  
17 visits shall be conducted as part of a locally coordinated, family-centered, evidence-  
18 based, data-driven home visit strategic plan that is approved by the department. The goals  
19 of the home visits funded under this subsection shall be to improve school readiness using  
20 evidence-based methods, including a focus on developmentally appropriate outcomes for early  
21 literacy, to reduce the number of pupils retained in grade level, to reduce the number of  
22 pupils requiring special education services, to improve positive parenting practices, and  
23 to improve family economic self-sufficiency while reducing the impact of high-risk factors  
24 through community resources and referrals. The department shall coordinate the goals of the  
25 home visit strategic plans approved under this subsection with other state agency home  
26 visit programs in a way that strengthens Michigan's home visiting infrastructure and  
27 maximizes federal funds available for the purposes of at-risk family home visits. The  
28 coordination among departments and agencies is intended to avoid duplication of state  
29 services and spending, and should emphasize efficient service delivery of home visiting  
30 programs.

31 (5) Not later than December 1 of each year, each intermediate district shall provide  
32 a report to the department detailing the activities actually provided during the

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

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

17 Sec. 35a. (1) From the appropriations in section 11, there is allocated for ~~2018-2019~~  
18 **2019-2020** for the purposes of this section an amount not to exceed ~~\$27,900,000.00~~  
19 **\$52,400,000.00** from the state school aid fund and an amount not to exceed ~~\$3,500,000.00~~  
20 **\$3,000,000.00** from the general fund. The superintendent shall designate staff or contracted  
21 employees funded under this section as critical shortage. Programs funded under this  
22 section are intended to ensure that this state will be ~~in the top 10 most improved states~~  
23 ~~in grade 4 reading proficiency by the 2019 National Assessment of Educational Progress~~  
24 ~~(NAEP) and will be in the~~ **A** top 10 ~~states overall~~ **STATE** in grade 4 reading proficiency by  
25 2025, **ACCORDING TO THE NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP).**

26 (2) A district that receives funds under subsection (5) may spend up to 5% of those  
27 funds for professional development for educators in a department-approved research-based  
28 training program related to current state literacy standards for pupils in grades K to 3.  
29 The professional development shall also include training in the use of screening and  
30 diagnostic tools, progress monitoring, and intervention methods used to address barriers to  
31 learning and delays in learning that are diagnosed through the use of these tools.

32 (3) A district that receives funds under subsection (5) may use up to 5% of those

1 funds to administer department-approved screening and diagnostic tools to monitor the  
2 development of early literacy and early reading skills of pupils in grades K to 3 and to  
3 support research-based professional development for educators in administering screening  
4 and diagnostic tools and in data interpretation of the results obtained through the use of  
5 those tools for the purpose of implementing a multi-tiered system of support to improve  
6 reading proficiency among pupils in grades K to 3. A department-approved screening and  
7 diagnostic tool administered by a district using funding under this section must include  
8 all of the following components: phonemic awareness, phonics, fluency, and comprehension.  
9 Further, all of the following sub-skills must be assessed within each of these components:

10 (a) Phonemic awareness - segmentation, blending, and sound manipulation (deletion and  
11 substitution).

12 (b) Phonics - decoding (reading) and encoding (spelling).

13 (c) Fluency - reading rate, accuracy, and expression.

14 (d) Comprehension - making meaning of text.

15 (4) From the allocations under subsection (1), there is allocated an amount not to  
16 exceed ~~\$7,000,000.00~~ **\$31,500,000.00** for ~~2018-2019~~ **2019-2020** for the purpose of providing  
17 early literacy coaches at intermediate districts to assist teachers in developing and  
18 implementing instructional strategies for pupils in grades K to 3 so that pupils are  
19 reading at grade level by the end of grade 3. All of the following apply to funding under  
20 this subsection:

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

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

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

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

32 (b) From the allocation under this subsection, the department shall award grants to

1 intermediate districts for the support of early literacy coaches. ~~An intermediate district~~  
2 ~~must provide matching funds for at least 50% of the grant amount awarded to support the~~  
3 ~~cost of the literacy coach.~~ The department shall provide this funding in the following  
4 manner:

5 (i) Each intermediate district shall be awarded grant funding to support the cost of  
6 1 early literacy coach in an equal amount per early literacy coach, not to exceed  
7 ~~\$75,000.00.~~ **\$112,500.00.**

8 (ii) After distribution of the grant funding under subparagraph (i), the department  
9 shall distribute the remainder of grant funding for additional early literacy coaches in an  
10 amount not to exceed ~~\$75,000.00.~~ **\$112,500.00** per early literacy coach. The number of funded  
11 early literacy coaches for each intermediate district shall be based on the percentage of  
12 the total statewide number of pupils in grades K to 3 who meet the income eligibility  
13 standards for the federal free and reduced-price lunch programs who are enrolled in  
14 districts in the intermediate district. For each additional early literacy coach funded  
15 under this subparagraph, the department shall not make an award to an intermediate district  
16 under this subparagraph in an amount that is less than the amount necessary to pay 1/2 of  
17 the total cost of that additional early literacy coach.

18 (5) From the allocations under subsection (1), there is allocated an amount not to  
19 exceed \$19,900,000.00 for ~~2018-2019~~ **2019-2020** to districts that provide additional  
20 instructional time to those pupils in grades K to 3 who have been identified by using  
21 department-approved screening and diagnostic tools as needing additional supports and  
22 interventions in order to be reading at grade level by the end of grade 3. Additional  
23 instructional time may be provided before, during, and after regular school hours or as  
24 part of a year-round balanced school calendar. All of the following apply to funding under  
25 this subsection:

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

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

- 1 (A) Team-based leadership.
- 2 (B) A tiered delivery system.
- 3 (C) Selection and implementation of instruction, interventions, and supports.
- 4 (D) A comprehensive screening and assessment system.
- 5 (E) Continuous data-based decision making.
- 6 (ii) Used department-approved research-based diagnostic tools to identify individual  
7 pupils in need of additional instructional time.
- 8 (iii) Used a reading instruction method that focuses on the 5 fundamental building  
9 blocks of reading: phonics, phonemic awareness, fluency, vocabulary, and comprehension and  
10 content knowledge.
- 11 (iv) Provided teachers of pupils in grades K to 3 with research-based professional  
12 development in diagnostic data interpretation.
- 13 (v) Complied with the requirements under section 1280f of the revised school code,  
14 MCL 380.1280f.
- 15 (b) Funding allocated under this subsection shall be distributed to eligible  
16 districts on an equal per-first-grade-pupil basis.
- 17 (c) If the funds allocated under this subsection are insufficient to fully fund the  
18 payments under this subsection, payments under this subsection shall be prorated on an  
19 equal per-pupil basis based on grade 1 pupils.
- 20 (6) Not later than September 1, ~~2019~~, **OF EACH YEAR**, a district that receives funding  
21 under this section, in conjunction with the Michigan data hub network, if possible, shall  
22 provide to the department a report that includes at least both of the following, in a form  
23 and manner prescribed by the department:
- 24 (a) For pupils in grades K to 3, the pupils, schools, and grades served with funds  
25 under this section and the categories of services provided.
- 26 (b) For pupils in grades K to 3, pupil proficiency and growth data that allows  
27 analysis both in the aggregate and by each of the following subgroups, as applicable:
- 28 (i) School.
- 29 (ii) Grade level.
- 30 (iii) Gender.
- 31 (iv) Race.
- 32 (v) Ethnicity.

1 (vi) Economically disadvantaged status.

2 (vii) Disability.

3 (viii) Pupils identified as having reading deficiencies.

4 (7) From the general fund money allocated in subsection (1), the department shall  
5 allocate the amount of \$3,000,000.00 for ~~2018-2019~~ **2019-2020** to the Michigan Education  
6 Corps for the PreK Reading Corps, **AND** the K3 Reading Corps., ~~and the Math Corps.~~ All of the  
7 following apply to funding under this subsection:

8 (a) By September 1 of the current fiscal year, the Michigan Education Corps shall  
9 provide a report concerning its use of the funding to the senate and house appropriations  
10 subcommittees on state school aid, the senate and house fiscal agencies, and the senate and  
11 house caucus policy offices on outcomes and performance measures of the Michigan Education  
12 Corps, including, but not limited to, the degree to which the Michigan Education ~~Corps's~~  
13 **CORPS'** replication of the Michigan PreK Reading Corps, **AND THE** K3 Reading Corps., ~~and Math~~  
14 ~~Corps programs~~ is demonstrating sufficient efficacy and impact. The report must include  
15 data pertaining to at least all of the following:

16 (i) The current impact of the programs on this state in terms of numbers of children  
17 and schools receiving support. This portion of the report shall specify the number of  
18 children tutored, including dosage and completion, and the demographics of those children.

19 (ii) Whether the assessments and interventions are implemented with fidelity. This  
20 portion of the report shall include details on the total number of assessments and  
21 interventions completed and the range, mean, and standard deviation.

22 (iii) Whether the literacy ~~or math~~ improvement of children participating in the  
23 programs is consistent with expectations. This portion of the report shall detail at least  
24 all of the following:

25 (A) Growth rate by grade or age level, in comparison to targeted growth rate.

26 (B) Average linear growth rates.

27 (C) Exit rates.

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

29 (iv) The impact of the programs on organizations and stakeholders, including, but not  
30 limited to, school administrators, internal coaches, and AmeriCorps members.

31 (b) If the department determines that the Michigan Education Corps has misused the  
32 funds allocated under this subsection, the Michigan Education Corps shall reimburse this

1 state for the amount of state funding misused.

2 ~~(c) The department may not reserve any portion of the allocation provided under this~~  
3 ~~subsection for an evaluation of the Michigan Education Corps, the Michigan Education Corps'~~  
4 ~~funding, or the Michigan Education Corps' programming unless agreed to in writing by the~~  
5 ~~Michigan Education Corps. The department shall award the entire \$3,000,000.00 allocated~~  
6 ~~under this subsection to the Michigan Education Corps and shall not condition the awarding~~  
7 ~~of this funding on the implementation of an independent evaluation.~~

8 ~~(8) From the general fund money allocated under subsection (1), there is allocated an~~  
9 ~~amount not to exceed \$500,000.00 for 2018-2019 for a grant to an eligible program that has~~  
10 ~~a goal to slow or prevent the K to 4 summer reading slide among all pupils enrolled in~~  
11 ~~grades K to 4, particularly those from economically disadvantaged households. Funds~~  
12 ~~allocated under this subsection are grant funds and must be distributed by the department.~~  
13 ~~A program is eligible if it meets at least all of the following:~~

14 ~~(a) The program's objective is to deliver a bilingual, in-home, individualized summer~~  
15 ~~reading program consisting of self-selected, independent reading level books to K to 4~~  
16 ~~pupils each week during the summer.~~

17 ~~(b) Is evaluated quantitatively and qualitatively using pre- and post-standardized~~  
18 ~~test score comparison and parent and school surveys specific to each district.~~

19 ~~(c) Incorporates at least weekly interactive parental and family engagement during~~  
20 ~~the summer.~~

21 ~~(d) Builds on pedagogical and literacy principles to scaffold fluency to improve~~  
22 ~~reading comprehension with pupil exercises.~~

23 ~~(e) Provides at least 4, and up to 9, student-selected new books to read and keep.~~

24 ~~(f) Collects, analyzes, and reports detailed data on parental engagement, books read,~~  
25 ~~and spring to fall reading scores.~~

26 ~~(g) Follows the department's top 10 in 10 goals and strategies, with an emphasis on~~  
27 ~~goals 4 and 5.~~

28 ~~(h) Focuses on in-home program delivery through weekly mailings.~~

29 ~~(i) Provides summary data to the legislature and to the department for all pupils~~  
30 ~~served by the program after each summer.~~

31 ~~(8) (9) From the state school aid fund money allocated under subsection (1), there is~~  
32 ~~allocated an amount not to exceed \$1,000,000.00 for 2018-2019-2019-2020 to an intermediate~~



1 district in which the combined total number of pupils in membership of all of its  
2 constituent districts is the fewest among all intermediate districts. All of the following  
3 apply to the funding under this subsection:

4 (a) Funding under this subsection must be used by the intermediate district, in  
5 partnership with an association that represents intermediate district administrators in  
6 this state, to implement ~~both~~ ALL of the following:

7 (i) Literacy essentials teacher and principal training modules.

8 (ii) Face-to-face and online professional learning of literacy essentials teacher and  
9 principal training modules for literacy coaches, principals, and teachers.

10 **(III) ADULT LITERACY ESSENTIALS TRAINING. THIS INCLUDES THE CREATION OF A RESEARCHED-**  
11 **BASED DOCUMENT THAT OUTLINES PROCESSES AND PRACTICES DESIGNED TO INCREASE MICHIGAN'S**  
12 **CAPACITY TO IMPROVE ADULT LITERACY AND THE CREATION OF PROFESSIONAL DEVELOPMENT TO**  
13 **IMPLEMENT THESE PROCESSES AND PRACTICES.**

14 **(IV) IN COLLABORATION WITH THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT,**  
15 **IMPROVED PROCESSES THAT CONNECT STATE RESIDENTS TO ADULT LITERACY OPPORTUNITIES. THIS**  
16 **INCLUDES THE CREATION OF A STATE-SPONSORED TOLL-FREE NUMBER TO DIRECT RESIDENTS TO ADULT**  
17 **LITERACY EDUCATION OPPORTUNITIES AND THE CREATION OF AN EASY-TO-NAVIGATE ADULT EDUCATION**  
18 **RESOURCE WEBSITE, WITH LANGUAGE WRITTEN AT A THIRD GRADE READING LEVEL, CONNECTING**  
19 **RESIDENTS TO THE TOLL-FREE NUMBER AND TO ADULT LITERACY EDUCATION PROGRAMS ACROSS THE**  
20 **STATE.**

21 (b) Not later than September 1 of each year, the intermediate district described in  
22 this subsection, in consultation with grant recipients, shall submit a report to the chairs  
23 of the senate and house appropriations subcommittees on state school aid and the chairs of  
24 the senate and house standing committees responsible for education legislation. The report  
25 described under this subdivision must include student achievement results in English  
26 language arts and survey results with feedback from parents and teachers regarding the  
27 initiatives implemented under this subsection.

28 ~~(10) Notwithstanding section 17b, payments made under subsection (9) shall be made~~  
29 ~~not later than March 1, 2019.~~

30 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an  
31 application, in a form and manner prescribed by the department, by a date specified by the  
32 department in the immediately preceding state fiscal year. The application shall not

1 require an eligible applicant to amend the applicant's current accounting cycle or adopt  
2 this state's fiscal year accounting cycle in accounting for financial transactions under  
3 this section. The application shall include all of the following:

4 (a) For ~~2018-2019~~ **2019-2020** calculations, the estimated total number of children in  
5 the community who meet the criteria of section 32d, as provided to the applicant by the  
6 department utilizing the most recent population data available from the American Community  
7 Survey conducted by the United States Census Bureau. ~~Beginning in 2018-2019, the~~ **THE**  
8 department shall ensure that it provides updated American Community Survey population data  
9 at least once every 3 years.

10 (b) The estimated number of children in the community who meet the criteria of  
11 section 32d and are being served exclusively by Head Start programs operating in the  
12 community.

13 (c) The number of children whom the applicant has the capacity to serve who meet the  
14 criteria of section 32d including a verification of physical facility and staff resources  
15 capacity.

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

21 (3) The initial allocation to each eligible applicant under section 32d shall be the  
22 lesser of the following:

23 (a) The sum of the number of children served in a school-day program in the preceding  
24 school year multiplied by ~~\$7,250.00~~ **\$8,500.00** and the number of children served in a  
25 GSRP/Head Start blended program or a part-day program in the preceding school year  
26 multiplied by ~~\$3,625.00~~ **\$4,250.00**.

27 (b) The sum of the number of children the applicant has the capacity to serve in  
28 ~~2018-2019~~ **2019-2020** in a school-day program multiplied by ~~\$7,250.00~~ **\$8,500.00** and the  
29 number of children served in a GSRP/Head Start blended program or a part-day program the  
30 applicant has the capacity to serve in ~~2018-2019~~ **2019-2020** multiplied by ~~\$3,625.00~~  
31 **\$4,250.00**.

32 (4) If funds remain after the allocations under subsection (3), the department shall

1 distribute the remaining funds to each intermediate district or consortium of intermediate  
2 districts that serves less than the state percentage benchmark determined under subsection  
3 (5). These remaining funds shall be distributed to each eligible applicant based upon each  
4 applicant's proportionate share of the remaining unserved children necessary to meet the  
5 statewide percentage benchmark in intermediate districts or consortia of intermediate  
6 districts serving less than the statewide percentage benchmark. When all applicants have  
7 been given the opportunity to reach the statewide percentage benchmark, the statewide  
8 percentage benchmark may be reset, as determined by the department, until greater equity of  
9 opportunity to serve eligible children across all intermediate school districts has been  
10 achieved.

11 (5) For the purposes of subsection (4), for the ~~2018-2019~~**2019-2020** program year, the  
12 department shall calculate a percentage of children served by each intermediate district or  
13 consortium of intermediate districts by dividing the number of children served in the  
14 immediately preceding year by that intermediate district or consortium by the total number  
15 of children within the intermediate district or consortium of intermediate districts who  
16 meet the criteria of section 32d as determined by the department utilizing the most recent  
17 population data available from the American Community Survey conducted by the United States  
18 Census Bureau. The department shall compare the resulting percentage of eligible children  
19 served to a statewide percentage benchmark to determine if the intermediate district or  
20 consortium is eligible for additional funds under subsection (4). For ~~2018-2019~~**2019-2020**,  
21 the statewide percentage benchmark is 60%.

22 (6) If, taking into account the total amount to be allocated to the applicant as  
23 calculated under this section, an applicant determines that it is able to include  
24 additional eligible children in the great start readiness program without additional funds  
25 under section 32d, the applicant may include additional eligible children but shall not  
26 receive additional funding under section 32d for those children.

27 (7) The department shall review the program components under section 32d and under  
28 this section at least biennially. The department also shall convene a committee of internal  
29 and external stakeholders at least once every 5 years to ensure that the funding structure  
30 under this section reflects current system needs under section 32d.

31 (8) As used in this section, "school-day program", "GSRP/Head Start blended program",  
32 and "part-day program" mean those terms as defined in section 32d.

1           Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated  
2 for ~~2018-2019-2019-2020~~ to districts, intermediate districts, and other eligible entities  
3 all available federal funding, estimated at ~~\$730,600,000.00~~ **\$725,600,000.00** for the federal  
4 programs under the ~~no child left behind act of 2001, Public Law 107-110, or the every~~  
5 student succeeds act, Public Law 114-95. These funds are allocated as follows:

6           (a) An amount estimated at \$1,200,000.00 for ~~2018-2019-2019-2020~~ to provide students  
7 with drug- and violence-prevention programs and to implement strategies to improve school  
8 safety, funded from DED-OESE, drug-free schools and communities funds.

9           (b) An amount estimated at \$100,000,000.00 for ~~2018-2019-2019-2020~~ for the purpose of  
10 preparing, training, and recruiting high-quality teachers and class size reduction, funded  
11 from DED-OESE, improving teacher quality funds.

12           (c) An amount estimated at \$11,000,000.00 for ~~2018-2019-2019-2020~~ for programs to  
13 teach English to limited English proficient (LEP) children, funded from DED-OESE, language  
14 acquisition state grant funds.

15           (d) An amount estimated at \$2,800,000.00 for ~~2018-2019-2019-2020~~ for rural and low  
16 income schools, funded from DED-OESE, rural and low income school funds.

17           (e) An amount estimated at \$535,000,000.00 for ~~2018-2019-2019-2020~~ to provide  
18 supplemental programs to enable educationally disadvantaged children to meet challenging  
19 academic standards, funded from DED-OESE, title I, disadvantaged children funds.

20           (f) An amount estimated at \$9,200,000.00 for ~~2018-2019-2019-2020~~ for the purpose of  
21 identifying and serving migrant children, funded from DED-OESE, title I, migrant education  
22 funds.

23           (g) An amount estimated at \$39,000,000.00 for ~~2018-2019-2019-2020~~ for the purpose of  
24 providing high-quality extended learning opportunities, after school and during the summer,  
25 for children in low-performing schools, funded from DED-OESE, twenty-first century  
26 community learning center funds.

27           (h) An amount estimated at \$12,000,000.00 for ~~2018-2019-2019-2020~~ to help support  
28 local school improvement efforts, funded from DED-OESE, title I, local school improvement  
29 grants.

30           (i) An amount estimated at \$15,400,000.00 for ~~2018-2019-2019-2020~~ to improve the  
31 academic achievement of students, funded from DED-OESE, title IV, student support and  
32 academic enrichment grants.

1 ~~(j) An amount estimated at \$5,000,000.00 for 2018-2019 for the remaining balance of~~  
2 ~~the amount appropriated under the former section 32r, for federal funding awarded to this~~  
3 ~~state under sections 14005, 14006, and 14013 of title XIV of the American recovery and~~  
4 ~~reinvestment act of 2009, Public Law 111-5, for the race to the top early learning~~  
5 ~~challenge grant.~~

6 (2) From the federal funds appropriated in section 11, there is allocated for ~~2018-~~  
7 ~~2019-2019-2020~~ to districts, intermediate districts, and other eligible entities all  
8 available federal funding, estimated at ~~\$51,200,000.00~~ **\$49,100,000.00** for ~~2018-2019-2019-~~  
9 **2020** for the following programs that are funded by federal grants:

10 (a) An amount estimated at \$100,000.00 for ~~2018-2019-2019-2020~~ for acquired  
11 immunodeficiency syndrome education grants, funded from HHS - Centers for Disease Control  
12 and Prevention, AIDS funding.

13 (b) An amount estimated at \$1,900,000.00 for ~~2018-2019-2019-2020~~ to provide services  
14 to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

15 (c) An amount estimated at \$4,000,000.00 for ~~2018-2019-2019-2020~~ to provide mental  
16 health, substance abuse, or violence prevention services to students, funded from HHS-  
17 SAMHSA.

18 (d) An amount estimated at \$24,000,000.00 for ~~2018-2019-2019-2020~~ for providing  
19 career and technical education services to pupils, funded from DED-OVAE, basic grants to  
20 states.

21 (e) An amount estimated at \$14,000,000.00 for ~~2018-2019-2019-2020~~ for the Michigan  
22 charter school subgrant program, funded from DED-OII, public charter schools program funds.

23 (f) An amount estimated at ~~\$7,200,000.00~~ **\$5,100,000.00** for ~~2018-2019-2019-2020~~ for  
24 the purpose of promoting and expanding high-quality preschool services, funded from HHS-  
25 OCC, preschool development funds.

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

32 (4) For the purposes of applying for federal grants appropriated under this article,

1 the department shall allow an intermediate district to submit a consortium application on  
2 behalf of 2 or more districts with the agreement of those districts as appropriate  
3 according to federal rules and guidelines.

4 (5) For the purposes of funding federal title I grants under this article, in  
5 addition to any other federal grants for which a strict discipline academy is eligible, the  
6 department shall allocate to strict discipline academies out of title I, part A funds equal  
7 to what a strict discipline academy would have received if included and calculated under  
8 title I, part D, or what it would receive under the formula allocation under title I, part  
9 A, whichever is greater.

10 (6) 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-OII" means the DED Office of Innovation and Improvement.

14 (d) "DED-OVAE" means the DED Office of Vocational and Adult Education.

15 (e) "HHS" means the United States Department of Health and Human Services.

16 (f) "HHS-OCC" means the HHS Office of Child Care.

17 (g) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services  
18 Administration.

19 Sec. 41. (1) For a district or public school academy to be eligible to receive  
20 funding under this section, the district or public school academy must administer to  
21 English language learners the English language proficiency assessment known as the "WIDA  
22 ACCESS for English language learners" or the "WIDA Alternate ACCESS". From the  
23 appropriation in section 11, there is allocated an amount not to exceed \$6,000,000.00 for  
24 ~~2018-2019~~**2019-2020** for payments to eligible districts and eligible public school academies  
25 for services for English language learners who have been administered the WIDA ACCESS for  
26 English language learners.

27 (2) Funding allocated under this section shall be distributed to eligible districts  
28 and eligible public school academies based on the number of full-time equivalent English  
29 language learners as follows:

30 (a) \$620.00 per full-time equivalent English language learner who has been assessed  
31 under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a  
32 WIDA ACCESS or WIDA Alternate ACCESS composite score between 1.0 and 1.9, or less, as

1 applicable to each assessment.

2 (b) \$410.00 per full-time equivalent English language learner who has been assessed  
3 under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a  
4 WIDA ACCESS or WIDA Alternate ACCESS composite score between 2.0 and 2.9, or less, as  
5 applicable to each assessment.

6 (3) If funds allocated under this section are insufficient to fully fund the payments  
7 as prescribed under subsection (2), payments shall be prorated on an equal percentage  
8 basis, with the same percentage proration applied to both funding categories.

9 (4) Each district or public school academy receiving funds under this section shall  
10 submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages,  
11 on the usage by the district or public school academy of funds under this section, in a  
12 form and manner determined by the department, which shall include a brief description of  
13 each program conducted or services performed by the district or public school academy using  
14 funds under this section and the amount of funds under this section allocated to each of  
15 those programs or services. If a district or public school academy does not comply with  
16 this section, the department shall withhold an amount equal to the August payment due under  
17 this section until the district or public school academy complies with this subsection. If  
18 the district or public school academy does not comply with this section by the end of the  
19 state fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

24 (6) Beginning July 1, 2020, and every 3 years thereafter, the department shall review  
25 the per-pupil distribution under subsection (2), to ensure that funding levels are  
26 appropriate and make recommendations for adjustments to the members of the senate and house  
27 subcommittees on K-12 school aid appropriations.

28 Sec. 51a. (1) From the appropriation in section 11, ~~there is allocated an amount not~~  
29 ~~to exceed \$960,446,100.00 for 2017-2018 and~~ there is allocated an amount not to exceed  
30 ~~\$983,196,100.00~~ **\$1,045,496,100.00** for ~~2018-2019~~ **2019-2020** from state sources and all  
31 available federal funding under sections 611 to 619 of part B of the individuals with  
32 disabilities education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00 ~~each fiscal~~

1 ~~year for 2017-2018 and for 2018-2019~~ **FOR 2019-2020**, plus any carryover federal funds from  
2 previous year appropriations. In addition, from the ~~general fund~~ appropriation in section  
3 11, there is allocated ~~to the department~~ an amount not to exceed \$500,000.00 for ~~each~~  
4 ~~fiscal year for 2017-2018 and for 2018-2019~~ **2019-2020** for the purpose of subsection (16).  
5 The allocations under this subsection are for the purpose of reimbursing districts and  
6 intermediate districts for special education programs, services, and special education  
7 personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1761;  
8 net tuition payments made by intermediate districts to the Michigan Schools for the Deaf  
9 and Blind; and special education programs and services for pupils who are eligible for  
10 special education programs and services according to statute or rule. For meeting the costs  
11 of special education programs and services not reimbursed under this article, a district or  
12 intermediate district may use money in general funds or special education funds, not  
13 otherwise restricted, or contributions from districts to intermediate districts, tuition  
14 payments, gifts and contributions from individuals or other entities, or federal funds that  
15 may be available for this purpose, as determined by the intermediate district plan prepared  
16 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1761. Notwithstanding  
17 section 17b, payments of federal funds to districts, intermediate districts, and other  
18 eligible entities under this section shall be paid on a schedule determined by the  
19 department.

20 (2) From the funds allocated under subsection (1), there is allocated the amount  
21 necessary, and estimated at ~~\$266,900,000.00 for 2017-2018 and estimated at \$273,100,000.00~~  
22 **\$297,800,000.00** for ~~2018-2019,~~ **2019-2020**, for payments toward reimbursing districts and  
23 intermediate districts for 28.6138% of total approved costs of special education, excluding  
24 costs reimbursed under section 53a, and 70.4165% of total approved costs of special  
25 education transportation. Allocations under this subsection shall be made as follows:

26 (a) The initial amount allocated to a district under this subsection toward  
27 fulfilling the specified percentages shall be calculated by multiplying the district's  
28 special education pupil membership, excluding pupils described in subsection (11), times  
29 the foundation allowance under section 20 of the pupil's district of residence, ~~plus the~~  
30 ~~amount of the district's per-pupil allocation under section 20m,~~ not to exceed the basic  
31 foundation allowance under section 20 for the current fiscal year, or, for a special  
32 education pupil in membership in a district that is a public school academy, times an



1 amount equal to the amount per membership pupil calculated under section 20(6). For an  
2 intermediate district, the amount allocated under this subdivision toward fulfilling the  
3 specified percentages shall be an amount per special education membership pupil, excluding  
4 pupils described in subsection (11), and shall be calculated in the same manner as for a  
5 district, using the foundation allowance under section 20 of the pupil's district of  
6 residence, not to exceed the basic foundation allowance under section 20 for the current  
7 fiscal year, ~~and that district's per pupil allocation under section 20m.~~

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

12 (3) From the funds allocated under subsection (1), there is allocated for ~~2017-2018~~  
13 ~~an amount not to exceed \$1,300,000.00 and there is allocated -2019-2020~~ an amount not to  
14 exceed ~~\$1,300,000.00 for 2018-2019~~ **\$1,000,000.00** to make payments to districts and  
15 intermediate districts under this subsection. If the amount allocated to a district or  
16 intermediate district for a fiscal year under subsection (2) (b) is less than the sum of the  
17 amounts allocated to the district or intermediate district for 1996-97 under sections 52  
18 and 58, there is allocated to the district or intermediate district for the fiscal year an  
19 amount equal to that difference, adjusted by applying the same proration factor that was  
20 used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's  
21 or intermediate district's necessary costs of special education used in calculations for  
22 the fiscal year. This adjustment is to reflect reductions in special education program  
23 operations or services between 1996-97 and subsequent fiscal years. Adjustments for  
24 reductions in special education program operations or services shall be made in a manner  
25 determined by the department and shall include adjustments for program or service shifts.

26 (4) If the department determines that the sum of the amounts allocated for a fiscal  
27 year to a district or intermediate district under subsection (2) (a) and (b) is not  
28 sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall  
29 be paid to the district or intermediate district during the fiscal year beginning on the  
30 October 1 following the determination and payments under subsection (3) shall be adjusted  
31 as necessary. If the department determines that the sum of the amounts allocated for a  
32 fiscal year to a district or intermediate district under subsection (2) (a) and (b) exceeds

1 the sum of the amount necessary to fulfill the specified percentages in subsection (2),  
2 then the department shall deduct the amount of the excess from the district's or  
3 intermediate district's payments under this article for the fiscal year beginning on the  
4 October 1 following the determination and payments under subsection (3) shall be adjusted  
5 as necessary. However, if the amount allocated under subsection (2) (a) in itself exceeds  
6 the amount necessary to fulfill the specified percentages in subsection (2), there shall be  
7 no deduction under this subsection.

8 (5) State funds shall be allocated on a total approved cost basis. Federal funds  
9 shall be allocated under applicable federal requirements, except that an amount not to  
10 exceed \$3,500,000.00 may be allocated by the department ~~each fiscal year for 2017-2018 and~~  
11 ~~for 2018-2019~~ **FOR 2019-2020** to districts, intermediate districts, or other eligible  
12 entities on a competitive grant basis for programs, equipment, and services that the  
13 department determines to be designed to benefit or improve special education on a statewide  
14 scale.

15 (6) From the amount allocated in subsection (1), there is allocated an amount not to  
16 exceed \$2,200,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019~~ **FOR 2019-2020** to  
17 reimburse 100% of the net increase in necessary costs incurred by a district or  
18 intermediate district in implementing the revisions in the administrative rules for special  
19 education that became effective on July 1, 1987. As used in this subsection, "net increase  
20 in necessary costs" means the necessary additional costs incurred solely because of new or  
21 revised requirements in the administrative rules minus cost savings permitted in  
22 implementing the revised rules. Net increase in necessary costs shall be determined in a  
23 manner specified by the department.

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

25 (a) "Total approved costs of special education" shall be determined in a manner  
26 specified by the department and may include indirect costs, but shall not exceed 115% of  
27 approved direct costs for section 52 and section 53a programs. The total approved costs  
28 include salary and other compensation for all approved special education personnel for the  
29 program, including payments for social security and Medicare and public school employee  
30 retirement system contributions. The total approved costs do not include salaries or other  
31 compensation paid to administrative personnel who are not special education personnel as  
32 defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal

1 funds, other than those federal funds included in the allocation made under this article,  
2 are not included. Special education approved personnel not utilized full time in the  
3 evaluation of students or in the delivery of special education programs, ancillary, and  
4 other related services shall be reimbursed under this section only for that portion of time  
5 actually spent providing these programs and services, with the exception of special  
6 education programs and services provided to youth placed in child caring institutions or  
7 juvenile detention programs approved by the department to provide an on-grounds education  
8 program.

9 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate district  
10 that employed special education support services staff to provide special education support  
11 services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-  
12 2004 receives the same type of support services from another district or intermediate  
13 district shall report the cost of those support services for special education  
14 reimbursement purposes under this article. This subdivision does not prohibit the transfer  
15 of special education classroom teachers and special education classroom aides if the pupils  
16 counted in membership associated with those special education classroom teachers and  
17 special education classroom aides are transferred and counted in membership in the other  
18 district or intermediate district in conjunction with the transfer of those teachers and  
19 aides.

20 (c) If the department determines before bookclosing for a fiscal year that the  
21 amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and  
22 sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections  
23 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate  
24 district whose reimbursement for that fiscal year would otherwise be affected by  
25 subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for  
26 that district or intermediate district and reimbursement for that district or intermediate  
27 district shall be calculated in the same manner as it was for 2003-2004. If the amount of  
28 the excess allocations under subsections (2), (3), (6), and (11) and sections 53a, 54, and  
29 56 is not sufficient to fully fund the calculation of reimbursement to those districts and  
30 intermediate districts under this subdivision, then the calculations and resulting  
31 reimbursement under this subdivision shall be prorated on an equal percentage basis.  
32 Beginning in 2015-2016, the amount of reimbursement under this subdivision for a fiscal

1 year shall not exceed \$2,000,000.00 for any district or intermediate district.

2 (d) Reimbursement for ancillary and other related services, as defined by R 340.1701c  
3 of the Michigan Administrative Code, shall not be provided when those services are covered  
4 by and available through private group health insurance carriers or federal reimbursed  
5 program sources unless the department and district or intermediate district agree otherwise  
6 and that agreement is approved by the state budget director. Expenses, other than the  
7 incidental expense of filing, shall not be borne by the parent. In addition, the filing of  
8 claims shall not delay the education of a pupil. A district or intermediate district shall  
9 be responsible for payment of a deductible amount and for an advance payment required until  
10 the time a claim is paid.

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

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

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

29 (10) If a district or intermediate district uses money received under this section  
30 for a purpose other than the purpose or purposes for which the money is allocated, the  
31 department may require the district or intermediate district to refund the amount of money  
32 received. Money that is refunded shall be deposited in the state treasury to the credit of

1 the state school aid fund.

2 (11) From the funds allocated in subsection (1), there is allocated the amount  
3 necessary, estimated at ~~\$3,200,000.00 for 2017-2018, and estimated at \$3,400,000.00~~  
4 **\$2,800,000.00** for ~~2018-2019~~ **2019-2020**, to pay the foundation allowances for pupils  
5 described in this subsection. The allocation to a district under this subsection shall be  
6 calculated by multiplying the number of pupils described in this subsection who are counted  
7 in membership in the district times the sum of the foundation allowance under section 20 of  
8 the pupil's district of residence, ~~plus the amount of the district's per-pupil allocation~~  
9 ~~under section 20m,~~ not to exceed the basic foundation allowance under section 20 for the  
10 current fiscal year, or, for a pupil described in this subsection who is counted in  
11 membership in a district that is a public school academy, times an amount equal to the  
12 amount per membership pupil under section 20(6). ~~or, for a pupil described in this~~  
13 ~~subsection who is counted in membership in the education achievement system, times an~~  
14 ~~amount equal to the amount per membership pupil under section 20(7).~~ The allocation to an  
15 intermediate district under this subsection shall be calculated in the same manner as for a  
16 district, using the foundation allowance under section 20 of the pupil's district of  
17 residence, not to exceed the basic foundation allowance under section 20 for the current  
18 fiscal year., ~~and that district's per-pupil allocation under section 20m.~~ This subsection  
19 applies to all of the following pupils:

20 (a) Pupils described in section 53a.

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

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

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

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

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

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

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

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

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

8 (14) If a public school academy that is not a cyber school, as defined in section 551  
9 of the revised school code, MCL 380.551, enrolls under this section a pupil who resides  
10 outside of the intermediate district in which the public school academy is located and who  
11 is eligible for special education programs and services according to statute or rule, or  
12 who is a child with disabilities, as defined under the individuals with disabilities  
13 education act, Public Law 108-446, the intermediate district in which the public school  
14 academy is located and the public school academy shall enter into a written agreement with  
15 the intermediate district in which the pupil resides for the purpose of providing the pupil  
16 with a free appropriate public education, and the written agreement shall include at least  
17 an agreement on the responsibility for the payment of the added costs of special education  
18 programs and services for the pupil. If the public school academy that enrolls the pupil  
19 does not enter into an agreement under this subsection, the public school academy shall not  
20 charge the pupil's resident intermediate district or the intermediate district in which the  
21 public school academy is located the added costs of special education programs and services  
22 for the pupil, and the public school academy is not eligible for any payouts based on the  
23 funding formula outlined in the resident or nonresident intermediate district's plan. If a  
24 pupil is not enrolled in a public school academy under this subsection, the provision of  
25 special education programs and services and the payment of the added costs of special  
26 education programs and services for a pupil described in this subsection are the  
27 responsibility of the district and intermediate district in which the pupil resides.

28 (15) For the purpose of receiving its federal allocation under part B of the  
29 individuals with disabilities education act, Public Law 108-446, a public school academy  
30 that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551,  
31 and is in compliance with section 553a of the revised school code, MCL 380.553a, shall  
32 directly receive the federal allocation under part B of the individuals with disabilities

1 education act, Public Law 108-446, from the intermediate district in which the cyber school  
2 is located, as the subrecipient. If the intermediate district does not distribute the funds  
3 described in this subsection to the cyber school by the part B application due date of July  
4 1, the department may distribute the funds described in this subsection directly to the  
5 cyber school according to the formula prescribed in 34 CFR 300.705 and 34 CFR 300.816.

6 (16) For a public school academy that is a cyber school, as defined in section 551 of  
7 the revised school code, MCL 380.551, and is in compliance with section 553a of the revised  
8 school code, MCL 380.553a, that enrolls a pupil under this section, the intermediate  
9 district in which the cyber school is located shall ensure that the cyber school complies  
10 with sections 1701a, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code, MCL  
11 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable  
12 rules; and the individuals with disabilities education act, Public Law 108-446. From the  
13 ~~general fund~~ appropriation under subsection (1), the department shall provide appropriate  
14 administrative funding to the intermediate district in which that cyber school is located  
15 for the purpose of ensuring that compliance.

16 (17) For the purposes of this section, the department or the center shall only  
17 require a district or intermediate district to report information that is not already  
18 available from the financial information database maintained by the center.

19 Sec. 51c. As required by the court in the consolidated cases known as Durant v State  
20 of Michigan, 456 Mich 175 (1997), from the allocation under section 51a(1), there is  
21 allocated ~~each fiscal year for 2017-2018 and for 2018-2019~~ **2019-2020** the amount necessary,  
22 estimated at ~~\$636,900,000.00 for 2017-2018 and \$651,000,000.00 for 2018-2019~~  
23 **\$689,500,000.00** for payments to reimburse districts for 28.6138% of total approved costs of  
24 special education excluding costs reimbursed under section 53a, and 70.4165% of total  
25 approved costs of special education transportation. Funds allocated under this section that  
26 are not expended in the state fiscal year for which they were allocated, as determined by  
27 the department, may be used to supplement the allocations under sections 22a and 22b in  
28 order to fully fund those calculated allocations for the same fiscal year.

29 Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated  
30 for ~~2018-2019~~ **2019-2020** all available federal funding, estimated at \$61,000,000.00, for  
31 special education programs and services that are funded by federal grants. All federal  
32 funds allocated under this section shall be distributed in accordance with federal law.

1 Notwithstanding section 17b, payments of federal funds to districts, intermediate  
2 districts, and other eligible entities under this section shall be paid on a schedule  
3 determined by the department.

4 (2) From the federal funds allocated under subsection (1), the following amounts are  
5 allocated for ~~2018-2019; 2019-2020~~:

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

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

10 (c) An amount estimated at \$35,000,000.00 for special education programs funded by  
11 DED-OSERS, handicapped program, individuals with disabilities act funds.

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

14 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2)  
15 shall be 100% of the total approved costs of operating special education programs and  
16 services approved by the department and included in the intermediate district plan adopted  
17 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1761, minus the  
18 district's foundation allowance calculated under section 20. ~~and minus the district's per-~~  
19 ~~pupil allocation under section 20m.~~ For intermediate districts, reimbursement for pupils  
20 described in subsection (2) shall be calculated in the same manner as for a district, using  
21 the foundation allowance under section 20 of the pupil's district of residence, not to  
22 exceed the basic foundation allowance under section 20 for the current fiscal year. ~~and~~  
23 ~~that district's per-pupil allocation under section 20m.~~

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

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

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

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



1 pupil's home.

2 (d) Pupils enrolled in a department-approved on-grounds educational program longer  
3 than 180 days, but not longer than 233 days, at a residential child care institution, if  
4 the child care institution offered in 1991-92 an on-grounds educational program longer than  
5 180 days but not longer than 233 days.

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

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

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

15 (5) Not more than \$10,500,000.00 of the allocation for ~~2018-2019~~**2019-2020** in section  
16 51a(1) shall be allocated under this section.

17 Sec. 54. Each intermediate district shall receive an amount per-pupil for each pupil  
18 in attendance at the Michigan schools for the deaf and blind. The amount shall be  
19 proportionate to the total instructional cost at each school. Not more than \$1,688,000.00  
20 of the allocation for ~~2018-2019~~**2019-2020** in section 51a(1) shall be allocated under this  
21 section.

22 Sec. 54b. (1) From the ~~general fund~~ appropriation in section 11, there is allocated  
23 an amount not to exceed \$1,600,000.00 for ~~2018-2019~~**2019-2020** to continue the  
24 implementation of the recommendations of the special education reform task force published  
25 in January 2016.

26 (2) The department shall use funds allocated under this section for the purpose of  
27 piloting statewide implementation of the Michigan Integrated Behavior and Learning Support  
28 Initiative (MiBLSI), a nationally recognized program that includes positive behavioral  
29 intervention and supports and provides a statewide structure to support local initiatives  
30 for an integrated behavior and reading program. With the assistance of the intermediate  
31 districts involved in MiBLSI, the department shall identify a number of intermediate  
32 districts to participate in the pilot that is sufficient to ensure that MiBLSI can be

1 implemented statewide with fidelity and sustainability. In addition, the department shall  
2 identify an intermediate district to act as a fiscal agent for these funds.

3 Sec. 54d. (1) From the appropriations in section 11, there is allocated an amount not  
4 to exceed \$5,000,000.00 for ~~2018-2019~~ **2019-2020** to intermediate districts for the purpose  
5 of providing state early on services pilot programs for children from birth to 3 years of  
6 age with a developmental delay or a disability, or both, and their families, as described  
7 in the early on Michigan state plan, as approved by the department.

8 (2) To be eligible to receive grant funding under this section, each intermediate  
9 district shall apply in a form and manner determined by the department.

10 (3) The grant funding allocated under this section shall be used to increase early on  
11 services and resources available to children that demonstrate developmental delays to help  
12 prepare them for success as they enter school. State early on services include evaluating  
13 and providing early intervention services for eligible infants and toddlers and their  
14 families to address developmental delays, including those affecting physical, cognitive,  
15 communication, adaptive, social, or emotional development. Grant funds must not be used to  
16 supplant existing services that are currently being provided.

17 (4) The funds allocated under subsection (1) shall be distributed to intermediate  
18 districts according to the department's early on funding formula utilized to distribute the  
19 federal award to Michigan under part C of the individuals with disabilities education act.  
20 Funds received under this section must not supplant existing funds or resources allocated  
21 for early on early intervention services. An intermediate district receiving funds under  
22 this section shall maximize the capture of Medicaid funds to support early on early  
23 intervention services to the extent possible.

24 (5) Each intermediate district that receives funds under this section shall report  
25 data and other information to the department in a form, manner, and frequency prescribed by  
26 the department to allow for monitoring and evaluation of the pilot projects and to ensure  
27 that the children described in subsection (1) received appropriate levels and types of  
28 services delivered by qualified personnel, based on the individual needs of the children  
29 and their families.

30 (6) Notwithstanding section 17b, payments under this section shall be paid on a  
31 schedule determined by the department.

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

1 (a) "Membership" means for a particular fiscal year the total membership for the  
2 immediately preceding fiscal year of the intermediate district and the districts  
3 constituent to the intermediate district.

4 (b) "Millage levied" means the millage levied for special education pursuant to part  
5 30 of the revised school code, MCL 380.1711 to 380.1741, including a levy for debt service  
6 obligations.

7 (c) "Taxable value" means the total taxable value of the districts constituent to an  
8 intermediate district, except that if a district has elected not to come under part 30 of  
9 the revised school code, MCL 380.1711 to 380.1741, membership and taxable value of the  
10 district shall not be included in the membership and taxable value of the intermediate  
11 district.

12 (2) From the allocation under section 51a(1), there is allocated an amount not to  
13 exceed ~~\$37,758,100.00 for 2017-2018 and an amount not to exceed \$40,008,100.00 for 2018-~~  
14 ~~2019-2019-2020~~ to reimburse intermediate districts levying millages for special education  
15 pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1741. The purpose, use,  
16 and expenditure of the reimbursement shall be limited as if the funds were generated by  
17 these millages and governed by the intermediate district plan adopted pursuant to article 3  
18 of the revised school code, MCL 380.1701 to 380.1761. As a condition of receiving funds  
19 under this section, an intermediate district distributing any portion of special education  
20 millage funds to its constituent districts shall submit for departmental approval and  
21 implement a distribution plan.

22 ~~(3) Reimbursement for those millages levied in 2016-2017 shall be made in 2017-2018~~  
23 ~~at an amount per 2016-2017 membership pupil computed by subtracting from \$185,000.00 the~~  
24 ~~2016-2017 taxable value behind each membership pupil and multiplying the resulting~~  
25 ~~difference by the 2016-2017 millage levied, and then subtracting from that amount the 2016-~~  
26 ~~2017 local community stabilization share revenue for special education purposes behind each~~  
27 ~~membership pupil for reimbursement of personal property exemption loss under the local~~  
28 ~~community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.~~

29 (3) ~~(4)~~ Except as otherwise provided in this subsection, reimbursement for those  
30 millages levied in ~~2017-2018-2018-2019~~ shall be made in ~~2018-2019-2019-2020~~ at an amount  
31 per ~~2017-2018-2018-2019~~ membership pupil computed by subtracting from ~~\$193,700.00~~  
32 ~~\$197,700.00~~ the ~~2017-2018-2018-2019~~ taxable value behind each membership pupil and

1 multiplying the resulting difference by the ~~2017-2018~~**2018-2019** millage levied, and then  
2 subtracting from that amount the ~~2017-2018~~**2018-2019** local community stabilization share  
3 revenue for special education purposes behind each membership pupil for reimbursement of  
4 personal property exemption loss under the local community stabilization authority act,  
5 2014 PA 86, MCL 123.1341 to 123.1362. Reimbursement in ~~2018-2019~~**2019-2020** for an  
6 intermediate district whose ~~2017-2018~~**2018-2019** allocation was affected by the operation of  
7 subsection ~~(5)~~**(4)** shall be an amount equal to 102.5% of the ~~2017-2018~~**2018-2019** allocation  
8 to that intermediate district.

9 **(4)** ~~(5)~~The amount paid to a single intermediate district under this section shall  
10 not exceed 62.9% of the total amount allocated under subsection (2).

11 **(5)** ~~(6)~~The amount paid to a single intermediate district under this section shall  
12 not be less than 75% of the amount allocated to the intermediate district under this  
13 section for the immediately preceding fiscal year.

14 Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not  
15 to exceed \$36,611,300.00 for ~~2018-2019~~**2019-2020** to reimburse on an added cost basis  
16 districts, except for a district that served as the fiscal agent for a vocational education  
17 consortium in the 1993-94 school year and that has a foundation allowance as calculated  
18 under section 20 greater than the minimum foundation allowance under that section, and  
19 secondary area vocational-technical education centers for secondary-level career and  
20 technical education programs according to rules approved by the superintendent.  
21 Applications for participation in the programs shall be submitted in the form prescribed by  
22 the department. The department shall determine the added cost for each career and technical  
23 education program area. The allocation of added cost funds shall be prioritized based on  
24 the capital and program expenditures needed to operate the career and technical education  
25 programs provided; the number of pupils enrolled; the advancement of pupils through the  
26 instructional program; the existence of an articulation agreement with at least 1  
27 postsecondary institution that provides pupils with opportunities to earn postsecondary  
28 credit during the pupil's participation in the career and technical education program and  
29 transfers those credits to the postsecondary institution upon completion of the career and  
30 technical education program; and the program rank in student placement, job openings, and  
31 wages, and shall not exceed 75% of the added cost of any program. Notwithstanding any rule  
32 or department determination to the contrary, when determining a district's allocation or

1 the formula for making allocations under this section, the department shall include the  
2 participation of pupils in grade 9 in all of those determinations and in all portions of  
3 the formula. With the approval of the department, the board of a district maintaining a  
4 secondary career and technical education program may offer the program for the period from  
5 the close of the school year until September 1. The program shall use existing facilities  
6 and shall be operated as prescribed by rules promulgated by the superintendent.

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

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

18 ~~(4) In addition to the money allocated under subsections (1) and (5), from the~~  
19 ~~general fund money appropriated in section 11, there is allocated for 2018-2019 an amount~~  
20 ~~not to exceed \$100,000.00 to an eligible Michigan-approved 501(c)(3) organization for the~~  
21 ~~purposes of teaching or training restaurant management and culinary arts for career and~~  
22 ~~professional development. The department shall oversee funds distributed to an eligible~~  
23 ~~grantee under this section. As used in this subsection, "eligible Michigan-approved~~  
24 ~~501(c)(3) organization" means an organization that is exempt from taxation under section~~  
25 ~~501(c)(3) of the internal revenue code of 1986, 26 USC 501, that provides the ProStart~~  
26 ~~curriculum and training to state-approved career and technical education programs with~~  
27 ~~classification of instructional programs (CIP) codes in the 12.05xx category, and that~~  
28 ~~administers national certification for the purpose of restaurant management and culinary~~  
29 ~~arts for career and professional development.~~

30 ~~(5) In addition to the funds allocated under subsections (1) and (4), from the funds~~  
31 ~~appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed~~  
32 ~~\$1,000,000.00 for competitive grants to intermediate districts to hire career and technical~~

1 ~~education counselors. All of the following apply to this funding:~~

2 ~~(a) An intermediate district seeking a grant under this subsection shall apply to the~~  
3 ~~department in a form and manner specified by the department.~~

4 ~~(b) The department shall award grants under this subsection to no more than 3~~  
5 ~~intermediate districts that received funding under this subsection in 2017-2018.~~

6 ~~(c) To be eligible for funding under this subsection, an intermediate district shall~~  
7 ~~do all of the following:~~

8 ~~(i) Catalog all available K-12 and other workforce development programs and services,~~  
9 ~~including job search, job training, pre-employment certifications, career awareness~~  
10 ~~programs, career and technical education programs, and other related programs and services~~  
11 ~~offered by districts or intermediate districts, postsecondary institutions, and other~~  
12 ~~private or public service organizations.~~

13 ~~(ii) Develop an outreach program that educates students about career and technical~~  
14 ~~education options and connects students to the services cataloged under subparagraph (i).~~

15 ~~(iii) Track student placement and report on student placement to the house and senate~~  
16 ~~appropriations subcommittees on school aid no later than June 30, 2019 in the form and~~  
17 ~~manner prescribed by the department.~~

18 Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not  
19 to exceed \$8,000,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019~~ for **FISCAL YEAR**  
20 **2019-2020 FOR** CTE early/middle college and CTE dual enrollment programs authorized under  
21 this section and for planning grants for the development or expansion of CTE early/middle  
22 college programs. The purpose of these programs is to increase the number of Michigan  
23 residents with high-quality degrees or credentials, and to increase the number of students  
24 who are college and career ready upon high school graduation.

25 (2) From the funds allocated under subsection (1), an amount as determined under this  
26 subsection shall be allocated to each intermediate district serving as a fiscal agent for  
27 state-approved CTE early/middle college and CTE dual enrollment programs in each of the  
28 prosperity regions and subregions identified by the department. An intermediate district  
29 shall not use more than 5% of the funds allocated under this subsection for administrative  
30 costs for serving as the fiscal agent.

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

1 (a) Distribute funds to eligible CTE early/middle college and CTE dual enrollment  
2 programs in a prosperity region or subregion as described in this section.

3 (b) Collaborate with the career and educational advisory council that is located in  
4 the prosperity region or subregion to develop a regional strategic plan under subsection  
5 (4) that aligns CTE programs and services into an efficient and effective delivery system  
6 for high school students.

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

10 (d) Report CTE early/middle college and CTE dual enrollment program and student data  
11 and information as prescribed by the department and the center.

12 (4) A regional strategic plan must be approved by the career and educational advisory  
13 council before submission to the department. A regional strategic plan shall include, but  
14 not be limited to, the following:

15 (a) An identification of regional employer need based on a ranking of all career  
16 clusters in the prosperity region or subregion ranked by 10-year job openings projections  
17 and median wage for each standard occupational code in each career cluster as obtained from  
18 the United States Bureau of Labor Statistics. Standard occupational codes within high-  
19 ranking clusters also may be further ranked by median wage. The rankings shall be reviewed  
20 by the career and educational advisory council located in the prosperity region or  
21 subregion and modified if necessary to accurately reflect employer demand for talent in the  
22 prosperity region or subregion. A career and educational advisory council shall document  
23 that it has conducted this review and certify that it is accurate. These career cluster  
24 rankings shall be determined and updated once every 4 years.

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

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

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

32 (5) An eligible CTE program is a program that meets all of the following:

- 1 (a) Has been identified in the highest 5 career cluster rankings in any of the 10  
2 regional strategic plans jointly approved by the Michigan talent investment agency in the  
3 department of talent and economic development and the department.
- 4 (b) Has a coherent sequence of courses that will allow a student to earn a high  
5 school diploma and achieve at least 1 of the following in a specific career cluster:
- 6 (i) An associate degree.
- 7 (ii) An industry-recognized technical certification approved by the Michigan talent  
8 investment agency in the department of talent and economic development.
- 9 (iii) Up to 60 transferable college credits.
- 10 (iv) Participation in a registered apprenticeship, pre-apprenticeship, or apprentice  
11 readiness program.
- 12 (c) Is aligned with the Michigan merit curriculum.
- 13 (d) Has an articulation agreement with at least 1 postsecondary institution that  
14 provides students with opportunities to receive postsecondary credits during the student's  
15 participation in the CTE early/middle college or CTE dual enrollment program and transfers  
16 those credits to the postsecondary institution upon completion of the CTE early/middle  
17 college or CTE dual enrollment program.
- 18 (e) Provides instruction that is supervised, directed, or coordinated by an  
19 appropriately certificated CTE teacher or, for concurrent enrollment courses, a  
20 postsecondary faculty member.
- 21 (f) Provides for highly integrated student support services that include at least the  
22 following:
- 23 (i) Teachers as academic advisors.
- 24 (ii) Supervised course selection.
- 25 (iii) Monitoring of student progress and completion.
- 26 (iv) Career planning services provided by a local one-stop service center as  
27 described in the Michigan Works! one-stop service center system act, 2006 PA 491, MCL  
28 408.111 to 408.135, or by a high school counselor or advisor.
- 29 (g) Has courses that are taught on a college campus, are college courses offered at  
30 the high school and taught by college faculty, or are courses taught in combination with  
31 online instruction.
- 32 (6) Funds to eligible CTE early/middle college and CTE dual enrollment programs shall



1 be distributed as follows:

2 (a) The department shall determine statewide average CTE costs per pupil for each CIP  
3 code program by calculating statewide average costs for each CIP code program for the 3  
4 most recent fiscal years.

5 (b) Distribution to each eligible CTE early/middle college or CTE dual enrollment  
6 program shall be the product of 50% of CTE costs per pupil times the current year pupil  
7 enrollment of each eligible CTE early/middle college or CTE dual enrollment program.

8 (7) In order to receive funds under this section, a CTE early/middle college or CTE  
9 dual enrollment program shall furnish to the intermediate district that is the fiscal agent  
10 identified in subsection (2), in a form and manner determined by the department, all  
11 information needed to administer this program and meet federal reporting requirements;  
12 shall allow the department or the department's designee to review all records related to  
13 the program for which it receives funds; and shall reimburse the state for all  
14 disallowances found in the review, as determined by the department.

15 (8) There is allocated from the funds under subsection (1) an amount not to exceed  
16 \$500,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019~~ **FOR FISCAL YEAR 2019-2020** for  
17 grants to intermediate districts or consortia of intermediate districts for the purpose of  
18 planning for new or expanded early middle college programs. Applications for grants shall  
19 be submitted in a form and manner determined by the department. The amount of a grant under  
20 this subsection shall not exceed \$50,000.00. To be eligible for a grant under this  
21 subsection, an intermediate district or consortia of intermediate districts must provide  
22 matching funds equal to the grant received under this subsection. Notwithstanding section  
23 17b, payments under this subsection may be made as determined by 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 shall not exceed the total allowable costs of  
29 the program. A program provider shall not use more than 5% of the funds allocated under  
30 this 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.

2 (11) If pupils enrolled in a career cluster in an eligible CTE early/middle college  
3 or CTE dual enrollment program qualify to be reimbursed under this section, those pupils  
4 continue to qualify for reimbursement until graduation, even if the career cluster is no  
5 longer identified as being in the highest 5 career cluster rankings.

6 (12) As used in this section:

7 (a) "Allowable costs" means those costs directly attributable to the program as  
8 jointly determined by the Michigan talent investment agency and the department.

9 (b) "Career and educational advisory council" means an advisory council to the local  
10 workforce development boards located in a prosperity region consisting of educational,  
11 employer, labor, and parent representatives.

12 (c) "CIP" means classification of instructional programs.

13 (d) "CTE" means career and technical education programs.

14 (e) "CTE dual enrollment program" means a 4-year high school program of postsecondary  
15 courses offered by eligible postsecondary educational institutions that leads to an  
16 industry-recognized certification or degree.

17 (f) "Early/middle college program" means a 5-year high school program.

18 (g) "Eligible postsecondary educational institution" means that term as defined in  
19 section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

20 Sec. 62.(1) For the purposes of this section:

21 (a) "Membership" means for a particular fiscal year the total membership for the  
22 immediately preceding fiscal year of the intermediate district and the districts  
23 constituent to the intermediate district or the total membership for the immediately  
24 preceding fiscal year of the area vocational-technical program.

25 (b) "Millage levied" means the millage levied for area vocational-technical education  
26 pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690,  
27 including a levy for debt service obligations incurred as the result of borrowing for  
28 capital outlay projects and in meeting capital projects fund requirements of area  
29 vocational-technical education.

30 (c) "Taxable value" means the total taxable value of the districts constituent to an  
31 intermediate district or area vocational-technical education program, except that if a  
32 district has elected not to come under sections 681 to 690 of the revised school code, MCL

1 380.681 to 380.690, the membership and taxable value of that district shall not be included  
2 in the membership and taxable value of the intermediate district. However, the membership  
3 and taxable value of a district that has elected not to come under sections 681 to 690 of  
4 the revised school code, MCL 380.681 to 380.690, shall be included in the membership and  
5 taxable value of the intermediate district if the district meets both of the following:

6 (i) The district operates the area vocational-technical education program pursuant to  
7 a contract with the intermediate district.

8 (ii) The district contributes an annual amount to the operation of the program that  
9 is commensurate with the revenue that would have been raised for operation of the program  
10 if millage were levied in the district for the program under sections 681 to 690 of the  
11 revised school code, MCL 380.681 to 380.690.

12 (2) From the appropriation in section 11, there is allocated an amount not to exceed  
13 \$9,190,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019-2019-2020~~ to reimburse  
14 intermediate districts and area vocational-technical education programs established under  
15 section 690(3) of the revised school code, MCL 380.690, levying millages for area  
16 vocational-technical education pursuant to sections 681 to 690 of the revised school code,  
17 MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be  
18 limited as if the funds were generated by those millages.

19 ~~(3) Reimbursement for those millages levied in 2016-2017 shall be made in 2017-2018~~  
20 ~~at an amount per 2016-2017 membership pupil computed by subtracting from \$200,800.00 the~~  
21 ~~2016-2017 taxable value behind each membership pupil and multiplying the resulting~~  
22 ~~difference by the 2016-2017 millage levied, and then subtracting from that amount the 2016-~~  
23 ~~2017 local community stabilization share revenue for area vocational technical education~~  
24 ~~behind each membership pupil for reimbursement of personal property exemption loss under~~  
25 ~~the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.~~

26 (3) ~~(4)~~ Reimbursement for those millages levied in ~~2017-2018-2018-2019~~ shall be made  
27 in ~~2018-2019-2019-2020~~ at an amount per ~~2017-2018-2018-2019~~ membership pupil computed by  
28 subtracting from ~~\$205,700.00-\$210,600.00~~ the ~~2017-2018-2018-2019~~ taxable value behind each  
29 membership pupil and multiplying the resulting difference by the ~~2017-2018-2018-2019~~  
30 millage levied, and then subtracting from that amount the ~~2017-2018-2018-2019~~ local  
31 community stabilization share revenue for area vocational technical education behind each  
32 membership pupil for reimbursement of personal property exemption loss under the local

1 community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

2 (4) ~~(5)~~—The amount paid to a single intermediate district under this section shall  
3 not exceed 38.4% of the total amount allocated under subsection (2).

4 (5) ~~(6)~~—The amount paid to a single intermediate district under this section shall  
5 not be less than 75% of the amount allocated to the intermediate district under this  
6 section for the immediately preceding fiscal year.

7 Sec. 67. (1) From the general fund amount appropriated in section 11, there is  
8 allocated an amount not to exceed \$3,000,000.00 for ~~2018-2019~~ **2019-2020** for college access  
9 programs. The programs funded under this section are intended to inform students of college  
10 and career options and to provide resources intended to increase the number of pupils who  
11 are adequately prepared with the information needed to make informed decisions on college  
12 and career. The funds appropriated under this section are intended to be used to increase  
13 the number of Michigan residents with high-quality degrees or credentials. Funds  
14 appropriated under this section shall not be used to supplant funding for counselors  
15 already funded by districts.

16 (2) The talent investment agency of the department of talent and economic development  
17 shall administer funds allocated under this section in collaboration with the Michigan  
18 college access network. These funds may be used for any of the following purposes:

19 (a) Michigan college access network operations, programming, and services to local  
20 college access networks.

21 (b) Local college access networks, which are community-based college access/success  
22 partnerships committed to increasing the college participation and completion rates within  
23 geographically defined communities through a coordinated strategy.

24 (c) The Michigan college advising program, a program intended to place trained,  
25 recently graduated college advisors in high schools that serve significant numbers of low-  
26 income and first-generation college-going pupils. State funds used for this purpose may not  
27 exceed 33% of the total funds available under this subsection.

28 (d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools that  
29 establish a college access team and implement specific strategies to create a college-going  
30 culture in a high school in a form and manner approved by the Michigan college access  
31 network and the Michigan talent investment agency.

32 (e) The Michigan college access portal, an online one-stop portal to help pupils and

1 families plan and apply for college.

2 (f) Public awareness and outreach campaigns to encourage low-income and first-  
3 generation college-going pupils to take necessary steps toward college and to assist pupils  
4 and families in completing a timely and accurate free application for federal student aid.

5 (g) Subgrants to postsecondary institutions to recruit, hire, and train college  
6 student mentors and college advisors to assist high school pupils in navigating the  
7 postsecondary planning and enrollment process.

8 (3) For the purposes of this section, "college" means any postsecondary educational  
9 opportunity that leads to a career, including, but not limited to, a postsecondary degree,  
10 industry-recognized technical certification, or registered apprenticeship.

11 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount  
12 not to exceed ~~\$3,754,900.00~~ **\$3,772,900.00** for ~~2018-2019-2019-2020~~ for the purposes of this  
13 section.

14 (2) From the allocation in subsection (1), there is allocated for each fiscal year  
15 the amount necessary for payments to state supported colleges or universities and  
16 intermediate districts providing school bus driver safety instruction pursuant to section  
17 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an  
18 amount determined by the department not to exceed the actual cost of instruction and driver  
19 compensation for each public or nonpublic school bus driver attending a course of  
20 instruction. For the purpose of computing compensation, the hourly rate allowed each school  
21 bus driver shall not exceed the hourly rate received for driving a school bus.  
22 Reimbursement compensating the driver during the course of instruction shall be made by the  
23 department to the college or university or intermediate district providing the course of  
24 instruction.

25 (3) From the allocation in subsection (1), there is allocated for ~~2018-2019-2019-2020~~  
26 the amount necessary to pay the reasonable costs of nonspecial education auxiliary services  
27 transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323.  
28 Districts funded under this subsection shall not receive funding under any other section of  
29 this article for nonspecial education auxiliary services transportation.

30 (4) From the funds allocated in subsection (1), there is allocated an amount not to  
31 exceed ~~\$1,729,900.00~~ **\$1,747,900.00** for ~~2018-2019-2019-2020~~ for reimbursement to districts  
32 and intermediate districts for costs associated with the inspection of school buses and

1 pupil transportation vehicles by the department of state police as required under section  
2 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil  
3 transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare  
4 a statement of costs attributable to each district for which bus inspections are provided  
5 and submit it to the department and to an intermediate district serving as fiduciary in a  
6 time and manner determined jointly by the department and the department of state police.  
7 Upon review and approval of the statement of cost, the department shall forward to the  
8 designated intermediate district serving as fiduciary the amount of the reimbursement on  
9 behalf of each district and intermediate district for costs detailed on the statement  
10 within 45 days after receipt of the statement. The designated intermediate district shall  
11 make payment in the amount specified on the statement to the department of state police  
12 within 45 days after receipt of the statement. The total reimbursement of costs under this  
13 subsection shall not exceed the amount allocated under this subsection. Notwithstanding  
14 section 17b, payments to eligible entities under this subsection shall be paid on a  
15 schedule prescribed by the department.

16 Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2018-2019~~  
17 **2019-2020** to the intermediate districts the sum necessary, but not to exceed ~~\$68,453,000.00~~  
18 **\$70,849,000.00** to provide state aid to intermediate districts under this section.

19 (2) The amount allocated under this section to each intermediate district is an  
20 amount equal to ~~102%~~**103.5%** of the amount allocated to the intermediate district under this  
21 section for ~~2017-2018.~~**2018-2019**. Funding provided under this section shall be used to  
22 comply with requirements of this article and the revised school code that are applicable to  
23 intermediate districts, and for which funding is not provided elsewhere in this article,  
24 and to provide technical assistance to districts as authorized by the intermediate school  
25 board.

26 (3) Intermediate districts receiving funds under this section, shall collaborate with  
27 the department to develop expanded professional development opportunities for teachers to  
28 update and expand their knowledge and skills needed to support the Michigan merit  
29 curriculum.

30 (4) From the allocation in subsection (1), there is allocated to an intermediate  
31 district, formed by the consolidation or annexation of 2 or more intermediate districts or  
32 the attachment of a total intermediate district to another intermediate school district or

1 the annexation of all of the constituent K-12 districts of a previously existing  
2 intermediate school district which has disorganized, an additional allotment of \$3,500.00  
3 each fiscal year for each intermediate district included in the new intermediate district  
4 for 3 years following consolidation, annexation, or attachment.

5 (5) In order to receive funding under this section, an intermediate district shall do  
6 all of the following:

7 (a) Demonstrate to the satisfaction of the department that the intermediate district  
8 employs at least 1 person who is trained in pupil accounting and auditing procedures,  
9 rules, and regulations.

10 (b) Demonstrate to the satisfaction of the department that the intermediate district  
11 employs at least 1 person who is trained in rules, regulations, and district reporting  
12 procedures for the individual-level student data that serves as the basis for the  
13 calculation of the district and high school graduation and dropout rates.

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

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

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

20 Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to  
21 the department for ~~2017-2018 an amount not to exceed \$750,000.00 and there is allocated to~~  
22 ~~the department for 2018-2019~~ **2019-2020** an amount not to exceed \$1,000,000.00 for efforts to  
23 increase the number of pupils who participate and succeed in advanced placement and  
24 international baccalaureate programs, ~~and, beginning in 2018-2019,~~ to support the college-  
25 level examination program (CLEP).

26 (2) From the funds allocated under this section, the department shall award funds to  
27 cover all or part of the costs of advanced placement test fees or international  
28 baccalaureate test fees and international baccalaureate registration fees for low-income  
29 pupils who take an advanced placement or an international baccalaureate test, ~~and,~~  
30 ~~beginning in 2018-2019,~~ CLEP fees for low-income pupils who take a CLEP test.

31 (3) The department shall only award funds under this section if the department  
32 determines that all of the following criteria are met:

1 (a) Each pupil for whom payment is made meets eligibility requirements of the federal  
2 advanced placement test fee program under section 1701 of the no child left behind act of  
3 2001, Public Law 107-110, or under a corresponding provision of the every student succeeds  
4 act, Public Law 114-95.

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) The department shall establish procedures for awarding funds under this section.

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

12 Sec. 94a. (1) There is created within the state budget office in the department of  
13 technology, management, and budget the center for educational performance and information.  
14 The center shall do all of the following:

15 (a) Coordinate the collection of all data required by state and federal law from  
16 districts, intermediate districts, and postsecondary institutions.

17 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and  
18 ensure that it meets the requirements of subsection (4).

19 (c) Collect data in the most efficient manner possible in order to reduce the  
20 administrative burden on reporting entities, including, but not limited to, electronic  
21 transcript services.

22 (d) Create, maintain, and enhance this state's web-based educational portal to  
23 provide information to school leaders, teachers, researchers, and the public in compliance  
24 with all federal and state privacy laws. Data shall include, but are not limited to, all of  
25 the following:

26 (i) Data sets that link teachers to student information, allowing districts to assess  
27 individual teacher impact on student performance and consider student growth factors in  
28 teacher and principal evaluation systems.

29 (ii) Data access or, if practical, data sets, provided for regional data hubs that,  
30 in combination with local data, can improve teaching and learning in the classroom.

31 (iii) Research-ready data sets for researchers to perform research that advances this  
32 state's educational performance.



1 (e) Provide data in a useful manner to allow state and local policymakers to make  
2 informed policy decisions.

3 (f) Provide public reports to the ~~citizens~~**RESIDENTS** of this state to allow them to  
4 assess allocation of resources and the return on their investment in the education system  
5 of this state.

6 (g) Other functions as assigned by the state budget director.

7 (2) Each state department, officer, or agency that collects information from  
8 districts, intermediate districts, or postsecondary institutions as required under state or  
9 federal law shall make arrangements with the center to ensure that the state department,  
10 officer, or agency is in compliance with subsection (1). This subsection does not apply to  
11 information collected by the department of treasury under the uniform budgeting and  
12 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001  
13 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act,  
14 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL  
15 380.1351a.

16 (3) The center may enter into any interlocal agreements necessary to fulfill its  
17 functions.

18 (4) The center shall ensure that the P-20 longitudinal data system required under  
19 subsection (1)(b) meets all of the following:

20 (a) Includes data at the individual student level from preschool through  
21 postsecondary education and into the workforce.

22 (b) Supports interoperability by using standard data structures, data formats, and  
23 data definitions to ensure linkage and connectivity in a manner that facilitates the  
24 exchange of data among agencies and institutions within the state and between states.

25 (c) Enables the matching of individual teacher and student records so that an  
26 individual student may be matched with those teachers providing instruction to that  
27 student.

28 (d) Enables the matching of individual teachers with information about their  
29 certification and the institutions that prepared and recommended those teachers for state  
30 certification.

31 (e) Enables data to be easily generated for continuous improvement and decision-  
32 making, including timely reporting to parents, teachers, and school leaders on student

1 achievement.

2 (f) Ensures the reasonable quality, validity, and reliability of data contained in  
3 the system.

4 (g) Provides this state with the ability to meet federal and state reporting  
5 requirements.

6 (h) For data elements related to preschool through grade 12 and postsecondary, meets  
7 all of the following:

8 (i) Contains a unique statewide student identifier that does not permit a student to  
9 be individually identified by users of the system, except as allowed by federal and state  
10 law.

11 (ii) Contains student-level enrollment, demographic, and program participation  
12 information.

13 (iii) Contains student-level information about the points at which students exit,  
14 transfer in, transfer out, drop out, or complete education programs.

15 (iv) Has the capacity to communicate with higher education data systems.

16 (i) For data elements related to preschool through grade 12 only, meets all of the  
17 following:

18 (i) Contains yearly test records of individual students for assessments approved by  
19 DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary  
20 education act of 1965, 20 USC 6311, including information on individual students not  
21 tested, by grade and subject.

22 (ii) Contains student-level transcript information, including information on courses  
23 completed and grades earned.

24 (iii) Contains student-level college readiness test scores.

25 (j) For data elements related to postsecondary education only:

26 (i) Contains data that provide information regarding the extent to which individual  
27 students transition successfully from secondary school to postsecondary education,  
28 including, but not limited to, all of the following:

29 (A) Enrollment in remedial coursework.

30 (B) Completion of 1 year's worth of college credit applicable to a degree within 2  
31 years of enrollment.

32 (ii) Contains data that provide other information determined necessary to address

1 alignment and adequate preparation for success in postsecondary education.

2 (5) From the general fund appropriation in section 11, there is allocated an amount  
3 not to exceed ~~\$16,356,700.00~~ **\$16,457,200.00** for ~~2018-2019-2019-2020~~ to the department of  
4 technology, management, and budget to support the operations of the center. In addition,  
5 from the federal funds appropriated in section 11, there is allocated for ~~2018-2019-2019-~~  
6 **2020** the amount necessary, estimated at \$193,500.00, to support the operations of the  
7 center and to establish a P-20 longitudinal data system necessary for state and federal  
8 reporting purposes. The center shall cooperate with the department to ensure that this  
9 state is in compliance with federal law and is maximizing opportunities for increased  
10 federal funding to improve education in this state.

11 (6) From the funds allocated in subsection (5), the center may use an amount  
12 determined by the center for competitive grants for ~~2018-2019-2019-2020~~ to support  
13 collaborative efforts on the P-20 longitudinal data system. All of the following apply to  
14 grants awarded under this subsection:

15 (a) The center shall award competitive grants to eligible intermediate districts or a  
16 consortium of intermediate districts based on criteria established by the center.

17 (b) Activities funded under the grant shall support the P-20 longitudinal data system  
18 portal and may include portal hosting, hardware and software acquisition, maintenance,  
19 enhancements, user support and related materials, and professional learning tools and  
20 activities aimed at improving the utility of the P-20 longitudinal data system.

21 (c) An applicant that received a grant under this subsection for the immediately  
22 preceding fiscal year shall receive priority for funding under this section. However, after  
23 3 fiscal years of continuous funding, an applicant is required to compete openly with new  
24 applicants.

25 (7) Funds allocated under this section that are not expended in the fiscal year in  
26 which they were allocated may be carried forward to a subsequent fiscal year and are  
27 appropriated for the purposes for which the funds were originally allocated.

28 (8) The center may bill departments as necessary in order to fulfill reporting  
29 requirements of state and federal law. The center may also enter into agreements to supply  
30 custom data, analysis, and reporting to other principal executive departments, state  
31 agencies, local units of government, and other individuals and organizations. The center  
32 may receive and expend funds in addition to those authorized in subsection (5) to cover the

1 costs associated with salaries, benefits, supplies, materials, and equipment necessary to  
2 provide such data, analysis, and reporting services.

3 (9) As used in this section:

4 (a) "DED-OESE" means the United States Department of Education Office of Elementary  
5 and Secondary Education.

6 (b) "State education agency" means the department.

7 Sec. 95a. (1) The educator evaluation reserve fund is created as a separate account  
8 within the state school aid fund.

9 (2) The state treasurer may receive money or other assets from any source for deposit  
10 into the educator evaluation reserve fund. The state treasurer shall direct the investment  
11 of the educator evaluation reserve fund. The state treasurer shall credit to the educator  
12 evaluation reserve fund interest and earnings from the educator evaluation reserve fund.

13 (3) Money in the educator evaluation reserve fund at the close of the fiscal year  
14 shall ~~remain in the educator evaluation reserve fund and shall not lapse~~ to the state  
15 school aid fund. ~~or to the general fund.~~ The department of treasury shall be the  
16 administrator of the educator evaluation reserve fund for auditing purposes.

17 (4) From the appropriations in section 11, there is allocated to the educator  
18 evaluation reserve fund for 2014-2015 an amount not to exceed \$12,100,000.00 from the state  
19 school aid fund and an amount not to exceed \$2,700,000.00 from the general fund. Subject to  
20 subsections (5), ~~and (6)~~, the department shall expend the money in the educator evaluation  
21 reserve fund for implementing evaluation systems for public school teachers and school  
22 administrators.

23 (5) Funds in the educator evaluation reserve fund shall not be expended unless the  
24 state budget office has approved the department's spending plan.

25 Sec. 98. (1) From the general fund money appropriated in section 11, there is  
26 allocated an amount not to exceed \$7,387,500.00 for ~~2018-2019~~ **2019-2020** for the purposes  
27 described in this section. The Michigan Virtual University shall provide a report to the  
28 legislature not later than November 1 of each year that includes its mission, its plans,  
29 and proposed benchmarks it must meet, which shall include a plan to achieve the  
30 organizational priorities identified in this section, in order to receive full funding for  
31 ~~2019-2020.~~ **2020-2021**. Not later than March 1 of each year, the Michigan Virtual University  
32 shall provide an update to the house and senate appropriations subcommittees on school aid

1 to show the progress being made to meet the benchmarks identified.

2 (2) The Michigan Virtual University shall operate the Michigan Virtual Learning  
3 Research Institute. The Michigan Virtual Learning Research Institute shall do all of the  
4 following:

5 (a) Support and accelerate innovation in education through the following activities:

6 (i) Test, evaluate, and recommend as appropriate new technology-based instructional  
7 tools and resources.

8 (ii) Research, design, and recommend virtual education delivery models for use by  
9 pupils and teachers that include age-appropriate multimedia instructional content.

10 (iii) Research, develop, and recommend annually to the department criteria by which  
11 cyber schools and virtual course providers should be monitored and evaluated to ensure a  
12 quality education for their pupils.

13 (iv) Based on pupil completion and performance data reported to the department or the  
14 center for educational performance and information from cyber schools and other virtual  
15 course providers operating in this state, analyze the effectiveness of virtual learning  
16 delivery models in preparing pupils to be college- and career-ready and publish a report  
17 that highlights enrollment totals, completion rates, and the overall impact on pupils. The  
18 report shall be submitted to the house and senate appropriations subcommittees on state  
19 school aid, the state budget director, the house and senate fiscal agencies, the  
20 department, districts, and intermediate districts not later than March 31 of each year.

21 (v) Provide an extensive professional development program to at least 30,000  
22 educational personnel, including teachers, school administrators, and school board members,  
23 that focuses on the effective integration of virtual learning into curricula and  
24 instruction. The Michigan Virtual Learning Research Institute is encouraged to work with  
25 the ~~MISTEM-MISTEAM~~ advisory council created under section 99s to coordinate professional  
26 development of teachers in applicable fields. In addition, the Michigan Virtual Learning  
27 Research Institute and external stakeholders are encouraged to coordinate with the  
28 department for professional development in this state. Not later than December 1 of each  
29 year, the Michigan Virtual Learning Research Institute shall submit a report to the house  
30 and senate appropriations subcommittees on state school aid, the state budget director, the  
31 house and senate fiscal agencies, and the department on the number of teachers, school  
32 administrators, and school board members who have received professional development

1 services from the Michigan Virtual University. The report shall also identify barriers and  
2 other opportunities to encourage the adoption of virtual learning in the public education  
3 system.

4 (vi) Identify and share best practices for planning, implementing, and evaluating  
5 virtual and blended education delivery models with intermediate districts, districts, and  
6 public school academies to accelerate the adoption of innovative education delivery models  
7 statewide.

8 (b) Provide leadership for this state's system of virtual learning education by doing  
9 the following activities:

10 (i) Develop and report policy recommendations to the governor and the legislature  
11 that accelerate the expansion of effective virtual learning in this state's schools.

12 (ii) Provide a clearinghouse for research reports, academic studies, evaluations, and  
13 other information related to virtual learning.

14 (iii) Promote and distribute the most current instructional design standards and  
15 guidelines for virtual teaching.

16 (iv) In collaboration with the department and interested colleges and universities in  
17 this state, support implementation and improvements related to effective virtual learning  
18 instruction.

19 (v) Pursue public/private partnerships that include districts to study and implement  
20 competency-based technology-rich virtual learning models.

21 (vi) Create a statewide network of school-based mentors serving as liaisons between  
22 pupils, virtual instructors, parents, and school staff, as provided by the department or  
23 the center, and provide mentors with research-based training and technical assistance  
24 designed to help more pupils be successful virtual learners.

25 (vii) Convene focus groups and conduct annual surveys of teachers, administrators,  
26 pupils, parents, and others to identify barriers and opportunities related to virtual  
27 learning.

28 (viii) Produce an annual consumer awareness report for schools and parents about  
29 effective virtual education providers and education delivery models, performance data, cost  
30 structures, and research trends.

31 (ix) Provide an internet-based platform that educators can use to create student-  
32 centric learning tools and resources for sharing in the state's open educational resource

1 repository and facilitate a user network that assists educators in using the content  
2 creation platform and state repository for open educational resources. As part of this  
3 initiative, the Michigan Virtual University shall work collaboratively with districts and  
4 intermediate districts to establish a plan to make available virtual resources that align  
5 to Michigan's K-12 curriculum standards for use by students, educators, and parents.

6 (x) Create and maintain a public statewide catalog of virtual learning courses being  
7 offered by all public schools and community colleges in this state. The Michigan Virtual  
8 Learning Research Institute shall identify and develop a list of nationally recognized best  
9 practices for virtual learning and use this list to support reviews of virtual course  
10 vendors, courses, and instructional practices. The Michigan Virtual Learning Research  
11 Institute shall also provide a mechanism for intermediate districts to use the identified  
12 best practices to review content offered by constituent districts. The Michigan Virtual  
13 Learning Research Institute shall review the virtual course offerings of the Michigan  
14 Virtual University, and make the results from these reviews available to the public as part  
15 of the statewide catalog. The Michigan Virtual Learning Research Institute shall ensure  
16 that the statewide catalog is made available to the public on the Michigan Virtual  
17 University website and shall allow the ability to link it to each district's website as  
18 provided for in section 21f. The statewide catalog shall also contain all of the following:

19 (A) The number of enrollments in each virtual course in the immediately preceding  
20 school year.

21 (B) The number of enrollments that earned 60% or more of the total course points for  
22 each virtual course in the immediately preceding school year.

23 (C) The pass rate for each virtual course.

24 (xi) Support registration, payment services, and transcript functionality for the  
25 statewide catalog and train key stakeholders on how to use new features.

26 (xii) Collaborate with key stakeholders to examine district level accountability and  
27 teacher effectiveness issues related to virtual learning under section 21f and make  
28 findings and recommendations publicly available.

29 (xiii) Provide a report on the activities of the Michigan Virtual Learning Research  
30 Institute.

31 (3) To further enhance its expertise and leadership in virtual learning, the Michigan  
32 Virtual University shall continue to operate the Michigan Virtual School as a statewide

1 laboratory and quality model of instruction by implementing virtual and blended learning  
2 solutions for Michigan schools in accordance with the following parameters:

3 (a) The Michigan Virtual School must maintain its accreditation status from  
4 recognized national and international accrediting entities.

5 (b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the  
6 amount allocated under this section to subsidize the cost paid by districts for virtual  
7 courses.

8 (c) In providing educators responsible for the teaching of virtual courses as  
9 provided for in this section, the Michigan Virtual School shall follow the requirements to  
10 request and assess, and the department of state police shall provide, a criminal history  
11 check and criminal records check under sections 1230 and 1230a of the revised school code,  
12 MCL 380.1230 and 380.1230a, in the same manner as if the Michigan Virtual School were a  
13 school district under those sections.

14 (4) From the funds allocated under subsection (1), the Michigan Virtual University  
15 shall allocate up to \$500,000.00 to support the expansion of new online and blended  
16 educator professional development programs.

17 (5) If the course offerings are included in the statewide catalog of virtual courses  
18 under subsection (2) (b) (x), the Michigan Virtual School operated by the Michigan Virtual  
19 University may offer virtual course offerings, including, but not limited to, all of the  
20 following:

21 (a) Information technology courses.

22 (b) College level equivalent courses, as defined in section 1471 of the revised  
23 school code, MCL 380.1471.

24 (c) Courses and dual enrollment opportunities.

25 (d) Programs and services for at-risk pupils.

26 (e) High school equivalency test preparation courses for adjudicated youth.

27 (f) Special interest courses.

28 (g) Professional development programs for teachers, school administrators, other  
29 school employees, and school board members.

30 (6) If a home-schooled or nonpublic school student is a resident of a district that  
31 subscribes to services provided by the Michigan Virtual School, the student may use the  
32 services provided by the Michigan Virtual School to the district without charge to the



1 student beyond what is charged to a district pupil using the same services.

2 (7) Not later than December 1 of each fiscal year, the Michigan Virtual University  
3 shall provide a report to the house and senate appropriations subcommittees on state school  
4 aid, the state budget director, the house and senate fiscal agencies, and the department  
5 that includes at least all of the following information related to the Michigan Virtual  
6 School for the preceding state fiscal year:

7 (a) A list of the districts served by the Michigan Virtual School.

8 (b) A list of virtual course titles available to districts.

9 (c) The total number of virtual course enrollments and information on registrations  
10 and completions by course.

11 (d) The overall course completion rate percentage.

12 (8) In addition to the information listed in subsection (7), the report under  
13 subsection (7) shall also include a plan to serve at least 600 schools with courses from  
14 the Michigan Virtual School or with content available through the internet-based platform  
15 identified in subsection (2) (b) (ix).

16 (9) The governor may appoint an advisory group for the Michigan Virtual Learning  
17 Research Institute established under subsection (2). The members of the advisory group  
18 shall serve at the pleasure of the governor and shall serve without compensation. The  
19 purpose of the advisory group is to make recommendations to the governor, the legislature,  
20 and the president and board of the Michigan Virtual University that will accelerate  
21 innovation in this state's education system in a manner that will prepare elementary and  
22 secondary students to be career and college ready and that will promote the goal of  
23 increasing the percentage of ~~citizens~~ **RESIDENTS** of this state with high-quality degrees and  
24 credentials to at least 60% by ~~2025.~~ **2030**.

25 (10) Not later than November 1 of each year, the Michigan Virtual University shall  
26 submit to the house and senate appropriations subcommittees on state school aid, the state  
27 budget director, and the house and senate fiscal agencies a detailed budget for that fiscal  
28 year that includes a breakdown on its projected costs to deliver virtual educational  
29 services to districts and a summary of the anticipated fees to be paid by districts for  
30 those services. Not later than March 1 each year, the Michigan Virtual University shall  
31 submit to the house and senate appropriations subcommittees on state school aid, the state  
32 budget director, and the house and senate fiscal agencies a breakdown on its actual costs

1 to deliver virtual educational services to districts and a summary of the actual fees paid  
2 by districts for those services based on audited financial statements for the immediately  
3 preceding fiscal year.

4 (11) As used in this section:

5 (a) "Blended learning" means a hybrid instructional delivery model where pupils are  
6 provided content, instruction, and assessment, in part at a supervised educational facility  
7 away from home where the pupil and a teacher with a valid Michigan teaching certificate are  
8 in the same physical location and in part through internet-connected learning environments  
9 with some degree of pupil control over time, location, and pace of instruction.

10 (b) "Cyber school" means a full-time instructional program of virtual courses for  
11 pupils that may or may not require attendance at a physical school location.

12 (c) "Virtual course" means a course of study that is capable of generating a credit  
13 or a grade and that is provided in an interactive learning environment in which the  
14 majority of the curriculum is delivered using the internet and in which pupils are  
15 separated from their instructor or teacher of record by time or location, or both.

16 Sec. 99h. (1) From the state school aid fund appropriation in section 11, there is  
17 allocated an amount not to exceed \$3,000,000.00 for ~~2017-2018 and an amount not to exceed~~  
18 ~~\$4,500,000.00 for 2018-2019-2019-2020~~ for competitive grants to districts and intermediate  
19 districts, ~~and from the general fund appropriation in section 11, there is allocated an~~  
20 ~~amount not to exceed \$300,000.00 each fiscal year for 2017-2018 and for 2018-2019 for~~  
21 ~~competitive grants to nonpublic schools that provide pupils in grades K to 12 with expanded~~  
22 opportunities to improve mathematics, science, and technology skills by participating in  
23 events hosted by a science and technology development program known as FIRST (for  
24 inspiration and recognition of science and technology) Robotics, including JR FIRST Lego  
25 League, FIRST Lego League, FIRST Tech challenge, and FIRST Robotics competition, ~~or~~  
26 ~~beginning in 2018-2019,~~ other competitive robotics programs, including those hosted by the  
27 Robotics Education and Competition (REC) Foundation. Programs funded under this section are  
28 intended to increase the number of pupils demonstrating proficiency in science and  
29 mathematics on the state assessments and to increase the number of pupils who are college-  
30 and career-ready upon high school graduation. Notwithstanding section 17b, grant payments  
31 to districts, ~~nonpublic schools,~~ and intermediate districts under this section shall be  
32 paid on a schedule determined by the department. The department shall set maximum grant

1 awards for each different level of competition in a manner that both maximizes the number  
2 of teams that will be able to receive funds and expands the geographical distribution of  
3 teams.

4 (2) A district, ~~nonpublic school,~~ or intermediate district applying for a grant under  
5 this section shall submit an application in a form and manner determined by the department.  
6 To be eligible for a grant, a district, ~~nonpublic school,~~ or intermediate district shall  
7 demonstrate in its application that the district, ~~nonpublic school,~~ or intermediate  
8 district has established a partnership for the purposes of the robotics program with at  
9 least 1 sponsor, business entity, higher education institution, or technical school, shall  
10 submit a spending plan, and shall pay at least 25% of the cost of the robotics program.

11 (3) 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 for 1 coach per team.

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. Each grant recipient shall provide  
18 a local match from other private or local funds for the funds received under this  
19 subdivision equal to at least 50% of the costs of participating in an event.

20 (c) Grants to districts, ~~nonpublic schools,~~ or intermediate districts for awards to  
21 teams that advance to the state and world championship competitions. The department shall  
22 determine an equal amount per team for those teams that advance to the state championship  
23 and a second equal award amount to those teams that advance to the world championship.

24 ~~(4) A nonpublic school that receives a grant under this section may use the funds for~~  
25 ~~either robotics or Science Olympiad programs.~~

26 ~~(5) To be eligible to receive funds under this section, a nonpublic school must be a~~  
27 ~~nonpublic school registered with the department and must meet all applicable state~~  
28 ~~reporting requirements for nonpublic schools.~~

29 ~~(6) The funds allocated under this section for 2017-2018 are a work project~~  
30 ~~appropriation, and any unexpended funds for 2017-2018 are carried forward into 2018-2019.~~  
31 ~~The purpose of the work project is to continue support of FIRST Robotics and must not be~~  
32 ~~used to support other robotics competitions. The estimated completion date of the work~~

1 ~~project is September 30, 2020.~~

2           Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for  
3 ~~2018-2019-2019-2020~~ an amount not to exceed \$7,634,300.00 from the state school aid fund  
4 appropriation and an amount not to exceed \$300,000.00 from the general fund appropriation  
5 for Michigan science, technology, **ARTS**, engineering, and mathematics ~~(MISTEM)~~, **(MISTEAM)**  
6 programs. In addition, from the federal funds appropriated in section 11, there is  
7 allocated for ~~2018-2019-2019-2020~~ **THE AMOUNT AVAILABLE**, an amount estimated at  
8 ~~\$3,500,000.00~~ **\$235,000.00** from DED-OESE, title II, mathematics and science partnership  
9 grants. **THE MISTEAM NETWORK IS PERMITTED TO RECEIVE PRIVATE FUNDS AND SHALL EXPEND THESE**  
10 **FUNDS IN ALIGNMENT WITH THE STATEWIDE STEAM STRATEGY**. Programs funded under this section  
11 are intended to increase the number of pupils demonstrating proficiency in science and  
12 mathematics on the state assessments and to increase the number of pupils who are college-  
13 and career-ready upon high school graduation. Notwithstanding section 17b, payments under  
14 this section shall be paid on a schedule determined by the department.

15           (2) All of the following apply to the ~~MISTEM~~ **MISTEAM** advisory council:

16           (a) The ~~MISTEM~~ **MISTEAM** advisory council is created. The ~~MISTEM~~ **MISTEAM** advisory  
17 council shall provide to the governor, legislature, department of talent and economic  
18 development, and department recommendations designed to improve and promote innovation in  
19 ~~STEM~~ **STEAM** education and to prepare students for careers in science, technology,  
20 engineering, **ARTS**, and mathematics.

21           (b) The ~~MISTEM~~ **MISTEAM** advisory council created under subdivision (a) shall consist  
22 of the following members:

23           (i) The governor shall appoint ~~11-9~~ **9** voting members who are representative of business  
24 sectors that are important to Michigan's economy and rely on a ~~STEM-educated~~ **STEAM-EDUCATED**  
25 workforce, nonprofit organizations and associations that promote ~~STEM~~ **STEAM** education, K-12  
26 and postsecondary education entities involved in ~~STEM-related~~ **STEAM-RELATED** career  
27 education, or other sectors as considered appropriate by the governor. **IN ADDITION, THE**  
28 **GOVERNOR SHALL APPOINT 2 VOTING MEMBERS FROM THE MEMBERSHIP OF THE MICHIGAN COUNCIL FOR**  
29 **ARTS AND CULTURAL AFFAIRS**. Each of these members shall serve at the pleasure of the  
30 governor and for a term determined by the governor.

31           (ii) The senate majority leader shall appoint 2 members of the senate to serve as  
32 nonvoting, ex-officio members of the ~~MISTEM~~ **MISTEAM** advisory council, including 1 majority

1 party member and 1 minority party member.

2 (iii) The speaker of the house of representatives shall appoint 2 members of the  
3 house of representatives to serve as nonvoting, ex-officio members of the ~~MiSTEM-MISTEAM~~  
4 advisory council, including 1 majority party member and 1 minority party member.

5 **(IV) THE GOVERNOR SHALL APPOINT 1 EX-OFFICIO MEMBER TO THE MISTEAM ADVISORY COUNCIL.**

6 (c) Each member of the ~~MiSTEM-MISTEAM~~ advisory council shall serve without  
7 compensation.

8 (d) The ~~MiSTEM-MISTEAM~~ advisory council annually shall review and make  
9 recommendations to the governor, the legislature, and the department concerning changes to  
10 the statewide strategy adopted by the council for delivering ~~STEM-STEAM~~ education-related  
11 opportunities to pupils. The ~~MiSTEM-MISTEAM~~ advisory council shall use funds received under  
12 this subsection to ensure that its members or their designees are trained in the Change the  
13 Equation STEMworks rating system program for the purpose of rating ~~STEM-STEAM~~ programs.

14 (e) The ~~MiSTEM-MISTEAM~~ advisory council shall make specific funding recommendations  
15 for the funds allocated under subsection (3) by December 15 of each fiscal year. Each  
16 specific funding recommendation shall be for a program approved by the ~~MiSTEM-MISTEAM~~  
17 advisory council. To be eligible for ~~MiSTEM-MISTEAM~~ advisory council approval, a program  
18 must satisfy all of the following:

19 (i) Align with this state's academic standards.

20 (ii) Have STEMworks certification.

21 (iii) Provide project-based experiential learning, student programming, or educator  
22 professional learning experiences.

23 (iv) Focus predominantly on classroom-based ~~STEM-STEAM~~ experiences or professional  
24 learning experiences.

25 (f) The ~~MiSTEM-MISTEAM~~ advisory council shall approve programs that represent all  
26 network regions and include a diverse array of options for students and educators and at  
27 least 1 program in each of the following areas:

28 (i) Robotics.

29 (ii) Computer science or coding.

30 (iii) Engineering or bioscience.

31 **(IV) ARTS.**

32 (g) The ~~MiSTEM-MISTEAM~~ advisory council is encouraged to work with the ~~MiSTEM-MISTEAM~~

1 network to develop locally and regionally developed programs and professional ~~development~~  
2 **LEARNING** experiences for the programs on the list of approved programs.

3 (h) If the ~~MISTEM-MISTEAM~~ advisory council is unable to make specific funding  
4 recommendations by December 15 of a fiscal year, the department shall award and distribute  
5 the funds allocated under subsection (3) on a competitive grant basis that at least follows  
6 the statewide ~~STEM-STEAM~~ strategy plan and rating system recommended by the ~~MISTEM-MISTEAM~~  
7 advisory council. Each grant must provide ~~STEM-STEAM~~ education-related opportunities for  
8 pupils.

9 (i) The ~~MISTEM-MISTEAM~~ advisory council shall work with the executive director of the  
10 ~~MISTEM-MISTEAM~~ network to implement the statewide ~~STEM-STEAM~~ strategy adopted by the ~~MISTEM~~  
11 ~~MISTEAM~~ advisory council.

12 (3) From the state school aid fund money allocated under subsection (1), there is  
13 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed \$3,050,000.00 for the purpose of  
14 funding programs under this section for ~~2018-2019, 2019-2020~~, as recommended by the ~~MISTEM~~  
15 ~~MISTEAM~~ advisory council.

16 (4) From the school aid fund allocation under subsection (1), there is allocated an  
17 amount not to exceed \$3,834,300.00 for ~~2018-2019-2019-2020~~ to support the activities and  
18 programs of the ~~MISTEM-MISTEAM~~ network regions. In addition, from the federal funds  
19 allocated under subsection (1), there is allocated for ~~2018-2019-2019-2020~~ an amount  
20 estimated at ~~\$3,500,000.00~~ **\$235,000.00** from DED-OESE, title II, mathematics and science  
21 partnership grants, for the purposes of this subsection. ~~Beginning in 2018-2019, the~~ ~~THE~~  
22 fiscal agent for each ~~MISTEM-MISTEAM~~ network region shall receive \$200,000.00 for the base  
23 operations of each region. The remaining funds will be distributed to each fiscal agent in  
24 an equal amount per pupil, based on the number of K to 12 pupils enrolled in districts  
25 within each region in the prior fiscal year.

26 (5) A ~~MISTEM-MISTEAM~~ network region shall do all of the following:

27 (a) Collaborate with the career and educational advisory council that is located in  
28 the ~~MISTEM-MISTEAM~~ region to develop a regional strategic plan for ~~STEM-STEAM~~ education  
29 that creates a robust regional ~~STEM-STEAM~~ culture, that empowers ~~STEM-STEAM~~ teachers, that  
30 integrates business and education into the ~~STEM-STEAM~~ network, and that ensures high-  
31 quality ~~STEM-STEAM~~ experiences for pupils. At a minimum, a regional ~~STEM-STEAM~~ strategic  
32 plan should do all of the following:

- 1 (i) Identify regional employer need for ~~STEM-STEAM~~.
- 2 (ii) Identify processes for regional employers and educators to create guided  
3 pathways for ~~STEM-STEAM~~ careers that include internships or externships, apprenticeships,  
4 and other experiential engagements for pupils.
- 5 (iii) Identify educator professional ~~development~~-**LEARNING** opportunities, including  
6 internships or externships and apprenticeships, that integrate this state's science  
7 standards into high-quality ~~STEM-STEAM~~ experiences that engage pupils.
- 8 (b) Facilitate regional ~~STEM-STEAM~~ events such as educator and employer networking  
9 and ~~STEM-STEAM~~ career fairs to raise ~~STEM-STEAM~~ awareness.
- 10 (c) Contribute to the ~~MiSTEM-MISTEAM~~ website and engage in other ~~MiSTEM-MISTEAM~~  
11 network functions to further the mission of ~~STEM-STEAM~~ in this state in coordination with  
12 the ~~MiSTEM-MISTEAM~~ advisory council and its executive director.
- 13 (d) Facilitate application and implementation of state and federal funds under this  
14 subsection and any other grants or funds for the ~~MiSTEM-MISTEAM~~ network region.
- 15 (e) Work with districts to provide ~~STEM-STEAM~~ programming and professional  
16 ~~development~~-**LEARNING**.
- 17 (f) Coordinate recurring discussions and work with the career and educational  
18 advisory council to ensure that feedback and best practices are being shared, including  
19 funding, program, professional learning opportunities, and regional strategic plans.
- 20 (6) From the school aid funds allocated under subsection (1), the department shall  
21 distribute for ~~2018-2019-2019-2020~~ an amount not to exceed \$750,000.00, in a form and  
22 manner determined by the department, to ~~those network~~-**MISTEAM NETWORK** regions able to  
23 provide curriculum and professional development support to assist districts in implementing  
24 the Michigan merit curriculum components for mathematics and science.
- 25 (7) In order to receive state or federal funds under subsection (4) or (6), **OR TO**  
26 **RECEIVE PRIVATE FUNDS RECEIVED BY THE MISTEAM NETWORK UNDER SUBSECTION (1)**, a grant  
27 recipient shall allow access for the department or the department's designee to audit all  
28 records related to the program for which it receives those funds. The grant recipient shall  
29 reimburse the state for all disallowances found in the audit.
- 30 (8) In order to receive state funds under subsection (4) or (6), a grant recipient  
31 shall provide at least a 10% local match from local public or private resources for the  
32 funds received under this subsection.

1 (9) Not later than July 1, ~~2019 and July 1~~ of each year thereafter, a ~~MiSTEM-MISTEAM~~  
2 network region that receives funds under subsection (4) shall report to the executive  
3 director of the ~~MiSTEM-MISTEAM~~ network in a form and manner prescribed by the executive  
4 director on performance measures developed by the ~~MiSTEM-MISTEAM~~ network regions and  
5 approved by the executive director. The performance measures shall be designed to ensure  
6 that the activities of the ~~MiSTEM-MISTEAM~~ network are improving student academic outcomes.

7 (10) Not more than 5% of a ~~MiSTEM-MISTEAM~~ network region grant under subsection (4)  
8 or (6) may be retained by a fiscal agent for serving as the fiscal agent of a ~~MiSTEM~~  
9 **MISTEAM** network region.

10 (11) From the general fund allocation under subsection (1), there is allocated an  
11 amount not to exceed \$300,000.00 to the department of ~~technology, management, and budget~~  
12 **TALENT AND ECONOMIC DEVELOPMENT** to support the functions of the executive director and  
13 executive assistant for the ~~MiSTEM-MISTEAM~~ network, and for administrative, training, and  
14 travel costs related to the ~~MiSTEM-MISTEAM~~ advisory council. The executive director and  
15 executive assistant for the ~~MiSTEM-MISTEAM~~ network shall do all of the following:

16 (a) Serve as a liaison among and between the department, the department of  
17 ~~technology, management, and budget,~~ **TALENT AND ECONOMIC DEVELOPMENT,** the ~~MiSTEM-MISTEAM~~  
18 advisory council, ~~the Michigan mathematics and science centers network,~~ the governor's  
19 **FUTURE** talent investment board, **COUNCIL,** ~~the general education leadership network,~~ and the  
20 ~~MiSTEM-MISTEAM~~ regions, **AND ANY OTHER RELEVANT ORGANIZATIONS OR ENTITIES** in a manner that  
21 creates a robust statewide ~~STEM-STEAM~~ culture, that empowers ~~STEM-STEAM~~ teachers, that  
22 integrates business and education into the ~~STEM-STEAM~~ network, and that ensures high-  
23 quality ~~STEM-STEAM~~ experiences for pupils.

24 (b) Coordinate the implementation of a marketing campaign, including, but not limited  
25 to, a website that includes dashboards of outcomes, to build ~~STEM-STEAM~~ awareness and  
26 communicate ~~STEM-STEAM~~ needs and opportunities to pupils, parents, educators, and the  
27 business community.

28 (c) Work with the department and the ~~MiSTEM-MISTEAM~~ advisory council to coordinate,  
29 award, and monitor ~~MiSTEM-MISTEAM~~ state and federal grants to the ~~MiSTEM-MISTEAM~~ network  
30 regions and conduct reviews of grant recipients, including, but not limited to, pupil  
31 experience and feedback.

32 (d) Report to the governor, the legislature, the department, and the ~~MiSTEM-MISTEAM~~



1 advisory council annually on the activities and performance of the ~~MiSTEM-MISTEAM~~ network  
2 regions.

3 (e) Coordinate recurring discussions and work with regional staff to ensure that a  
4 network or loop of feedback and best practices are shared, including funding, programming,  
5 professional learning opportunities, discussion of ~~MiSTEM-MISTEAM~~ strategic vision, and  
6 regional objectives.

7 (f) Coordinate major grant application efforts with the ~~MiSTEM-MISTEAM~~ advisory  
8 council to assist regional staff with grant applications on a local level. The ~~MiSTEM~~  
9 **MISTEAM** advisory council shall leverage private and nonprofit relationships to coordinate  
10 and align private funds in addition to funds appropriated under this section.

11 (g) Train state and regional staff in the STEMworks rating system, in collaboration  
12 with the ~~MiSTEM-MISTEAM~~ advisory council and the department.

13 (h) ~~Collaborate with the MiSTEM network to hire MiSTEM-HIRE MISTEAM~~ network region  
14 staff **IN COLLABORATION WITH THE NETWORK REGION FISCAL AGENTS.**

15 (12) As used in this section:

16 (a) "Career and educational advisory council" means an advisory council to the local  
17 workforce development boards located in a prosperity region consisting of educational,  
18 employer, labor, and parent representatives.

19 (b) "DED" means the United States Department of Education.

20 (c) "DED-OESE" means the DED Office of Elementary and Secondary Education.

21 (d) ~~"STEM"~~ **"STEAM"** means science, technology, engineering, **ARTS**, and mathematics  
22 delivered in an integrated fashion using cross-disciplinary learning experiences that can  
23 include language arts, performing and fine arts, and career and technical education.

24 Sec. 101. (1) To be eligible to receive state aid under this article, not later than  
25 the fifth Wednesday after the pupil membership count day and not later than the fifth  
26 Wednesday after the supplemental count day, each district superintendent shall submit **AND**  
27 **CERTIFY** to the center and the intermediate superintendent, in the form and manner  
28 prescribed by the center, the number of pupils enrolled and in regular daily attendance in  
29 the district as of the pupil membership count day and as of the supplemental count day, as  
30 applicable, for the current school year. In addition, a district maintaining school during  
31 the entire year, as provided under section 1561 of the revised school code, MCL 380.1561,  
32 shall submit **AND CERTIFY** to the center and the intermediate superintendent, in the form and

1 manner prescribed by the center, the number of pupils enrolled and in regular daily  
2 attendance in the district for the current school year pursuant to rules promulgated by the  
3 superintendent. Not later than the sixth Wednesday after the pupil membership count day and  
4 not later than the sixth Wednesday after the supplemental count day, the district shall  
5 ~~certify~~ **RESOLVE ANY PUPIL MEMBERSHIP CONFLICTS WITH OTHER DISTRICTS, CORRECT ANY DATA**  
6 **ISSUES, AND RECERTIFY** the data in a form and manner prescribed by the center and file the  
7 certified data with the intermediate superintendent. If a district fails to submit and  
8 certify the attendance data, as required under this subsection, the center shall notify the  
9 department and state aid due to be distributed under this article shall be withheld from  
10 the defaulting district immediately, beginning with the next payment after the failure and  
11 continuing with each payment until the district complies with this subsection. If a  
12 district does not comply with this subsection by the end of the fiscal year, the district  
13 forfeits the amount withheld. A person who willfully falsifies a figure or statement in the  
14 certified and sworn copy of enrollment shall be punished in the manner prescribed by  
15 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 for the pupils of its constituent districts and of the intermediate  
21 district. If an intermediate district fails to submit the audited data as required under  
22 this subsection, state aid due to be distributed under this article shall be withheld from  
23 the defaulting intermediate district immediately, beginning with the next payment after the  
24 failure and continuing with each payment until the intermediate district complies with this  
25 subsection. If an intermediate district does not comply with this subsection by the end of  
26 the fiscal year, the intermediate district forfeits the amount withheld.

27 (3) Except as otherwise provided in subsections (11) and (12), all of the following  
28 apply to the provision of pupil instruction:

29 (a) Except as otherwise provided in this section, each district shall provide at  
30 least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil  
31 instruction. Beginning in 2014-2015, the required minimum number of days of pupil  
32 instruction is 175. However, all of the following apply to these requirements:

1 (i) If a collective bargaining agreement that provides a complete school calendar was  
2 in effect for employees of a district as of July 1, 2013, and if that school calendar is  
3 not in compliance with this subsection, then this subsection does not apply to that  
4 district until after the expiration of that collective bargaining agreement. If a district  
5 entered into a collective bargaining agreement on or after July 1, 2013 and if that  
6 collective bargaining agreement did not provide for at least 175 days of pupil instruction  
7 beginning in 2014-2015, then the department shall withhold from the district's total state  
8 school aid an amount equal to 5% of the funding the district receives in 2014-2015 under  
9 sections 22a and 22b.

10 (ii) A district may apply for a waiver under subsection (9) from the requirements of  
11 this subdivision.

12 (b) Beginning in 2016-2017, the required minimum number of days of pupil instruction  
13 is 180. If a collective bargaining agreement that provides a complete school calendar was  
14 in effect for employees of a district as of the effective date of the amendatory act that  
15 added this subdivision, and if that school calendar is not in compliance with this  
16 subdivision, then this subdivision does not apply to that district until after the  
17 expiration of that collective bargaining agreement. A district may apply for a waiver under  
18 subsection (9) from the requirements of this subdivision.

19 (c) Except as otherwise provided in this article, a district failing to comply with  
20 the required minimum hours and days of pupil instruction under this subsection shall  
21 forfeit from its total state aid allocation an amount determined by applying a ratio of the  
22 number of hours or days the district was in noncompliance in relation to the required  
23 minimum number of hours and days under this subsection. Not later than August 1, the board  
24 of each district shall either certify to the department that the district was in full  
25 compliance with this section regarding the number of hours and days of pupil instruction in  
26 the previous school year, or report to the department, in a form and manner prescribed by  
27 the center, each instance of noncompliance. If the district did not provide at least the  
28 required minimum number of hours and days of pupil instruction under this subsection, the  
29 deduction of state aid shall be made in the following fiscal year from the first payment of  
30 state school aid. A district is not subject to forfeiture of funds under this subsection  
31 for a fiscal year in which a forfeiture was already imposed under subsection (6).

32 (d) Hours or days lost because of strikes or teachers' conferences shall not be

1 counted as hours or days of pupil instruction.

2 (e) If a collective bargaining agreement that provides a complete school calendar is  
3 in effect for employees of a district as of October 19, 2009, and if that school calendar  
4 is not in compliance with this subsection, then this subsection does not apply to that  
5 district until after the expiration of that collective bargaining agreement.

6 (f) Except as otherwise provided in subdivisions (g) and (h), a district not having  
7 at least 75% of the district's membership in attendance on any day of pupil instruction  
8 shall receive state aid in that proportion of 1/180 that the actual percent of attendance  
9 bears to the specified percentage.

10 (g) If a district adds 1 or more days of pupil instruction to the end of its  
11 instructional calendar for a school year to comply with subdivision (a) because the  
12 district otherwise would fail to provide the required minimum number of days of pupil  
13 instruction even after the operation of subsection (4) due to conditions not within the  
14 control of school authorities, then subdivision (f) does not apply for any day of pupil  
15 instruction that is added to the end of the instructional calendar. Instead, for any of  
16 those days, if the district does not have at least 60% of the district's membership in  
17 attendance on that day, the district shall receive state aid in that proportion of 1/180  
18 that the actual percentage of attendance bears to the specified percentage. For any day of  
19 pupil instruction added to the instructional calendar as described in this subdivision, the  
20 district shall report to the department the percentage of the district's membership that is  
21 in attendance, in the form and manner prescribed by the department.

22 (h) At the request of a district that operates a department-approved alternative  
23 education program and that does not provide instruction for pupils in all of grades K to  
24 12, the superintendent shall grant a waiver from the requirements of subdivision (f). The  
25 waiver shall indicate that an eligible district is subject to the proration provisions of  
26 subdivision (f) only if the district does not have at least 50% of the district's  
27 membership in attendance on any day of pupil instruction. In order to be eligible for this  
28 waiver, a district must maintain records to substantiate its compliance with the following  
29 requirements:

30 (i) The district offers the minimum hours of pupil instruction as required under this  
31 section.

32 (ii) For each enrolled pupil, the district uses appropriate academic assessments to

1 develop an individual education plan that leads to a high school diploma.

2 (iii) The district tests each pupil to determine academic progress at regular  
3 intervals and records the results of those tests in that pupil's individual education plan.

4 (i) All of the following apply to a waiver granted under subdivision (h):

5 (i) If the waiver is for a blended model of delivery, a waiver that is granted for  
6 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is  
7 revoked by the superintendent.

8 (ii) If the waiver is for a 100% online model of delivery and the educational program  
9 for which the waiver is granted makes educational services available to pupils for a  
10 minimum of at least 1,098 hours during a school year and ensures that each pupil  
11 participates in the educational program for at least 1,098 hours during a school year, a  
12 waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in  
13 effect unless it is revoked by the superintendent.

14 (iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is valid  
15 for 1 fiscal year and must be renewed annually to remain in effect.

16 (j) The superintendent shall promulgate rules for the implementation of this  
17 subsection.

18 (4) Except as otherwise provided in this subsection, the first 6 days or the  
19 equivalent number of hours for which pupil instruction is not provided because of  
20 conditions not within the control of school authorities, such as severe storms, fires,  
21 epidemics, utility power unavailability, water or sewer failure, or health conditions as  
22 defined by the city, county, or state health authorities, shall be counted as hours and  
23 days of pupil instruction. With the approval of the superintendent of public instruction,  
24 the department shall count as hours and days of pupil instruction for a fiscal year not  
25 more than 3 additional days or the equivalent number of additional hours for which pupil  
26 instruction is not provided in a district due to unusual and extenuating occurrences  
27 resulting from conditions not within the control of school authorities such as those  
28 conditions described in this subsection. Subsequent such hours or days shall not be counted  
29 as hours or days of pupil instruction.

30 (5) A district shall not forfeit part of its state aid appropriation because it  
31 adopts or has in existence an alternative scheduling program for pupils in kindergarten if  
32 the program provides at least the number of hours required under subsection (3) for a full-

1 time equated membership for a pupil in kindergarten as provided under section 6(4).

2 (6) In addition to any other penalty or forfeiture under this section, if at any time  
3 the department determines that 1 or more of the following have occurred in a district, the  
4 district shall forfeit in the current fiscal year beginning in the next payment to be  
5 calculated by the department a proportion of the funds due to the district under this  
6 article that is equal to the proportion below the required minimum number of hours and days  
7 of pupil instruction under subsection (3), as specified in the following:

8 (a) The district fails to operate its schools for at least the required minimum  
9 number of hours and days of pupil instruction under subsection (3) in a school year,  
10 including hours and days counted under subsection (4).

11 (b) The board of the district takes formal action not to operate its schools for at  
12 least the required minimum number of hours and days of pupil instruction under  
13 subsection (3) in a school year, including hours and days counted under subsection (4).

14 (7) In providing the minimum number of hours and days of pupil instruction required  
15 under subsection (3), a district shall use the following guidelines, and a district shall  
16 maintain records to substantiate its compliance with the following guidelines:

17 (a) Except as otherwise provided in this subsection, a pupil must be scheduled for at  
18 least the required minimum number of hours of instruction, excluding study halls, or at  
19 least the sum of 90 hours plus the required minimum number of hours of instruction,  
20 including up to 2 study halls.

21 (b) The time a pupil is assigned to any tutorial activity in a block schedule may be  
22 considered instructional time, unless that time is determined in an audit to be a study  
23 hall period.

24 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for  
25 whom a reduced schedule is determined to be in the individual pupil's best educational  
26 interest must be scheduled for a number of hours equal to at least 80% of the required  
27 minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.  
28 A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced  
29 schedule under this subsection if the pupil is scheduled for a number of hours equal to at  
30 least 75% of the required minimum number of hours of pupil instruction to be considered a  
31 full-time equivalent pupil.

32 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program

1 or a special education pupil cannot receive the required minimum number of hours of pupil  
2 instruction solely because of travel time between instructional sites during the school  
3 day, that travel time, up to a maximum of 3 hours per school week, shall be considered to  
4 be pupil instruction time for the purpose of determining whether the pupil is receiving the  
5 required minimum number of hours of pupil instruction. However, if a district demonstrates  
6 to the satisfaction of the department that the travel time limitation under this  
7 subdivision would create undue costs or hardship to the district, the department may  
8 consider more travel time to be pupil instruction time for this purpose.

9 (e) In grades 7 through 12, instructional time that is part of a junior reserve  
10 officer training corps (JROTC) program shall be considered to be pupil instruction time  
11 regardless of whether the instructor is a certificated teacher if all of the following are  
12 met:

13 (i) The instructor has met all of the requirements established by the United States  
14 Department of Defense and the applicable branch of the armed services for serving as an  
15 instructor in the junior reserve officer training corps program.

16 (ii) The board of the district or intermediate district employing or assigning the  
17 instructor complies with the requirements of sections 1230 and 1230a of the revised school  
18 code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if  
19 employing the instructor as a regular classroom teacher.

20 (8) Except as otherwise provided in subsections (11) and (12), the department shall  
21 apply the guidelines under subsection (7) in calculating the full-time equivalency of  
22 pupils.

23 (9) Upon application by the district for a particular fiscal year, the superintendent  
24 shall waive for a district the minimum number of hours and days of pupil instruction  
25 requirement of subsection (3) for a department-approved alternative education program or  
26 another innovative program approved by the department, including a 4-day school week. If a  
27 district applies for and receives a waiver under this subsection and complies with the  
28 terms of the waiver, the district is not subject to forfeiture under this section for the  
29 specific program covered by the waiver. If the district does not comply with the terms of  
30 the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the  
31 number of hours and days of pupil instruction actually provided to the minimum number of  
32 hours and days of pupil instruction required under subsection (3). Pupils enrolled in a

1 department-approved alternative education program under this subsection shall be reported  
2 to the center in a form and manner determined by the center. All of the following apply to  
3 a waiver granted under this subsection:

4 (a) If the waiver is for a blended model of delivery, a waiver that is granted for  
5 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is  
6 revoked by the superintendent.

7 (b) If the waiver is for a 100% online model of delivery and the educational program  
8 for which the waiver is granted makes educational services available to pupils for a  
9 minimum of at least 1,098 hours during a school year and ensures that each pupil is on  
10 track for course completion at proficiency level, a waiver that is granted for the 2011-  
11 2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the  
12 superintendent.

13 (c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 1  
14 fiscal year and must be renewed annually to remain in effect.

15 ~~(d) For 2018-2019 only, the department shall grant a waiver to a district that~~  
16 ~~applies for a waiver for a blended model of delivery after the department's application~~  
17 ~~deadline if the district meets the other requirements for a waiver under this subsection.~~

18 (10) ~~Until 2014-2015, a~~ **A** district may count up to 38 hours of qualifying  
19 professional development for teachers as hours of pupil instruction. ~~However, if a~~  
20 ~~collective bargaining agreement that provides for the counting of up to 38 hours of~~  
21 ~~qualifying professional development for teachers as pupil instruction is in effect for~~  
22 ~~employees of a district as of July 1, 2013, then until the school year that begins after~~  
23 ~~the expiration of that collective bargaining agreement a district may count up to the~~  
24 ~~contractually specified number of hours of qualifying professional development for teachers~~  
25 ~~as hours of pupil instruction.~~ **QUALIFYING PROFESSIONAL DEVELOPMENT EXCEEDING 5 HOURS IN A**  
26 **SINGLE DAY MAY BE COUNTED AS A DAY OF PUPIL INSTRUCTION. 8 HOURS OF QUALIFYING PROFESSIONAL**  
27 **DEVELOPMENT COUNTED AS HOURS OF PUPIL INSTRUCTION UNDER THIS SUBSECTION MUST BE RECOMMENDED**  
28 **BY A DISTRICTWIDE PROFESSIONAL DEVELOPMENT ADVISORY COMMITTEE. THE COMMITTEE SHALL BE**  
29 **APPOINTED BY THE DISTRICT BOARD AND SHALL BE COMPOSED OF TEACHERS EMPLOYED BY THE DISTRICT,**  
30 **REPRESENTING A VARIETY OF GRADES AND SUBJECT MATTER SPECIALIZATIONS, INCLUDING SPECIAL**  
31 **EDUCATION; AND NON-TEACHING STAFF, INCLUDING PARENTS AND ADMINISTRATORS. THE MAJORITY**  
32 **MEMBERSHIP OF THE COMMITTEE SHALL BE COMPOSED OF TEACHING STAFF.** Professional development



1 provided online is allowable and encouraged, as long as the instruction has been approved  
2 by the district. The department shall issue a list of approved online professional  
3 development providers, which shall include the Michigan Virtual School. As used in this  
4 subsection, "qualifying professional development" means professional development that ~~is~~  
5 ~~focused on 1 or more~~ **MEETS ALL** of the following:

6 ~~(a) Achieving or improving adequate yearly progress as defined under the no child~~  
7 ~~left behind act of 2001, Public Law 107-110.~~

8 ~~(b) Achieving accreditation or improving a school's accreditation status under~~  
9 ~~section 1280 of the revised school code, MCL 380.1280.~~

10 ~~(c) Achieving highly qualified teacher status as defined under the no child left~~  
11 ~~behind act of 2001, Public Law 107-110.~~

12 ~~(d) Integrating technology into classroom instruction.~~

13 ~~(e) Maintaining teacher certification.~~

14 **(A) IS ALIGNED TO THE SCHOOL OR DISTRICT IMPROVEMENT PLAN FOR THE SCHOOL OR DISTRICT**  
15 **IN WHICH THE PROFESSIONAL DEVELOPMENT IS BEING PROVIDED.**

16 **(B) IS LINKED TO ONE OF MORE CRITERIA IN THE EVALUATION TOOL DEVELOPED OR ADOPTED BY**  
17 **THE SCHOOL DISTRICT, INTERMEDIATE DISTRICT, OR PUBLIC SCHOOL ACADEMY UNDER SECTION 1249 OF**  
18 **THE REVISED SCHOOL CODE, MCL 380.1249.**

19 **(C) HAS BEEN APPROVED BY THE DEPARTMENT AS COUNTING FOR STATE CONTINUING EDUCATION**  
20 **CLOCK HOURS. THE NUMBER OF HOURS OF PROFESSIONAL DEVELOPMENT COUNTED AS HOURS OF PUPIL**  
21 **INSTRUCTION CANNOT EXCEED THE NUMBER OF STATE CONTINUING EDUCATION CLOCK HOURS FOR WHICH**  
22 **THE QUALIFYING PROFESSIONAL DEVELOPMENT WAS APPROVED.**

23 **(D) TAKES PLACE AFTER THE FIRST SCHEDULED DAY OF SCHOOL AND BEFORE THE LAST SCHEDULED**  
24 **DAY OF SCHOOL. NO MORE THAN 10 HOURS QUALIFYING PROFESSIONAL DEVELOPMENT MAY BE DELIVERED**  
25 **IN A SINGLE MONTH.**

26 **(E) AT LEAST 75% OF TEACHERS SCHEDULED TO PARTICIPATE IN THE PROFESSIONAL DEVELOPMENT**  
27 **ARE IN ATTENDANCE. QUALIFYING PROFESSIONAL DEVELOPMENT MAY ONLY BE COUNTED AS INSTRUCTIONAL**  
28 **HOURS FOR THE STUDENTS OF THOSE TEACHERS SCHEDULED TO PARTICIPATE IN THE QUALIFYING**  
29 **PROFESSIONAL DEVELOPMENT.**

30 (11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber  
31 school, as defined in section 551 of the revised school code, MCL 380.551, and is in  
32 compliance with section 553a of the revised school code, MCL 380.553a.

1 (12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout  
2 recovery program that meets the requirements of section 23a. As used in this subsection,  
3 "eligible pupil" means that term as defined in section 23a.

4 ~~(13) Beginning in 2013, at~~ **AT** least every 2 years, the superintendent shall review  
5 the waiver standards set forth in the pupil accounting and auditing manuals to ensure that  
6 the waiver standards and waiver process continue to be appropriate and responsive to  
7 changing trends in online learning. The superintendent shall solicit and consider input  
8 from stakeholders as part of this review.

9 Sec. 104. (1) In order to receive state aid under this article, a district shall  
10 comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code,  
11 MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL  
12 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money  
13 appropriated in section 11, there is allocated for ~~2017-2018 an amount not to exceed~~  
14 ~~\$29,709,400.00 and there is allocated for 2018-2019~~ **2019-2020** an amount not to exceed  
15 ~~\$32,509,400.00~~ **\$31,009,400.00** for payments on behalf of districts for costs associated with  
16 complying with those provisions of law. In addition, from the federal funds appropriated in  
17 section 11, there is allocated ~~each fiscal year for 2017-2018 and for~~ **FISCAL YEAR 2018-2019**  
18 **2019-2020** an amount estimated at \$6,250,000.00, funded from DED-OESE, title VI, state  
19 assessment funds, and from DED-OSERS, section 504 of part B of the individuals with  
20 disabilities education act, Public Law 94-142, plus any carryover federal funds from  
21 previous year appropriations, for the purposes of complying with the ~~federal no child left~~  
22 ~~behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-~~  
23 95.

24 (2) The results of each test administered as part of the Michigan student test of  
25 educational progress (M-STEP), including tests administered to high school students, shall  
26 include an item analysis that lists all items that are counted for individual pupil scores  
27 and the percentage of pupils choosing each possible response. The department shall work  
28 with the center to identify the number of students enrolled at the time assessments are  
29 given by each district. In calculating the percentage of pupils assessed for a district's  
30 scorecard, the department shall use only the number of pupils enrolled in the district at  
31 the time the district administers the assessments and shall exclude pupils who enroll in  
32 the district after the district administers the assessments.

1 (3) All federal funds allocated under this section shall be distributed in accordance  
2 with federal law and with flexibility provisions outlined in Public Law 107-116, and in the  
3 education flexibility partnership act of 1999, Public Law 106-25.

4 ~~(4) From the funds allocated in subsection (1), there is allocated an amount not to~~  
5 ~~exceed \$1,000,000.00 for 2017-2018 and an amount not to exceed \$1,500,000.00 for 2018-2019~~  
6 ~~to an intermediate district described in this subsection \$2,000,000.00 FOR 2019-2020 to~~  
7 ~~implement a Michigan kindergarten entry observation tool in 2017-2018 and 2018-2019. The~~  
8 ~~funding under this subsection is allocated to an intermediate district in prosperity region~~  
9 ~~9 with at least 3,000 kindergarten pupils enrolled in its constituent districts to continue~~  
10 ~~participation in the Maryland-Ohio pilot and cover the costs of implementing the~~  
11 ~~observation tool, including a contract with a university for implementation of the~~  
12 ~~observation tool also referred to as the kindergarten readiness assessment. The~~  
13 ~~intermediate district shall continue implementation of the Michigan kindergarten entry~~  
14 ~~observation and the kindergarten readiness assessment shall be conducted in all~~  
15 ~~kindergarten classrooms in districts located in prosperity regions 4, 5, and 9 beginning in~~  
16 ~~August 2018 and, beginning August 1, 2019, in districts located in prosperity regions 2, 3,~~  
17 ~~4, 5, 6, 7, 8, and 9. A constituent district of an intermediate district located within~~  
18 ~~these prosperity regions shall administer the Maryland-Ohio tool within each kindergarten~~  
19 ~~classroom to either the full census of kindergarten pupils or a representative sample of~~  
20 ~~not less than 35% of the enrolled kindergarten pupils in each classroom. The intermediate~~  
21 ~~district receiving the funding allocated under this subsection shall work with other~~  
22 ~~intermediate districts to implement the Michigan kindergarten entry observation, engage~~  
23 ~~with the office of great start and the department, and provide a report to the legislature~~  
24 ~~on the demonstrated readiness of kindergarten pupils. within the participating intermediate~~  
25 ~~districts. That intermediate district may share this funding with the other affected~~  
26 ~~intermediate districts and districts. Allowable costs under this subsection include those~~  
27 ~~incurred in July, August, and September 2017 as well as those incurred in 2017-2018. As~~  
28 ~~used in this subsection, "kindergarten" may include a classroom for young 5-year-olds,~~  
29 ~~commonly referred to as "young 5s" or "developmental kindergarten". The department shall~~  
30 ~~approve the language and literacy domain within the Maryland-Ohio tool, also referred to as~~  
31 ~~the "Kindergarten Readiness Assessment", for use by districts as an initial assessment that~~  
32 ~~may be delivered to all kindergarten students to assist with identifying any possible area~~

1 ~~of concern for a student in English language arts.~~

2 (4) (A) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT  
3 TO EXCEED \$2,500,000.00 FOR 2019-2020 FOR PAYMENTS ON BEHALF OF DISTRICTS FOR THE  
4 DEPARTMENT TO IMPLEMENT, ON A SAMPLE BASIS STATEWIDE, A MICHIGAN KINDERGARTEN ENTRY  
5 OBSERVATION TOOL, AS PILOTED UNDER THIS SUBSECTION IN 2018-2019.

6 (B) BY JANUARY 1, 2020, THE DEPARTMENT, IN COLLABORATION WITH INTERMEDIATE DISTRICTS  
7 RECEIVING FUNDING UNDER SECTION 32D, SHALL ENSURE THAT THE MICHIGAN KINDERGARTEN ENTRY  
8 OBSERVATION TOOL IS ADMINISTERED TO A REPRESENTATIVE SAMPLE OF NOT LESS THAN 35% OF THE  
9 TOTAL KINDERGARTEN PUPILS ENROLLED STATEWIDE. THE DEPARTMENT MAY ALSO COLLABORATE WITH A  
10 RESEARCH PARTNER TO DRAW STATEWIDE SAMPLES TO ASSESS THE KINDERGARTEN READINESS OF  
11 SUBGROUPS BASED ON POVERTY AND RACE, DIFFERENCES IN GEOGRAPHIC CHARACTERISTICS, AND TYPE OF  
12 PROGRAM THE PUPILS MAY HAVE PARTICIPATED IN PRIOR TO KINDERGARTEN. BEGINNING IN 2020-2021,  
13 THE OBSERVATION TOOL MUST BE CONDUCTED NO LATER THAN DECEMBER 1 OF EACH YEAR.

14 (C) THE DEPARTMENT, IN COLLABORATION WITH INTERMEDIATE DISTRICTS RECEIVING FUNDING  
15 UNDER SECTION 32D, SHALL IMPLEMENT A "TRAIN THE TRAINER" PROFESSIONAL DEVELOPMENT MODEL ON  
16 THE USAGE OF THE MICHIGAN KINDERGARTEN ENTRY OBSERVATION TOOL. THIS MODEL SHALL PROVIDE  
17 TRAINING TO INTERMEDIATE DISTRICT STAFF SO THAT THEY MAY PROVIDE SIMILAR TRAINING FOR STAFF  
18 OF THE CONSTITUENT DISTRICTS. THIS TRAINING SHALL ENSURE THAT THE TOOL PRODUCES RELIABLE  
19 DATA AND THAT THERE ARE A SUFFICIENT NUMBER OF TRAINED OBSERVERS STATEWIDE.

20 (D) NOT LATER THAN MARCH 1 OF EACH YEAR, THE DEPARTMENT SHALL REPORT TO THE HOUSE AND  
21 SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID, THE HOUSE AND SENATE FISCAL AGENCIES,  
22 AND THE STATE BUDGET DIRECTOR ON THE RESULTS OF THE STATEWIDE SAMPLE, WHICH SHALL INCLUDE,  
23 BUT ARE NOT LIMITED TO, DEMONSTRATED READINESS OF KINDERGARTEN PUPILS STATEWIDE AND THE  
24 EFFECTIVENESS OF THE GREAT START READINESS PROGRAM FUNDED UNDER SECTION 32D, AND THE  
25 EFFECTIVENESS OF OTHER STATE EARLY CHILDHOOD PROGRAMS.

26 (E) AS USED IN THIS SUBSECTION, "REPRESENTATIVE SAMPLE" MEANS A SAMPLE CAPABLE OF  
27 PRODUCING VALID AND RELIABLE ASSESSMENT INFORMATION ON ALL OR MAJOR SUBGROUPS OF  
28 KINDERGARTEN STUDENTS IN THE CONSTITUENT DISTRICT.

29 ~~(5) The department shall continue to make the kindergarten entry assessment developed~~  
30 ~~by the department and field tested in 2015-2016 available to districts in 2017-2018.~~

31 (5) ~~(6)~~ The department may recommend, but may not require, districts to allow pupils  
32 to use an external keyboard with tablet devices for online M-STEP testing, including, but

1 not limited to, open-ended test items such as constructed response or equation builder  
2 items.

3 (6) ~~(7)~~ Notwithstanding section 17b, payments on behalf of districts, intermediate  
4 districts, and other eligible entities under this section shall be paid on a schedule  
5 determined by the department.

6 (7) ~~(8)~~ From the allocation in subsection (1), there is allocated an amount not to  
7 exceed ~~\$3,200,000.00 for 2017-2018 and an amount not to exceed \$500,000.00 for 2018-2019~~  
8 **2019-2020** for the ~~development or selection~~ **OPERATION** of an online reporting tool to provide  
9 student-level assessment data in a secure environment to educators, parents, and pupils  
10 immediately after assessments are scored. The department and the center shall ensure that  
11 any data collected by the online reporting tool do not provide individually identifiable  
12 student data to the federal government.

13 (8) ~~(9)~~ As used in this section:

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

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

16 (c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative  
17 Services.

18 Sec. 104b. (1) In order to receive state aid under this article, a district shall  
19 comply with this section and shall administer the Michigan merit examination to pupils in  
20 grade 11, and to pupils in grade 12 who did not take the complete Michigan merit  
21 examination in grade 11, as provided in this section. The Michigan merit examination  
22 consists of a college entrance test, work skills test, and the summative assessment known  
23 as the Michigan student test of educational progress (M-STEP).

24 (2) For the purposes of this section, the department of technology, management, and  
25 budget shall contract with 1 or more providers to develop, supply, and score the Michigan  
26 merit examination. The Michigan merit examination shall consist of all of the following:

27 (a) Assessment instruments that measure English language arts, mathematics, reading,  
28 and science, and are used by the majority of colleges and universities in this state for  
29 entrance purposes. This may include 1 or more writing components. In selecting assessment  
30 instruments to fulfill the requirements of this subdivision, the department may consider  
31 the degree to which those assessment instruments are aligned to this state's content  
32 standards.

1 (b) One or more tests from 1 or more test developers that assess a pupil's ability to  
2 apply at least reading and mathematics skills in a manner that is intended to allow  
3 employers to use the results in making employment decisions. The department of technology,  
4 management, and budget and the superintendent shall ensure that any test or tests selected  
5 under this subdivision have all the components necessary to allow a pupil to be eligible to  
6 receive the results of a nationally recognized evaluation of workforce readiness if the  
7 pupil's test performance is adequate.

8 (c) A social studies component.

9 (d) Any other component that is necessary to obtain the approval of the United States  
10 Department of Education to use the Michigan merit examination for the purposes of the ~~ne~~  
11 ~~child left behind act of 2001, Public Law 107-110, or the every student succeeds act,~~  
12 Public Law 114-95.

13 (3) In addition to all other requirements of this section, all of the following apply  
14 to the Michigan merit examination:

15 (a) The department of technology, management, and budget and the superintendent shall  
16 ensure that any contractor used for scoring the Michigan merit examination supplies an  
17 individual report for each pupil that will identify for the pupil's parents and teachers  
18 whether the pupil met expectations or failed to meet expectations for each standard, to  
19 allow the pupil's parents and teachers to assess and remedy problems before the pupil moves  
20 to the next grade.

21 (b) The department of technology, management, and budget and the superintendent shall  
22 ensure that any contractor used for scoring, developing, or processing the Michigan merit  
23 examination meets quality management standards commonly used in the assessment industry,  
24 including at least meeting level 2 of the capability maturity model developed by the  
25 Software Engineering Institute of Carnegie Mellon University for the first year the  
26 Michigan merit examination is offered to all grade 11 pupils and at least meeting level 3  
27 of the capability maturity model for subsequent years.

28 (c) The department of technology, management, and budget and the superintendent shall  
29 ensure that any contract for scoring, administering, or developing the Michigan merit  
30 examination includes specific deadlines for all steps of the assessment process, including,  
31 but not limited to, deadlines for the correct testing materials to be supplied to schools  
32 and for the correct results to be returned to schools, and includes penalties for

1 noncompliance with these deadlines.

2 (d) The superintendent shall ensure that the Michigan merit examination meets all of  
3 the following:

4 (i) Is designed to test pupils on this state's content standards in all subjects  
5 tested.

6 (ii) Complies with requirements of the ~~no child left behind act of 2001, Public Law~~  
7 ~~107-110 or the every student succeeds act, Public Law 114-95.~~

8 (iii) Is consistent with the code of fair testing practices in education prepared by  
9 the Joint Committee on Testing Practices of the American Psychological Association.

10 (iv) Is factually accurate. If the superintendent determines that a question is not  
11 factually accurate and should be excluded from scoring, the state board and the  
12 superintendent shall ensure that the question is excluded from scoring.

13 (4) A district shall include on each pupil's high school transcript all of the  
14 following:

15 (a) For each high school graduate who has completed the Michigan merit examination  
16 under this section, the pupil's scaled score on each subject area component of the Michigan  
17 merit examination.

18 (b) The number of school days the pupil was in attendance at school each school year  
19 during high school and the total number of school days in session for each of those school  
20 years.

21 (5) The superintendent shall work with the provider or providers of the Michigan  
22 merit examination to produce Michigan merit examination subject area scores for each pupil  
23 participating in the Michigan merit examination. To the extent that the department  
24 determines that additional test items beyond those included in the college entrance  
25 component of the Michigan merit examination are required in a particular subject area, the  
26 department shall ensure that all test items in that subject area are scaled and merged for  
27 the purposes of producing a Michigan merit examination subject area score. The  
28 superintendent shall design and distribute to districts, intermediate districts, and  
29 nonpublic schools a simple and concise document that describes the scoring for each subject  
30 area and indicates the scaled score ranges for each subject area.

31 (6) The Michigan merit examination shall be administered in each district during the  
32 last 12 weeks of the district's school year. The superintendent shall ensure that the

1 Michigan merit examination is scored and the scores are returned to pupils, their parents  
2 or legal guardians, and districts not later than the beginning of the pupil's first  
3 semester of grade 12. The returned scores shall indicate at least the pupil's scaled score  
4 for each subject area component and the range of scaled scores for each subject area. In  
5 reporting the scores to pupils, parents, and schools, the superintendent shall provide  
6 standards-specific, meaningful, and timely feedback on the pupil's performance on the  
7 Michigan merit examination.

8 (7) A district shall administer the complete Michigan merit examination to a pupil  
9 only once and shall not administer the complete Michigan merit examination to the same  
10 pupil more than once. If a pupil does not take the complete Michigan merit examination in  
11 grade 11, the district shall administer the complete Michigan merit examination to the  
12 pupil in grade 12. If a pupil chooses to retake the college entrance examination component  
13 of the Michigan merit examination, as described in subsection (2) (a), the pupil may do so  
14 through the provider of the college entrance examination component and the cost of the  
15 retake is the responsibility of the pupil unless all of the following are met:

16 (a) The pupil has taken the complete Michigan merit examination.

17 (b) The pupil meets the income eligibility criteria for free breakfast, lunch, or  
18 milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to  
19 1769i.

20 (c) The pupil has applied to the provider of the college entrance examination  
21 component for a scholarship or fee waiver to cover the cost of the retake and that  
22 application has been denied.

23 (d) After taking the complete Michigan merit examination, the pupil has not already  
24 received a free retake of the college entrance examination component paid for either by  
25 this state or through a scholarship or fee waiver by the provider.

26 (8) The superintendent shall ensure that the length of the Michigan merit examination  
27 and the combined total time necessary to administer all of the components of the Michigan  
28 merit examination are the shortest possible that will still maintain the degree of  
29 reliability and validity of the Michigan merit examination results determined necessary by  
30 the superintendent. The superintendent shall ensure that the maximum total combined length  
31 of time that schools are required to set aside for pupils to answer all test questions on  
32 the Michigan merit examination does not exceed 8 hours if the superintendent determines



1 that sufficient alignment to applicable Michigan merit curriculum content standards can be  
2 achieved within that time limit.

3 (9) A district shall provide accommodations to a pupil with disabilities for the  
4 Michigan merit examination, as provided under section 504 of title V of the rehabilitation  
5 act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of  
6 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of  
7 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider  
8 or providers of the Michigan merit examination and the superintendent shall mutually agree  
9 upon the accommodations to be provided under this subsection.

10 (10) To the greatest extent possible, the Michigan merit examination shall be based  
11 on this state's content standards, as appropriate. Annually, after each administration of  
12 the Michigan merit examination, the department shall provide a report of the points per  
13 standard so that teachers will know what content will be covered within the Michigan merit  
14 examination. The department may augment the college entrance and work skills components of  
15 the Michigan merit examination to develop the assessment, depending on the alignment of  
16 those components to this state's content standards. If these components do not align to  
17 these standards, the department shall produce additional components as required by law,  
18 while minimizing the amount of time needed for assessments.

19 (11) A child who is a student in a nonpublic school or home school may take the  
20 Michigan merit examination under this section. To take the Michigan merit examination, a  
21 child who is a student in a home school shall contact the district in which the child  
22 resides, and that district shall administer the Michigan merit examination, or the child  
23 may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic  
24 school. Upon request from a nonpublic school, the superintendent shall direct the provider  
25 or providers to supply the Michigan merit examination to the nonpublic school and the  
26 nonpublic school may administer the Michigan merit examination. If a district administers  
27 the Michigan merit examination under this subsection to a child who is not enrolled in the  
28 district, the scores for that child are not considered for any purpose to be scores of a  
29 pupil of the district.

30 (12) In contracting under subsection (2), the department of technology, management,  
31 and budget shall consider a contractor that provides electronically-scored essays with the  
32 ability to score constructed response feedback in multiple languages and provide ongoing

1 instruction and feedback.

2 (13) The purpose of the Michigan merit examination is to assess pupil performance in  
3 mathematics, science, social studies, and English language arts for the purpose of  
4 improving academic achievement and establishing a statewide standard of competency. The  
5 assessment under this section provides a common measure of data that will contribute to the  
6 improvement of Michigan schools' curriculum and instruction by encouraging alignment with  
7 Michigan's curriculum framework standards and promotes pupil participation in higher level  
8 mathematics, science, social studies, and English language arts courses. These standards  
9 are based upon the expectations of what pupils should learn through high school and are  
10 aligned with national standards.

11 (14) For a pupil enrolled in a middle college program, other than a middle college  
12 operated as a shared educational entity or a specialized shared educational entity, if the  
13 pupil receives at least 50% of his or her instruction at the high school while in grade 11,  
14 the Michigan merit examination shall be administered to the pupil at the high school at  
15 which the pupil receives high school instruction, and the department shall include the  
16 pupil's scores on the Michigan merit examination in the scores for that high school for all  
17 purposes for which a school's or district's results are reported. The department shall  
18 allow the middle college program to use a 5-year graduation rate for determining adequate  
19 yearly progress. As used in this subsection, "middle college" means a program consisting of  
20 a series of courses and other requirements and conditions, including an early college or  
21 other program created under a memorandum of understanding, that allows a pupil to graduate  
22 from high school with both a high school diploma and a certificate or degree from a  
23 community college or state public university.

24 (15) As used in this section:

25 (a) "English language arts" means reading and writing.

26 (b) "Social studies" means United States history, world history, world geography,  
27 economics, and American government.

28 ~~(16) For each report made by the department that includes the statewide assessment~~  
29 ~~results for a school building, the department shall include the scores for the statewide~~  
30 ~~assessment and the graduation rate for consortium pupils with the scores for the school~~  
31 ~~building in the participating district in which the consortium pupil is enrolled or would~~  
32 ~~otherwise attend. The statewide assessment for a consortium pupil may be administered~~

1 ~~either at the consortium location or at the school building in the participating district~~  
2 ~~in which the consortium pupil is enrolled or would otherwise attend. For the purposes of~~  
3 ~~this subsection, a consortium pupil is a pupil who is enrolled or participating in a~~  
4 ~~participating district in a school or program operated as a consortium or under a~~  
5 ~~cooperative arrangement formed by 2 or more districts or intermediate districts, including,~~  
6 ~~but not limited to, a consortium or cooperative arrangement operated as a program, a shared~~  
7 ~~educational entity, a specialized educational entity, or a special education center~~  
8 ~~program.~~

9           Sec. 104c. (1) In order to receive state aid under this article, a district shall  
10 administer the state assessments described in this section.

11           (2) For the purposes of this section, the department shall develop and administer the  
12 Michigan student test of educational progress (M-STEP) assessments in English language arts  
13 and mathematics. These assessments shall be aligned to state standards.

14           (3) For the purposes of this section, the department shall implement a summative  
15 assessment system that is proven to be valid and reliable for administration to pupils as  
16 provided under this subsection. The summative assessment system shall meet all of the  
17 following requirements:

18           (a) The summative assessment system shall measure student proficiency on the current  
19 state standards, shall measure student growth for consecutive grade levels in which  
20 students are assessed in the same subject area in both grade levels, and shall be capable  
21 of measuring individual student performance.

22           (b) The summative assessments for English language arts and mathematics shall be  
23 administered to all public school pupils in grades 3 to 11, including those pupils as  
24 required by the federal individuals with disabilities education act, Public Law 108-446,  
25 and by title I of the federal every student succeeds act (ESSA), Public Law 114-95.

26           (c) The summative assessments for science shall be administered to all public school  
27 pupils in at least grades 5 and 8, including those pupils as required by the federal  
28 individuals with disabilities education act, Public Law 108-446, and by title I of the  
29 federal every student succeeds act (ESSA), Public Law 114-95.

30           (d) The summative assessments for social studies shall be administered to all public  
31 school pupils in at least grades 5 and 8, including those pupils as required by the federal  
32 individuals with disabilities education act, Public Law 108-446, and by title I of the

1 federal every student succeeds act (ESSA), Public Law 114-95.

2 (e) The content of the summative assessments shall be aligned to state standards.

3 (f) The pool of questions for the summative assessments shall be subject to a  
4 transparent review process for quality, bias, and sensitive issues involving educator  
5 review and comment. The department shall post samples from tests or retired tests featuring  
6 questions from this pool for review by the public.

7 (g) The summative assessment system shall ensure that students, parents, and teachers  
8 are provided with reports that convey individual student proficiency and growth on the  
9 assessment and that convey individual student domain-level performance in each subject  
10 area, including representative questions, and individual student performance in meeting  
11 state standards.

12 (h) The summative assessment system shall be capable of providing, and the department  
13 shall ensure that students, parents, teachers, administrators, and community members are  
14 provided with, reports that convey aggregate student proficiency and growth data by  
15 teacher, grade, school, and district.

16 (i) The summative assessment system shall ensure the capability of reporting the  
17 available data to support educator evaluations.

18 (j) The summative assessment system shall ensure that the reports provided to  
19 districts containing individual student data are available within 60 days after completion  
20 of the assessments.

21 (k) The summative assessment system shall ensure that access to individually  
22 identifiable student data meets all of the following:

23 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family  
24 educational rights and privacy act of 1974.

25 (ii) Except as may be provided for in an agreement with a vendor to provide  
26 assessment services, as necessary to support educator evaluations pursuant to subdivision  
27 (i), or for research or program evaluation purposes, is available only to the student; to  
28 the student's parent or legal guardian; and to a school administrator or teacher, to the  
29 extent that he or she has a legitimate educational interest.

30 (l) The summative assessment system shall ensure that the assessments are pilot  
31 tested before statewide implementation.

32 (m) The summative assessment system shall ensure that assessments are designed so

1 that the maximum total combined length of time that schools are required to set aside for a  
2 pupil to answer all test questions on all assessments that are part of the system for the  
3 pupil's grade level does not exceed that maximum total combined length of time for the  
4 previous statewide assessment system or 9 hours, whichever is less. This subdivision does  
5 not limit the amount of time a district may allow a pupil to complete a test.

6 (n) The total cost of executing the summative assessment system statewide each year,  
7 including, but not limited to, the cost of contracts for administration, scoring, and  
8 reporting, shall not exceed an amount equal to 2 times the cost of executing the previous  
9 statewide assessment after adjustment for inflation.

10 (o) ~~Beginning with the 2017-2018 school year, the~~ **THE** summative assessment system  
11 shall not require more than 3 hours in duration, on average, for an individual pupil to  
12 complete the combined administration of the math and English language arts portions of the  
13 assessment for any 1 grade level.

14 (p) The summative assessments for English language arts and mathematics for pupils in  
15 grades 8 to 10 must be aligned to the college entrance test portion of the Michigan merit  
16 examination required under section 104b.

17 ~~(4) The department shall offer benchmark assessments in the fall and spring of each~~  
18 ~~school year to measure English language arts and mathematics in each of grades K to 2. Full~~  
19 ~~implementation shall occur not later than the 2018-2019 school year. These assessments are~~  
20 ~~necessary to determine a pupil's proficiency level before grade 3.~~

21 ~~(4)~~ ~~(5)~~ This section does not prohibit districts from adopting interim assessments.

22 ~~(5)~~ ~~(6)~~ As used in this section, "English language arts" means that term as defined  
23 in section 104b.

24 Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not  
25 to exceed \$30,000,000.00 for ~~2018-2019~~ **2019-2020** for adult education programs authorized  
26 under this section. Except as otherwise provided under subsections ~~(14)~~ ~~(15)~~ and ~~(15)~~,  
27 **(19)**, funds allocated under this section are restricted for adult education programs as  
28 authorized under this section only. A recipient of funds under this section shall not use  
29 those funds for any other purpose.

30 (2) To be eligible for funding under this section, an eligible adult education  
31 provider shall employ certificated teachers and qualified administrative staff and shall  
32 offer continuing education opportunities for teachers to allow them to maintain

1 certification.

2 (3) To be eligible to be a participant funded under this section, an individual shall  
3 be enrolled in an adult basic education program, an adult secondary education program, an  
4 adult English as a second language program, a high school equivalency test preparation  
5 program, or a high school completion program, that meets the requirements of this section,  
6 and for which instruction is provided, and the individual shall be at least 18 years of age  
7 and the individual's graduating class shall have graduated, **MAKING THE INDIVIDUAL ELIGIBLE**  
8 **JULY 1 AFTER THE INDIVIDUAL TURNS 18 YEARS OF AGE.**

9 (4) By April 1 of each fiscal year, the intermediate districts within a prosperity  
10 region or subregion shall determine which intermediate district will serve as the  
11 prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify  
12 the department in a form and manner determined by the department. The department shall  
13 approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From  
14 the funds allocated under subsection (1), an amount as determined under this subsection  
15 shall be allocated to each intermediate district serving as a fiscal agent for adult  
16 education programs in each of the prosperity regions or subregions identified by the  
17 department. An intermediate district shall not use more than 5% of the funds allocated  
18 under this subsection for administration costs for serving as the fiscal agent. ~~Beginning~~  
19 ~~in 2014-2015, 67% of the allocation provided to each intermediate district serving as a~~  
20 ~~fiscal agent shall be based on the proportion of total funding formerly received by the~~  
21 ~~adult education providers in that prosperity region or subregion in 2013-2014, and 33%~~  
22 ~~shall be allocated based on the factors in subdivisions (a), (b), and (c). For 2018-2019,~~  
23 ~~33% of the allocation provided to each intermediate district serving as a fiscal agent~~  
24 ~~shall be based upon the proportion of total funding formerly received by the adult~~  
25 ~~education providers in that prosperity region in 2013-2014 and 67% of the allocation shall~~  
26 ~~be based upon the factors in subdivisions (a), (b), and (c). However, if the allocation to~~  
27 ~~an intermediate district as calculated under the preceding sentence is less than the amount~~  
28 ~~received by the intermediate district under this subsection for 2017-2018, the intermediate~~  
29 ~~district shall instead receive in 2018-2019 an amount equal to what the intermediate~~  
30 ~~district received in 2017-2018.~~ Beginning in 2019-2020, the allocation provided to each  
31 intermediate district serving as a fiscal agent shall be equal to what the intermediate  
32 district received in 2018-2019. The funding factors for this section are as follows:

1 (a) Sixty percent of this portion of the funding shall be distributed based upon the  
2 proportion of the state population of individuals between the ages of 18 and 24 that are  
3 not high school graduates that resides in each of the prosperity regions or subregions, as  
4 reported by the most recent 5-year estimates from the American Community Survey (ACS) from  
5 the United States Census Bureau.

6 (b) Thirty-five percent of this portion of the funding shall be distributed based  
7 upon the proportion of the state population of individuals age 25 or older who are not high  
8 school graduates that resides in each of the prosperity regions or subregions, as reported  
9 by the most recent 5-year estimates from the American Community Survey (ACS) from the  
10 United States Census Bureau.

11 (c) Five percent of this portion of the funding shall be distributed based upon the  
12 proportion of the state population of individuals age 18 or older who lack basic English  
13 language proficiency that resides in each of the prosperity regions or subregions, as  
14 reported by the most recent 5-year estimates from the American Community Survey (ACS) from  
15 the United States Census Bureau.

16 (5) To be an eligible fiscal agent, an intermediate district must agree to do the  
17 following in a form and manner determined by the department:

18 (a) Distribute funds to adult education programs in a prosperity region or subregion  
19 as described in this section.

20 (b) Collaborate with the career and educational advisory council, which is an  
21 advisory council of the workforce development boards located in the prosperity region or  
22 subregion, or its successor, to develop a regional strategy that aligns adult education  
23 programs and services into an efficient and effective delivery system for adult education  
24 learners, with special consideration for providing contextualized learning and career  
25 pathways and addressing barriers to education and employment.

26 (c) Collaborate with the career and educational advisory council, which is an  
27 advisory council of the workforce development boards located in the prosperity region or  
28 subregion, or its successor, to create a local process and criteria that will identify  
29 eligible adult education providers to receive funds allocated under this section based on  
30 location, demand for services, past performance, quality indicators as identified by the  
31 department, and cost to provide instructional services. The fiscal agent shall determine  
32 all local processes, criteria, and provider determinations. However, the local processes,

1 criteria, and provider services must be approved by the department before funds may be  
2 distributed to the fiscal agent.

3 (d) Provide oversight to its adult education providers throughout the program year to  
4 ensure compliance with the requirements of this section.

5 (e) Report adult education program and participant data and information as prescribed  
6 by the department.

7 (6) An adult basic education program, an adult secondary education program, or an  
8 adult English as a second language program operated on a year-round or school year basis  
9 may be funded under this section, subject to all of the following:

10 (a) The program enrolls adults who are determined by a department-approved  
11 assessment, in a form and manner prescribed by the department, to be below twelfth grade  
12 level in reading or mathematics, or both, or to lack basic English proficiency.

13 (b) The program tests individuals for eligibility under subdivision (a) before  
14 enrollment and upon completion of the program in compliance with the state-approved  
15 assessment policy.

16 (c) A participant in an adult basic education program is eligible for reimbursement  
17 until 1 of the following occurs:

18 (i) The participant's reading and mathematics proficiency are assessed at or above  
19 the ninth grade level.

20 (ii) The participant fails to show progress on 2 successive assessments after having  
21 completed at least 450 hours of instruction.

22 (d) A participant in an adult secondary education program is eligible for  
23 reimbursement until 1 of the following occurs:

24 (i) The participant's reading and mathematics proficiency are assessed above the  
25 twelfth grade level.

26 (ii) The participant fails to show progress on 2 successive assessments after having  
27 at least 450 hours of instruction.

28 (e) A funding recipient enrolling a participant in an English as a second language  
29 program is eligible for funding according to subsection (9) until the participant meets 1  
30 of the following:

31 (i) The participant is assessed as having attained basic English proficiency as  
32 determined by a department-approved assessment.



1           (ii) The participant fails to show progress on 2 successive department-approved  
2 assessments after having completed at least 450 hours of instruction. The department shall  
3 provide information to a funding recipient regarding appropriate assessment instruments for  
4 this program.

5           (7) A high school equivalency test preparation program operated on a year-round or  
6 school year basis may be funded under this section, subject to all of the following:

7           (a) The program enrolls adults who do not have a high school diploma or a high school  
8 equivalency certificate.

9           (b) The program shall administer a pre-test approved by the department before  
10 enrolling an individual to determine the individual's literacy levels, shall administer a  
11 high school equivalency practice test to determine the individual's potential for success  
12 on the high school equivalency test, and shall administer a post-test upon completion of  
13 the program in compliance with the state-approved assessment policy.

14           (c) A funding recipient shall receive funding according to subsection (9) for a  
15 participant, and a participant may be enrolled in the program until 1 of the following  
16 occurs:

17           (i) The participant achieves a high school equivalency certificate.

18           (ii) The participant fails to show progress on 2 successive department-approved  
19 assessments used to determine readiness to take a high school equivalency test after having  
20 completed at least 450 hours of instruction.

21           (8) A high school completion program operated on a year-round or school year basis  
22 may be funded under this section, subject to all of the following:

23           (a) The program enrolls adults who do not have a high school diploma.

24           (b) The program tests participants described in subdivision (a) before enrollment and  
25 upon completion of the program in compliance with the state-approved assessment policy.

26           (c) A funding recipient shall receive funding according to subsection (9) for a  
27 participant in a course offered under this subsection until 1 of the following occurs:

28           (i) The participant passes the course and earns a high school diploma.

29           (ii) The participant fails to earn credit in 2 successive semesters or terms in which  
30 the participant is enrolled after having completed at least 900 hours of instruction.

31           (9) A funding recipient shall receive payments under this section in accordance with  
32 all of the following:

1 (a) Statewide allocation criteria, including 3-year average enrollments, census data,  
2 and local needs.

3 (b) Participant completion of the adult basic education objectives by achieving an  
4 educational gain as determined by the national reporting system levels; for achieving basic  
5 English proficiency, as determined by the department; for achieving a high school  
6 equivalency certificate or passage of 1 or more individual high school equivalency tests;  
7 for attainment of a high school diploma or passage of a course required for a participant  
8 to attain a high school diploma; for enrollment in a postsecondary institution, or for  
9 entry into or retention of employment, as applicable.

10 (c) Participant completion of core indicators as identified in the innovation and  
11 opportunity act.

12 (d) Allowable expenditures.

13 (10) A person who is not eligible to be a participant funded under this section may  
14 receive adult education services upon the payment of tuition. In addition, a person who is  
15 not eligible to be served in a program under this section due to the program limitations  
16 specified in subsection (6), (7), or (8) may continue to receive adult education services  
17 in that program upon the payment of tuition. The tuition level shall be determined by the  
18 local or intermediate district conducting the program.

19 (11) An individual who is an inmate in a state correctional facility shall not be  
20 counted as a participant under this section.

21 (12) A funding recipient shall not commingle money received under this section or  
22 from another source for adult education purposes with any other funds and shall establish a  
23 separate ledger account for funds received under this section. This subsection does not  
24 prohibit a district from using general funds of the district to support an adult education  
25 or community education program.

26 (13) A funding recipient receiving funds under this section may establish a sliding  
27 scale of tuition rates based upon a participant's family income. A funding recipient may  
28 charge a participant tuition to receive adult education services under this section from  
29 that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per  
30 participant shall not exceed the actual operating cost per participant minus any funds  
31 received under this section per participant. A funding recipient may not charge a  
32 participant tuition under this section if the participant's income is at or below 200% of

1 the federal poverty guidelines published by the United States Department of Health and  
2 Human Services.

3 (14) In order to receive funds under this section, a funding recipient shall furnish  
4 to the department, in a form and manner determined by the department, all information  
5 needed to administer this program and meet federal reporting requirements; shall allow the  
6 department or the department's designee to review all records related to the program for  
7 which it receives funds; and shall reimburse the state for all disallowances found in the  
8 review, as determined by the department. In addition, a funding recipient shall agree to  
9 pay to a career and technical education program under section 61a the amount of funding  
10 received under this section in the proportion of career and technical education coursework  
11 used to satisfy adult basic education programming, as billed to the funding recipient by  
12 programs operating under section 61a. ~~In addition to the funding allocated under subsection~~  
13 ~~(1), there is allocated an amount not to exceed \$500,000.00 to reimburse funding recipients~~  
14 ~~for administrative and instructional expenses associated with commingling programming under~~  
15 ~~this section and section 61a. Payments made to each funding recipient shall be in the same~~  
16 ~~proportion as funding calculated and allocated under subsection (4).~~

17 (15) From the amount appropriated in subsection (1), an amount not to exceed  
18 \$4,000,000.00 shall be allocated for ~~2018-2019~~ **2019-2020** for grants to adult education or  
19 career technical center programs that connect adult education participants with employers  
20 as provided under this subsection. The grant to each program shall be up to \$350,000.00. To  
21 be eligible for funding under this subsection, a program must provide a collaboration  
22 linking adult education programs within the county, the area career technical center, and  
23 local employers. To receive funding under this subsection, an eligible program shall  
24 satisfy all of the following:

25 (a) Shall connect adult education participants **ACTIVELY WORKING TOWARD OBTAINING A**  
26 **HIGH SCHOOL DIPLOMA OR A HIGH SCHOOL EQUIVALENCY CERTIFICATE** directly with employers by  
27 linking adult education, career and technical skills, and workforce development.

28 (b) Shall require adult education staff to work with Michigan Works! agency to  
29 identify a cohort of participants who are most prepared to successfully enter the  
30 workforce. Participants identified under this subsection shall be dually enrolled in adult  
31 education programming **ACTIVELY WORKING TOWARD OBTAINING A HIGH SCHOOL DIPLOMA OR A HIGH**  
32 **SCHOOL EQUIVALENCY CERTIFICATE** and at least 1 technical course at the area career and

1 technical center.

2 (c) Shall have an individual staffed as an adult education navigator who will serve  
3 as a caseworker for each participant identified under subdivision (b). The navigator shall  
4 work with adult education staff and potential employers to design an educational program  
5 best suited to the personal and employment needs of the participant and shall work with  
6 human service agencies or other entities to address any barrier in the way of participant  
7 access.

8 (16) A program that was a pilot program in 2017-2018 and that was funded under this  
9 section in 2017-2018 shall be funded in ~~2018-2019~~**2019-2020** unless the program ceases  
10 operation. The intermediate district in which that pilot program was funded shall be the  
11 fiscal agent for that program and shall apply for that program's funding under subsection  
12 (15).

13 (17) Each program funded under subsection (15) will receive funding for 3 years.  
14 After 3 years of operations and funding, a program must reapply for funding.

15 (18) Not later than December 1, ~~2019~~**2020**, a program funded under subsection (15)  
16 shall provide a report to the senate and house appropriations subcommittees on school aid,  
17 to the senate and house fiscal agencies, and to the state budget director identifying the  
18 number of participants, graduation rates, and a measure of transition to employment.

19 **(19) IN ADDITION TO THE FUNDING ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED AN**  
20 **AMOUNT NOT TO EXCEED \$500,000.00 TO REIMBURSE FUNDING RECIPIENTS FOR ADMINISTRATIVE AND**  
21 **INSTRUCTIONAL EXPENSES ASSOCIATED WITH COMMINGLING PROGRAMMING UNDER THIS SECTION AND**  
22 **SUBSECTION (15). PAYMENTS MADE TO EACH FUNDING RECIPIENT SHALL BE IN THE SAME PROPORTION AS**  
23 **FUNDING CALCULATED AND ALLOCATED UNDER SUBSECTION (4).**

24 **(20)** ~~(19)~~The department shall approve at least 3 high school equivalency tests and  
25 determine whether a high school equivalency certificate meets the requisite standards for  
26 high school equivalency in this state.

27 **(21)** ~~(20)~~As used in this section:

28 (a) "Career and educational advisory council" means an advisory council to the local  
29 workforce development boards located in a prosperity region consisting of educational,  
30 employer, labor, and parent representatives.

31 (b) "Career pathway" means a combination of rigorous and high-quality education,  
32 training, and other services that comply with all of the following:

1 (i) Aligns with the skill needs of industries in the economy of this state or in the  
2 regional economy involved.

3 (ii) Prepares an individual to be successful in any of a full range of secondary or  
4 postsecondary education options, including apprenticeships registered under the act of  
5 August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

6 (iii) Includes counseling to support an individual in achieving the individual's  
7 education and career goals.

8 (iv) Includes, as appropriate, education offered concurrently with and in the same  
9 context as workforce preparation activities and training for a specific occupation or  
10 occupational cluster.

11 (v) Organizes education, training, and other services to meet the particular needs of  
12 an individual in a manner that accelerates the educational and career advancement of the  
13 individual to the extent practicable.

14 (vi) Enables an individual to attain a secondary school diploma or its recognized  
15 equivalent, and at least 1 recognized postsecondary credential.

16 (vii) Helps an individual enter or advance within a specific occupation or  
17 occupational cluster.

18 (c) "Department" means the department of talent and economic development.

19 (d) "Eligible adult education provider" means a district, intermediate district a  
20 consortium of districts, a consortium of intermediate districts, or a consortium of  
21 districts and intermediate districts that is identified as part of the local process  
22 described in subsection (5)(c) and approved by the department.

23 Sec. 147. (1) The allocation for ~~2018-2019-2019-2020~~ for the public school employees'  
24 retirement system pursuant to the public school employees retirement act of 1979, 1980 PA  
25 300, MCL 38.1301 to 38.1437, shall be made using the individual projected benefit entry age  
26 normal cost method of valuation and risk assumptions adopted by the public school employees  
27 retirement board and the department of technology, management, and budget.

28 (2) The annual level percentage of payroll contribution rates for the ~~2018-2019-2019-~~  
29 **2020** fiscal year, as determined by the retirement system, are estimated as follows:

30 (a) For public school employees who first worked for a public school reporting unit  
31 before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level  
32 percentage of payroll contribution rate is estimated at ~~38.39%~~, **39.91%**, with ~~26.18%~~ **27.50%**

1 paid directly by the employer.

2 (b) For public school employees who first worked for a public school reporting unit  
3 on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual  
4 level percentage of payroll contribution rate is estimated at ~~36.60%~~, **36.96%**, with ~~24.39%~~  
5 **24.55%** paid directly by the employer.

6 (c) For public school employees who first worked for a public school reporting unit  
7 on or after July 1, 2010 and who participate in the personal healthcare fund, the annual  
8 level percentage of payroll contribution rate is estimated at ~~36.24%~~, **36.44%**, with 24.03%  
9 paid directly by the employer.

10 (d) For public school employees who first worked for a public school reporting unit  
11 on or after September 4, 2012, who elect defined contribution, and who participate in the  
12 personal healthcare fund, the annual level percentage of payroll contribution rate is  
13 estimated at ~~33.17%~~, **33.37%** with 20.96% paid directly by the employer.

14 (e) For public school employees who first worked for a public school reporting unit  
15 before July 1, 2010, who elect defined contribution, and who are enrolled in the health  
16 premium subsidy, the annual level percentage of payroll contribution rate is estimated at  
17 ~~33.53%~~, **33.89%**, with ~~21.32%~~ **21.48%** paid directly by the employer.

18 (f) For public school employees who first worked for a public school reporting unit  
19 before July 1, 2010, who elect defined contribution, and who participate in the personal  
20 healthcare fund, the annual level percentage of payroll contribution rate is estimated at  
21 ~~33.17%~~, **33.37%**, with 20.96% paid directly by the employer.

22 (g) For public school employees who first worked for a public school reporting unit  
23 before July 1, 2010 and who participate in the personal healthcare fund, the annual level  
24 percentage of payroll contribution rate is estimated at ~~38.03%~~, **39.39%**, with ~~25.82%~~ **26.98%**  
25 paid directly by the employer.

26 (h) For public school employees who first worked for a public school reporting unit  
27 after January 31, 2018 and who elect to become members of the MPSERS plan, the annual level  
28 percentage of payroll contribution rate is estimated at ~~39.37%~~, **39.57%** with 27.16% paid  
29 directly by the employer.

30 (3) In addition to the employer payments described in subsection (2), the employer  
31 shall pay the applicable contributions to the Tier 2 plan, as determined by the public  
32 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

1 (4) The contribution rates in subsection (2) reflect an amortization period of ~~20-19~~  
2 years for ~~2018-2019~~. **2019-2020**. The public school employees' retirement system board shall  
3 notify each district and intermediate district by February 28 of each fiscal year of the  
4 estimated contribution rate for the next fiscal year.

5 Sec. 147a. (1) From the appropriation in section 11, there is allocated for ~~2018-2019~~  
6 **2019-2020** an amount not to exceed \$100,000,000.00 for payments to participating districts.  
7 A participating district that receives money under this subsection shall use that money  
8 solely for the purpose of offsetting a portion of the retirement contributions owed by the  
9 district for the fiscal year in which it is received. The amount allocated to each  
10 participating district under this subsection shall be based on each participating  
11 district's percentage of the total statewide payroll for all participating districts for  
12 the immediately preceding fiscal year. As used in this subsection, "participating district"  
13 means a district that is a reporting unit of the Michigan public school employees'  
14 retirement system under the public school employees retirement act of 1979, 1980 PA 300,  
15 MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees'  
16 retirement system for the applicable fiscal year.

17 (2) In addition to the allocation under subsection (1), from the state school aid  
18 fund money appropriated under section 11, there is allocated an amount not to exceed  
19 ~~\$88,091,000.00~~ **\$171,986,000.00** for ~~2018-2019~~ **2019-20** for payments to participating  
20 districts and intermediate districts and from the general fund money appropriated under  
21 section 11, there is allocated an amount not to exceed ~~\$48,000.00~~ **\$83,000.00** for ~~2018-2019~~  
22 **2019-2020** for payments to participating district libraries. The amount allocated to each  
23 participating entity under this subsection shall be based on each participating entity's  
24 percentage of the total statewide payroll for that type of participating entity for the  
25 immediately preceding fiscal year. A participating entity that receives money under this  
26 subsection shall use that money solely for the purpose of offsetting a portion of the  
27 normal cost contribution rate. As used in this subsection:

28 (a) "District library" means a district library established under the district  
29 library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

30 (b) "Participating entity" means a district, "intermediate district" or district  
31 library that is a reporting unit of the Michigan public school employees' retirement system  
32 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to

1 38.1437, and that reports employees to the Michigan public school employees' retirement  
2 system for the applicable fiscal year.

3 Sec. 147b. (1) The MPSERS retirement obligation reform reserve fund is created as a  
4 separate account within the state school aid fund.

5 (2) The state treasurer may receive money or other assets from any source for deposit  
6 into the MPSERS retirement obligation reform reserve fund. The state treasurer shall direct  
7 the investment of the MPSERS retirement obligation reform reserve fund. The state treasurer  
8 shall credit to the MPSERS retirement obligation reform reserve fund interest and earnings  
9 from the MPSERS retirement obligation reform reserve fund.

10 (3) Money available in the MPSERS retirement obligation reform reserve fund shall not  
11 be expended without a specific appropriation.

12 (4) Money in the MPSERS retirement obligation reform reserve fund at the close of the  
13 fiscal year shall remain in the MPSERS retirement obligation reform reserve fund and shall  
14 not lapse to the state school aid fund or to the general fund. The department of treasury  
15 shall be the administrator of the MPSERS retirement obligation reform reserve fund for  
16 auditing purposes.

17 **(5) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020, \$40,000,000.00 FROM THE STATE**  
18 **SCHOOL AID FUND SHALL BE DEPOSITED INTO THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE**  
19 **FUND.**

20 Sec. 147c. From the appropriation in section 11, there is allocated for ~~2018-2019~~  
21 **2019-2020** an amount not to exceed ~~\$1,032,000,000.00~~ **\$1,030,400,000.00** from the state school  
22 aid fund for payments to districts and intermediate districts that are participating  
23 entities of the Michigan public school employees' retirement system. In addition, from the  
24 general fund money appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-2020**  
25 an amount not to exceed ~~\$700,000.00~~ **\$500,000.00** for payments to district libraries that are  
26 participating entities of the Michigan public school employees' retirement system. All of  
27 the following apply to funding under this subsection:

28 (a) For ~~2018-2019~~, **2019-2020**, the amounts allocated under this subsection are  
29 estimated to provide an average MPSERS rate cap per pupil amount of ~~\$690.00~~ **\$693.00** and are  
30 estimated to provide a rate cap per pupil for districts ranging between \$4.00 and  
31 ~~\$3,000.00~~ **\$4,000.00**.

32 (b) Payments made under this subsection shall be equal to the difference between the



1 unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41  
2 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as  
3 calculated without taking into account the maximum employer rate of 20.96% included in  
4 section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,  
5 and the maximum employer rate of 20.96% included in section 41 of the public school  
6 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

7 (c) The amount allocated to each participating entity under this subsection shall be  
8 based on each participating entity's proportion of the total covered payroll for the  
9 immediately preceding fiscal year for the same type of participating entities. A  
10 participating entity that receives funds under this subsection shall use the funds solely  
11 for the purpose of retirement contributions as specified in subdivision (d).

12 (d) Each participating entity receiving funds under this subsection shall forward an  
13 amount equal to the amount allocated under subdivision (c) to the retirement system in a  
14 form, manner, and time frame determined by the retirement system.

15 ~~(e) Funds allocated under this subsection should be considered when comparing a~~  
16 ~~district's growth in total state aid funding from 1 fiscal year to the next.~~

17 **(E)** ~~(f)~~ Not later than December 20, ~~2018,~~ **2019**, the department shall publish and post  
18 on its website an estimated MPSERS rate cap per pupil for each district.

19 **(F)** ~~(g)~~ It is the intent of the legislature that any funds **FUNDS** allocated under this  
20 subsection ~~are~~ **SHALL** first **BE** applied to pension contributions, and if any funds remain  
21 after that payment, those remaining funds shall be applied to other postemployment benefit  
22 contributions.

23 **(G)** ~~(h)~~ 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) "MPSERS rate cap per pupil" means an amount equal to the quotient of the  
27 district's payment under this subsection divided by the district's pupils in membership.

28 (iii) "Participating entity" means a district, intermediate district, or district  
29 library that is a reporting unit of the Michigan public school employees' retirement system  
30 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
31 38.1437, and that reports employees to the Michigan public school employees' retirement  
32 system for the applicable fiscal year.

1 (iv) "Retirement board" means the board that administers the retirement system under  
2 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

3 (v) "Retirement system" means the Michigan public school employees' retirement system  
4 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
5 38.1437.

6 Sec. 147e. (1) From the appropriation in section 11, there is allocated for ~~2018-2019~~  
7 ~~an amount not to exceed \$31,900,000.00~~ **2019-2020 AN AMOUNT NOT TO EXCEED \$42,571,000.00**  
8 ~~from the MPSERS retirement obligation reform reserve fund and \$5,700,000.00 from the state~~  
9 ~~school aid fund~~ for payments to participating entities.

10 (2) The payment to each participating entity under this section shall be the sum of  
11 the amounts under this subsection as follows:

12 (a) An amount equal to the contributions made by a participating entity for the  
13 additional contribution made to a qualified participant's Tier 2 account in an amount equal  
14 to the contribution made by the qualified participant not to exceed 3% of the qualified  
15 participant's compensation as provided for under section 131(6) of the public school  
16 employees retirement act of 1979, 1980 PA 300, MCL 38.1431.

17 (b) Beginning October 1, 2017, an amount equal to the contributions made by a  
18 participating entity for a qualified participant who is only a Tier 2 qualified participant  
19 under section 81d of the public school employees retirement act of 1979, 1980 PA 300, MCL  
20 38.1381d, not to exceed 4%, and, beginning February 1, 2018, not to exceed 1%, of the  
21 qualified participant's compensation.

22 (c) An amount equal to the increase in employer normal cost contributions under  
23 section 41b(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL  
24 38.1341b, for a member that was hired after February 1, 2018 and chose to participate in  
25 Tier 1, compared to the employer normal cost contribution for a member under section 41b(1)  
26 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b.

27 (3) As used in this section:

28 (a) "Member" means that term as defined under the public school employees retirement  
29 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

30 (b) "Participating entity" means a district, intermediate district, or community  
31 college that is a reporting unit of the Michigan public school employees' retirement system  
32 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to

1 38.1437, and that reports employees to the Michigan public school employees' retirement  
2 system for the applicable fiscal year.

3 (c) "Qualified participant" means that term as defined under section 124 of the  
4 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.

5 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v  
6 State of Michigan, 486 Mich 468 (2010), from the state school aid fund money appropriated  
7 in section 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed  
8 \$38,000,500.00 to be used solely for the purpose of paying necessary costs related to the  
9 state-mandated collection, maintenance, and reporting of data to this state.

10 (2) From the allocation in subsection (1), the department shall make payments to  
11 districts and intermediate districts in an equal amount per-pupil based on the total number  
12 of pupils in membership in each district and intermediate district. The department shall  
13 not make any adjustment to these payments after the final installment payment under section  
14 17b is made.

15 Sec. 160. If a district or intermediate district requests the superintendent to grant  
16 a waiver for the district or intermediate district from the requirements of section 1284b  
17 of the revised school code, MCL 380.1284b, that district or intermediate district shall use  
18 a portion of its funding under this article to conduct a ~~joint~~ public hearing ~~with the~~  
19 ~~department~~ to be held before the waiver is granted at a location within the district or  
20 intermediate district.

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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, ~~2019-2020~~, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$408,215,500.00~~ **\$421,164,000.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$408,215,500.00~~ **\$421,164,000.00**.

1 (b) The sources of the adjusted gross appropriation described in subdivision (a) are  
2 as follows:

3 (i) Total federal revenues, \$0.00.

4 (ii) Total local revenues, \$0.00.

5 (iii) Total private revenues, \$0.00.

6 (iv) Total other state restricted revenues, ~~\$408,215,500.00~~ **\$408,215,500.00**.

7 (v) State general fund/general purpose money, ~~\$0.00~~ **\$12,948,500.00**.

8 (2) Subject to subsection (3), the amount appropriated for community college  
9 operations is ~~\$322,250,900.00~~ **\$331,918,400.00**, allocated as follows:

10 (a) The appropriation for Alpena Community College is ~~\$5,707,600.00~~ **\$5,857,300.00**,  
11 ~~\$5,665,900.00~~ **\$5,707,600.00** for operations and ~~\$41,700.00~~ **\$149,700.00** for performance  
12 funding.

13 (b) The appropriation for Bay de Noc Community College is ~~\$5,624,800.00~~  
14 **\$5,776,700.00**, ~~\$5,589,000.00~~ **\$5,624,800.00** for operations and ~~\$35,800.00~~ **\$151,900.00** for  
15 performance funding.

16 (c) The appropriation for Delta College is ~~\$15,104,300.00~~ **\$15,535,300.00**,  
17 ~~\$14,990,700.00~~ **\$15,104,300.00** for operations and ~~\$113,600.00~~ **\$431,000.00** for performance  
18 funding.

19 (d) The appropriation for Glen Oaks Community College is ~~\$2,620,000.00~~ **\$2,700,900.00**,  
20 ~~\$2,601,400.00~~ **\$2,620,000.00** for operations and ~~\$18,600.00~~ **\$80,900.00** for performance  
21 funding.

22 (e) The appropriation for Gogebic Community College is ~~\$4,844,300.00~~ **\$4,963,400.00**,  
23 ~~\$4,809,700.00~~ **\$4,844,300.00** for operations and ~~\$34,600.00~~ **\$119,100.00** for performance  
24 funding.

25 (f) The appropriation for Grand Rapids Community College is ~~\$18,709,300.00~~  
26 **\$19,330,000.00**, ~~\$18,556,800.00~~ **\$18,709,300.00** for operations and ~~\$152,500.00~~ **\$620,700.00**  
27 for performance funding.

28 (g) The appropriation for Henry Ford College is ~~\$22,463,600.00~~ **\$23,088,400.00**,  
29 ~~\$22,299,200.00~~ **\$22,463,600.00** for operations and ~~\$164,400.00~~ **\$624,800.00** for performance  
30 funding.

31 (h) The appropriation for Jackson College is ~~\$12,698,200.00~~ **\$13,019,900.00**,  
32 ~~\$12,617,200.00~~ **\$12,698,200.00** for operations and ~~\$81,000.00~~ **\$321,700.00** for performance

1 funding.

2 (i) The appropriation for Kalamazoo Valley Community College is ~~\$13,046,600.00~~  
3 **\$13,432,500.00**, ~~\$12,948,700.00~~ **\$13,046,600.00** for operations and ~~\$97,900.00~~ **\$385,900.00** for  
4 performance funding.

5 (j) The appropriation for Kellogg Community College is ~~\$10,214,400.00~~ **\$10,501,400.00**,  
6 ~~\$10,143,600.00~~ **\$10,214,400.00** for operations and ~~\$70,800.00~~ **\$287,000.00** for performance  
7 funding.

8 (k) The appropriation for Kirtland Community College is ~~\$3,321,600.00~~ **\$3,455,200.00**,  
9 ~~\$3,289,400.00~~ **\$3,321,600.00** for operations and ~~\$32,200.00~~ **\$133,600.00** for performance  
10 funding.

11 (l) The appropriation for Lake Michigan College is ~~\$5,672,100.00~~ **\$5,843,900.00**,  
12 ~~\$5,631,000.00~~ **\$5,672,100.00** for operations and ~~\$41,100.00~~ **\$171,800.00** for performance  
13 funding.

14 (m) The appropriation for Lansing Community College is ~~\$32,725,800.00~~ **\$33,560,800.00**,  
15 ~~\$32,515,500.00~~ **\$32,725,800.00** for operations and ~~\$210,300.00~~ **\$835,000.00** for performance  
16 funding.

17 (n) The appropriation for Macomb Community College is ~~\$34,124,000.00~~ **\$35,095,600.00**,  
18 ~~\$33,863,600.00~~ **\$34,124,000.00** for operations and ~~\$260,400.00~~ **\$971,600.00** for performance  
19 funding.

20 (o) The appropriation for Mid Michigan Community College is ~~\$5,112,400.00~~  
21 **\$5,290,200.00**, ~~\$5,068,300.00~~ **\$5,112,400.00** for operations and ~~\$44,100.00~~ **\$177,800.00** for  
22 performance funding.

23 (p) The appropriation for Monroe County Community College is ~~\$4,708,600.00~~  
24 **\$4,880,900.00**, ~~\$4,665,500.00~~ **\$4,708,600.00** for operations and ~~\$43,100.00~~ **\$172,300.00** for  
25 performance funding.

26 (q) The appropriation for Montcalm Community College is ~~\$3,542,900.00~~ **\$3,669,000.00**,  
27 ~~\$3,515,200.00~~ **\$3,542,900.00** for operations and ~~\$27,700.00~~ **\$126,100.00** for performance  
28 funding.

29 (r) The appropriation for C.S. Mott Community College is ~~\$16,381,600.00~~  
30 **\$16,848,400.00**, ~~\$16,258,100.00~~ **\$16,381,600.00** for operations and ~~\$123,500.00~~ **\$466,800.00**  
31 for performance funding.

32 (s) The appropriation for Muskegon Community College is ~~\$9,264,700.00~~ **\$9,514,200.00**,

1 ~~\$9,203,000.00~~ **\$9,264,700.00** for operations and ~~\$61,700.00~~ **\$249,500.00** for performance  
2 funding.

3 (t) The appropriation for North Central Michigan College is ~~\$3,402,600.00~~  
4 **\$3,523,600.00**, ~~\$3,368,400.00~~ **\$3,402,600.00** for operations and ~~\$34,200.00~~ **\$121,000.00** for  
5 performance funding.

6 (u) The appropriation for Northwestern Michigan College is ~~\$9,625,400.00~~  
7 **\$9,895,600.00**, ~~\$9,559,700.00~~ **\$9,625,400.00** for operations and ~~\$65,700.00~~ **\$270,200.00** for  
8 performance funding.

9 (v) The appropriation for Oakland Community College is ~~\$22,093,000.00~~ **\$22,851,200.00**,  
10 ~~\$21,905,700.00~~ **\$22,093,000.00** for operations and ~~\$187,300.00~~ **\$758,200.00** for performance  
11 funding.

12 (w) The appropriation for Schoolcraft College is ~~\$13,112,900.00~~ **\$13,590,200.00**,  
13 ~~\$12,991,300.00~~ **\$13,112,900.00** for operations and ~~\$121,600.00~~ **\$477,300.00** for performance  
14 funding.

15 (x) The appropriation for Southwestern Michigan College is ~~\$6,946,900.00~~  
16 **\$7,129,900.00**, ~~\$6,903,300.00~~ **\$6,946,900.00** for operations and ~~\$43,600.00~~ **\$183,000.00** for  
17 performance funding.

18 (y) The appropriation for St. Clair County Community College is ~~\$7,358,700.00~~  
19 **\$7,580,300.00**, ~~\$7,300,100.00~~ **\$7,358,700.00** for operations and ~~\$58,600.00~~ **\$221,600.00** for  
20 performance funding.

21 (z) The appropriation for Washtenaw Community College is ~~\$13,764,000.00~~  
22 **\$14,285,900.00**, ~~\$13,631,400.00~~ **\$13,764,000.00** for operations and ~~\$132,600.00~~ **\$521,900.00**  
23 for performance funding.

24 (aa) The appropriation for Wayne County Community College is ~~\$17,487,200.00~~  
25 **\$18,035,900.00**, ~~\$17,338,300.00~~ **\$17,487,200.00** for operations and ~~\$148,900.00~~ **\$548,700.00**  
26 for performance funding.

27 (bb) The appropriation for West Shore Community College is ~~\$2,573,400.00~~  
28 **\$2,661,800.00**, ~~\$2,556,300.00~~ **\$2,573,400.00** for operations and ~~\$17,100.00~~ **\$88,400.00** for  
29 performance funding.

30 (3) The amount appropriated in subsection (2) for community college operations is  
31 ~~\$322,250,900.00~~ **\$331,918,400.00** and is appropriated from the ~~state school aid fund.~~

32 **FOLLOWING:**

1 (A) STATE SCHOOL AID FUND, \$322,250,900.00.

2 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$9,667,500.00.

3 (4) From the appropriations described in subsection (1), both of the following apply:

4 (a) Subject to section 207a, the amount appropriated for fiscal year ~~2018-2019-2019-~~  
5 ~~2020~~ to offset certain fiscal year ~~2018-2019-2019-~~  
6 ~~2020~~ retirement contributions is \$1,733,600.00, appropriated from the state school aid fund.

7 (b) For fiscal year ~~2018-2019-2019-~~  
8 ~~2020~~, ~~only~~, there is allocated an amount not to  
9 exceed ~~\$6,431,000.00-~~**\$12,212,000.00** for payments to participating community colleges,  
10 appropriated from the ~~state school aid fund~~ **FOLLOWING:**

11 (I) STATE SCHOOL AID FUND, \$8,931,000.00.

12 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$3,281,000.00.

13 (C) A community college that receives money under this subdivision shall use that  
14 money solely for the purpose of offsetting the normal cost contribution rate.

15 (5) From the appropriations described in subsection (1), subject to section 207b, the  
16 amount appropriated for payments to community colleges that are participating entities of  
17 the retirement system is ~~\$75,300,000.00-~~**\$73,100,000.00**, appropriated from the state school  
18 aid fund.

19 (6) From the appropriations described in subsection (1), subject to section 207c, the  
20 amount appropriated for renaissance zone tax reimbursements is ~~\$2,500,000.00-~~**\$2,200,000.00**,  
21 appropriated from the state school aid fund.

22 Sec. 206. (1) The funds appropriated in section 201 are appropriated for community  
23 colleges with fiscal years ending June 30, ~~2019-2020~~ and shall be paid out of the state  
24 treasury and distributed by the state treasurer to the respective community colleges in 11  
25 monthly installments on the sixteenth of each month, or the next succeeding business day,  
26 beginning with October 16, ~~2018-2019~~. Each community college shall accrue its July and  
27 August ~~2019-2020~~ payments to its institutional fiscal year ending June 30, ~~2019-2020~~.

28 (2) If the state budget director determines that a community college failed to submit  
29 any of the information described in subdivisions (a) to (f) in the form and manner  
30 specified by the center, the state treasurer shall, ~~subject to subdivision (g),~~ withhold  
31 the monthly installments from that community college until those data are submitted:

32 (a) The Michigan community colleges verified data inventory data for the preceding  
academic year to the center by **THE FIRST BUSINESS DAY OF** November ~~1-~~ of each year as



1 specified in section 217.

2 (b) The college credit opportunity data set as specified in section 209.

3 (c) The longitudinal data set for the preceding academic year to the center as  
4 specified in section 219.

5 (d) The annual independent audit as specified in section 222.

6 (e) Tuition and mandatory fees information for the current academic year as specified  
7 in section 225.

8 (f) The number and type of associate degrees and other certificates awarded during  
9 the previous academic year as specified in section 226.

10 ~~(g) The state budget director shall notify the chairs of the house and senate~~  
11 ~~appropriations subcommittees on community colleges at least 10 days before withholding~~  
12 ~~funds from any community college.~~

13 Sec. 207a. All of the following apply to the allocation of the fiscal year ~~2018-2019~~  
14 **2019-2020** appropriations described in section 201(4):

15 (a) A community college that receives money under section 201(4) shall use that money  
16 solely for the purpose of offsetting a portion of the retirement contributions owed by the  
17 college for that fiscal year.

18 (b) The amount allocated to each participating community college under section 201(4)  
19 shall be based on each college's percentage of the total covered payroll for all community  
20 colleges that are participating colleges in the immediately preceding fiscal year.

21 Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2018-2019~~  
22 **2019-2020** appropriations described in section 201(5) for payments to community colleges  
23 that are participating entities of the retirement system:

24 (a) The amount of a payment under section 201(5) shall be the difference between the  
25 unfunded actuarial accrued liability contribution rate as calculated under section 41 of  
26 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated  
27 without taking into account the maximum employer rate of 20.96% included in section 41 of  
28 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the  
29 maximum employer rate of 20.96% under section 41 of the public school employees retirement  
30 act of 1979, 1980 PA 300, MCL 38.1341.

31 (b) The amount allocated to each community college under section 201(5) shall be  
32 based on each community college's percentage of the total covered payroll for all community

1 colleges that are participating colleges in the immediately preceding fiscal year. A  
2 community college that receives funds under this subdivision shall use the funds solely for  
3 the purpose of retirement contributions under section 201(5).

4 (c) Each participating college that receives funds under section 201(5) shall forward  
5 an amount equal to the amount allocated under subdivision (b) to the retirement system in a  
6 form and manner determined by the retirement system.

7 Sec. 207c. All of the following apply to the allocation of the appropriations  
8 described in section 201(6) to community colleges described in section 12(3) of the  
9 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

10 (a) The amount allocated to each community college under section 201(6) for fiscal  
11 year ~~2018-2019~~ **2019-2020** shall be based on that community college's proportion of total  
12 revenue lost by community colleges as a result of the exemption of property taxes levied in  
13 ~~2018-2019~~ under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

14 (b) The appropriations described in section 201(6) shall be made to each eligible  
15 community college within 60 days after the department of treasury certifies to the state  
16 budget director that it has received all necessary information to properly determine the  
17 amounts payable to each eligible community college under section 12 of the Michigan  
18 renaissance zone act, 1996 PA 376, MCL 125.2692.

19 Sec. 209. (1) Within 30 days after the board of a community college adopts its annual  
20 operating budget for the following fiscal year, or after the board adopts a subsequent  
21 revision to that budget, the community college shall make all of the following available  
22 through a link on its website homepage:

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

24 (b) A link to the most recent "Michigan Community College Data Inventory Report".

25 (c) General fund revenue and expenditure projections for the current fiscal year and  
26 the next fiscal year.

27 (d) A listing of all debt service obligations, detailed by project, anticipated  
28 payment of each project, and total outstanding debt for the current fiscal year.

29 (e) Links to all of the following for the community college:

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

31 (ii) Each health care benefits plan, including, but not limited to, medical, dental,  
32 vision, disability, long-term care, or any other type of benefits that would constitute

1 health care services, offered to any bargaining unit or employee of the community college.

2 (iii) Audits and financial reports for the most recent fiscal year for which they are  
3 available.

4 (iv) A copy of the board of trustees resolution regarding compliance with best  
5 practices for the local strategic value component described in section 230(2).

6 (2) For statewide consistency and public visibility, community colleges must 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 ~~(3) The state budget director shall determine whether a community college has~~  
12 ~~complied with this section. The state budget director may withhold a community college's~~  
13 ~~monthly installments described in section 206 until the community college complies with~~  
14 ~~this section. The state budget director shall notify the chairs of the house and senate~~  
15 ~~appropriations subcommittee on community colleges at least 10 days before withholding funds~~  
16 ~~from any community college.~~

17 (3) ~~(4)~~ Each community college shall report the following information to the senate  
18 and house appropriations subcommittees on community colleges, the senate and house fiscal  
19 agencies, and the state budget office by November 15 of each fiscal year and post that  
20 information on its website as required under subsection (1):

- 21 (a) Budgeted current fiscal year general fund revenue from tuition and fees.
- 22 (b) Budgeted current fiscal year general fund revenue from state appropriations.
- 23 (c) Budgeted current fiscal year general fund revenue from property taxes.
- 24 (d) Budgeted current fiscal year total general fund revenue.
- 25 (e) Budgeted current fiscal year total general fund expenditures.

26 (4) ~~(5)~~ By **THE FIRST BUSINESS DAY OF** November 15 of each year, a community college  
27 shall report the following information to the center and post the information on its  
28 website under the budget transparency icon badge:

- 29 (a) Opportunities for earning college credit through the following programs:
  - 30 (i) State approved career and technical education or a tech prep articulated program
  - 31 of study.
  - 32 (ii) Direct college credit or concurrent enrollment.

1 (iii) Dual enrollment.

2 (iv) An early college/middle college program.

3 (b) For each program described in subdivision (a) that the community college offers,  
4 all of the following information:

5 (i) The number of high school students participating in the program.

6 (ii) The number of school districts that participate in the program with the  
7 community college.

8 (iii) Whether a college professor, qualified local school district employee, or other  
9 individual teaches the course or courses in the program.

10 (iv) The total cost to the community college to operate the program.

11 (v) The cost per credit hour for the course or courses in the program.

12 (vi) The location where the course or courses in the program are held.

13 (vii) Instructional resources offered to the program instructors.

14 (viii) Resources offered to the student in the program.

15 (ix) Transportation services provided to students in the program.

16 Sec. 209a. (1) A public community college shall develop, maintain, and update a  
17 "campus safety information and resources" link, prominently displayed on the homepage of  
18 its website, to a section of its website containing all of the information required under  
19 subsection (2).

20 (2) The "campus safety information and resources" section of a public community  
21 college's website shall include, but not be limited to, all of the following information:

22 (a) Emergency contact numbers for police, fire, health, and other services.

23 (b) Hours, locations, phone numbers, and electronic mail contacts for campus public  
24 safety offices and title IX offices.

25 (c) A list of safety and security services provided by the community college,  
26 including transportation, escort services, building surveillance, anonymous tip lines, and  
27 other available security services.

28 (d) A public community college's policies applicable to minors on community college  
29 property.

30 (e) A directory of resources available at the community college or surrounding  
31 community for students or employees who are survivors of sexual assault or sexual abuse.

32 (f) An electronic copy of "A Resource Handbook for Campus Sexual Assault Survivors,

1 Friends and Family", published in 2018 by the office of the governor in conjunction with  
2 the first lady of Michigan.

3 (g) Campus security policies and crime statistics pursuant to the student right-to-  
4 know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall include  
5 all material prepared pursuant to the public information reporting requirements under the  
6 crime awareness and campus security act of 1990, title II of the student right-to-know and  
7 campus security act, Public Law 101-542, 104 Stat 2381.

8 (3) A community college shall certify to the state budget director by August 31, ~~2018~~  
9 **2019** that it is in compliance with this section. The state budget director may withhold a  
10 public community college's monthly installments described in section 206 until the public  
11 community college complies with this section.

12 Sec. 210b. By March 1, ~~2019~~**2020**, the Michigan Community College Association and the  
13 Michigan Association of State Universities shall submit a report to the senate and house  
14 appropriations subcommittees on community colleges, the senate and house fiscal agencies,  
15 and the state budget director on the activities and programs of the transfer steering  
16 committee since the March 1, ~~2018~~**2019** report required under this section, including all of  
17 the following:

18 (a) The alignment of learning outcomes in gateway mathematics courses in the  
19 quantitative reasoning, college algebra, and statistics pathways and the transferability of  
20 mathematics gateway courses between and among community colleges and universities.

21 (b) The development of program-specific, statewide transfer pathways that meet  
22 program requirements for both associate and bachelor's degree programs.

23 (c) The development of an enhanced online communication tool to share information  
24 about postsecondary options in Michigan, course equivalencies, and transfer pathways that  
25 are clearly articulated.

26 (d) The establishment of clear timelines for developing and implementing transfer  
27 pathways.

28 (e) A progress report on the implementation of the Michigan transfer agreement.

29 Sec. 217. (1) The center shall do all of the following:

30 (a) Establish, maintain, and coordinate the state community college database commonly  
31 known as the "Michigan Community College Data Inventory".

32 (b) Collect data concerning community colleges and community college programs in this

1 state, including data required by law.

2 (c) Establish procedures to ensure the validity and reliability of the data and the  
3 collection process.

4 (d) Develop model data collection policies, including, but not limited to, policies  
5 that ensure the privacy of any individual student data. Privacy policies shall ensure that  
6 student social security numbers are not released to the public for any purpose.

7 (e) Provide data in a useful manner to allow state policymakers and community college  
8 officials to make informed policy decisions.

9 (f) Work with the talent investment agency in the department of talent and economic  
10 development to compile and publish electronically the demographic enrollment profile.

11 (2) There is created within the center the Michigan Community College Data Inventory  
12 advisory committee. The committee shall provide advice to the director of the center  
13 regarding the management of the state community college database, including, but not  
14 limited to:

15 (a) Determining what data are necessary to collect and maintain to enable state and  
16 community college officials to make informed policy decisions.

17 (b) Defining the roles of all stakeholders in the data collection system.

18 (c) Recommending timelines for the implementation and ongoing collection of data.

19 (d) Establishing and maintaining data definitions, data transmission protocols, and  
20 system specifications and procedures for the efficient and accurate transmission and  
21 collection of data.

22 (e) Establishing and maintaining a process for ensuring the accuracy of the data.

23 (f) Establishing and maintaining policies related to data collection, including, but  
24 not limited to, privacy policies related to individual student data.

25 (g) Ensuring that the data are made available to state policymakers and citizens of  
26 this state in the most useful format possible.

27 (h) Addressing other matters as determined by the director of the center or as  
28 required by law.

29 (3) The Michigan Community College Data Inventory advisory committee created in  
30 subsection (2) shall consist of the following members:

31 (a) One representative from the house fiscal agency, appointed by the director of the  
32 house fiscal agency.

1 (b) One representative from the senate fiscal agency, appointed by the director of  
2 the senate fiscal agency.

3 (c) One representative from the workforce development agency, appointed by the  
4 director of the workforce development agency.

5 (d) One representative from the center, appointed by the director of the center.

6 (e) One representative from the state budget office, appointed by the state budget  
7 director.

8 (f) One representative from the governor's policy office, appointed by that office.

9 (g) Four representatives of the Michigan Community College Association, appointed by  
10 the president of the association. ~~From the groupings of community colleges given in the~~  
11 ~~Michigan Community College Data Inventory database described in subsection (1), the~~  
12 ~~association shall appoint 1 representative each from group 1, group 2, and group 3, and 1~~  
13 ~~representative from either group 3 or 4.~~

14 Sec. 225. Each community college shall report to the center by **THE LAST BUSINESS DAY**  
15 **OF** August ~~31~~ of each year the tuition and mandatory fees paid by a full-time in-district  
16 student and a full-time out-of-district student as established by the college governing  
17 board for the current academic year. ~~This report should also include the annual cost of~~  
18 ~~tuition and fees based on a full-time course load of 30 credits.~~ This report must also  
19 specify the amount that tuition and fees have increased for each institution from the prior  
20 academic year. Each community college shall also report any revisions to the reported  
21 current academic year tuition and mandatory fees adopted by the college governing board to  
22 the center within 15 days of being adopted. The center shall provide this information and  
23 any revisions to the house and senate fiscal agencies and the state budget director.

24 Sec. 229a. Included in the fiscal year ~~2018-2019~~ **2019-2020** appropriations for the  
25 department of technology, management, and budget are appropriations totaling ~~\$36,378,100.00~~  
26 **\$34,181,600.00** to provide funding for the state share of costs for previously constructed  
27 capital projects for community colleges. Those appropriations for state building authority  
28 rent represent additional state general fund support for community colleges, and the  
29 following is an estimate of the amount of that support to each community college:

30 (a) Alpena Community College, ~~\$876,300.00~~ **\$702,500.00.**

31 (b) Bay de Noc Community College, ~~\$677,000.00~~ **\$679,000.00.**

32 (c) Delta College, ~~\$3,798,700.00~~ **\$3,905,300.00.**

- 1 (d) Glen Oaks Community College, ~~\$123,000.00~~ **\$123,400.00**.
- 2 (e) Gogebic Community College, ~~\$56,000.00~~ **\$56,200.00**.
- 3 (f) Grand Rapids Community College, ~~\$2,536,500.00~~ **\$2,208,700.00**.
- 4 (g) Henry Ford College, ~~\$1,028,000.00~~ **\$1,031,000.00**.
- 5 (h) Jackson College, ~~\$2,164,000.00~~ **\$2,170,400.00**.
- 6 (i) Kalamazoo Valley Community College, ~~\$1,942,000.00~~ **\$1,947,700.00**.
- 7 (j) Kellogg Community College, ~~\$681,300.00~~ **\$715,300.00**.
- 8 (k) Kirtland Community College, ~~\$591,800.00~~ **\$639,100.00**.
- 9 (l) Lake Michigan College, ~~\$975,800.00~~ **\$532,300.00**.
- 10 (m) Lansing Community College, ~~\$1,141,000.00~~ **\$1,144,300.00**.
- 11 (n) Macomb Community College, ~~\$1,649,000.00~~ **\$1,653,900.00**.
- 12 (o) Mid Michigan Community College, ~~\$1,615,000.00~~ **\$1,619,700.00**.
- 13 (p) Monroe County Community College, ~~\$1,544,300.00~~ **\$1,604,900.00**.
- 14 (q) Montcalm Community College, ~~\$971,000.00~~ **\$973,900.00**.
- 15 (r) C.S. Mott Community College, ~~\$2,107,200.00~~ **\$1,808,300.00**.
- 16 (s) Muskegon Community College, ~~\$989,000.00~~ **\$1,076,800.00**.
- 17 (t) North Central Michigan College, ~~\$668,000.00~~ **\$490,900.00**.
- 18 (u) Northwestern Michigan College, ~~\$1,844,900.00~~ **\$1,471,300.00**.
- 19 (v) Oakland Community College, ~~\$465,000.00~~ **\$466,400.00**.
- 20 (w) Schoolcraft College, ~~\$2,296,000.00~~ **\$1,550,600.00**.
- 21 (x) Southwestern Michigan College, ~~\$887,500.00~~ **\$890,100.00**.
- 22 (y) St. Clair County Community College, ~~\$723,500.00~~ **\$799,300.00**.
- 23 (z) Washtenaw Community College, ~~\$1,826,000.00~~ **\$1,680,900.00**.
- 24 (aa) Wayne County Community College, ~~\$1,462,000.00~~ **\$1,466,300.00**.
- 25 (bb) West Shore Community College, ~~\$738,300.00~~ **\$773,100.00**.

26 Sec. 230. (1) Money included in the appropriations for community college operations  
 27 under section 201(2) in fiscal year ~~2018-2019~~ **2019-2020** for performance funding is  
 28 distributed based on the following formula:

29 (a) Allocated proportionate to fiscal year ~~2017-2018~~ **2018-2019** base appropriations,  
 30 30%.

31 (b) Based on a weighted student contact hour formula as provided for in the 2016  
 32 recommendations of the performance indicators task force, 30%.



1 (c) Based on the performance improvement as provided for in the 2016 recommendations  
2 of the performance indicators task force, 10%.

3 (d) Based on the performance completion number as provided for in the 2016  
4 recommendations of the performance indicators task force, 10%.

5 (e) Based on the performance completion rate as provided for in the 2016  
6 recommendations of the performance indicators task force, 10%.

7 (f) Based on administrative costs, 5%.

8 (g) Based on the local strategic value component, as developed in cooperation with  
9 the Michigan Community College Association and described in subsection (2), 5%.

10 (2) Money included in the appropriations for community college operations under  
11 section 201(2) for local strategic value shall be allocated to each community college that  
12 certifies to the state budget director, through a board of trustees resolution on or before  
13 October 15, ~~2018-2019~~, that the college has met 4 out of 5 best practices listed in each  
14 category described in subsection (3). The resolution shall provide specifics as to how the  
15 community college meets each best practice measure within each category. One-third of  
16 funding available under the strategic value component shall be allocated to each category  
17 described in subsection (3). Amounts distributed under local strategic value shall be on a  
18 proportionate basis to each college's fiscal year ~~2017-2018-2018-2019~~ operations funding.  
19 Payments to community colleges that qualify for local strategic value funding shall be  
20 distributed with the November installment payment described in section 206.

21 (3) For purposes of subsection (2), the following categories of best practices  
22 reflect functional activities of community colleges that have strategic value to the local  
23 communities and regional economies:

24 (a) For Category A, economic development and business or industry partnerships, the  
25 following:

26 (i) The community college has active partnerships with local employers including  
27 hospitals and health care providers.

28 (ii) The community college provides customized on-site training for area companies,  
29 employees, or both.

30 (iii) The community college supports entrepreneurship through a small business  
31 assistance center or other training or consulting activities targeted toward small  
32 businesses.

1           (iv) The community college supports technological advancement through industry  
2 partnerships, incubation activities, or operation of a Michigan technical education center  
3 or other advanced technology center.

4           (v) The community college has active partnerships with local or regional workforce  
5 and economic development agencies.

6           (b) For Category B, educational partnerships, the following:

7           (i) The community college has active partnerships with regional high schools,  
8 intermediate school districts, and career-tech centers to provide instruction through dual  
9 enrollment, concurrent enrollment, direct credit, middle college, or academy programs.

10          (ii) The community college hosts, sponsors, or participates in enrichment programs  
11 for area K-12 students, such as college days, summer or after-school programming, or  
12 Science Olympiad.

13          (iii) The community college provides, supports, or participates in programming to  
14 promote successful transitions to college for traditional age students, including grant  
15 programs such as talent search, upward bound, or other activities to promote college  
16 readiness in area high schools and community centers.

17          (iv) The community college provides, supports, or participates in programming to  
18 promote successful transitions to college for new or reentering adult students, such as  
19 adult basic education, a high school equivalency test preparation program and testing, or  
20 recruiting, advising, or orientation activities specific to adults. As used in this  
21 subparagraph, "high school equivalency test preparation program" means that term as defined  
22 in section 4.

23          (v) The community college has active partnerships with regional 4-year colleges and  
24 universities to promote successful transfer, such as articulation, 2+2, or reverse transfer  
25 agreements or operation of a university center.

26          (c) For Category C, community services, the following:

27          (i) The community college provides continuing education programming for leisure,  
28 wellness, personal enrichment, or professional development.

29          (ii) The community college operates or sponsors opportunities for community members  
30 to engage in activities that promote leisure, wellness, cultural or personal enrichment  
31 such as community sports teams, theater or musical ensembles, or artist guilds.

32          (iii) The community college operates public facilities to promote cultural,

1 educational, or personal enrichment for community members, such as libraries, computer  
2 labs, performing arts centers, museums, art galleries, or television or radio stations.

3 (iv) The community college operates public facilities to promote leisure or wellness  
4 activities for community members, including gymnasiums, athletic fields, tennis courts,  
5 fitness centers, hiking or biking trails, or natural areas.

6 (v) The community college promotes, sponsors, or hosts community service activities  
7 for students, staff, or community members.

8 (4) Payments for performance funding under section 201(2) shall be made to a  
9 community college only if that community college actively participates in the Michigan  
10 Transfer Network sponsored by the Michigan Association of Collegiate Registrars and  
11 Admissions Officers and submits timely updates, including updated course equivalencies at  
12 least every 6 months, to the Michigan transfer network. The state budget director shall  
13 determine if a community college has not satisfied this requirement. The state budget  
14 director may withhold payments for performance funding until a community college is in  
15 compliance with this section.

16 **SEC. 231. (1) PAYMENTS UNDER SECTION 230 FOR PERFORMANCE FUNDING FOR FISCAL YEARS**  
17 **2019-2020 SHALL ONLY BE MADE TO A PUBLIC COMMUNITY COLLEGE THAT CERTIFIES TO THE STATE**  
18 **BUDGET DIRECTOR BY AUGUST 31, 2019 THAT ITS BOARD WILL NOT ADOPT AN INCREASE IN TUITION AND**  
19 **FEE RATES FOR RESIDENT STUDENTS FOR THE 2019-2020 ACADEMIC YEAR THAT IS GREATER THAN 3.2%,**  
20 **OR \$128, WHICHEVER IS GREATER. AS USED IN THIS SUBSECTION:**

21 (A) "FEE" MEANS ANY BOARD-AUTHORIZED FEE THAT WILL BE PAID BY MORE THAN 1/2 OF ALL  
22 RESIDENT STUDENTS AT LEAST ONCE DURING THEIR ENROLLMENT AT A PUBLIC COMMUNITY COLLEGE. A  
23 COMMUNITY COLLEGE INCREASING A FEE THAT APPLIES TO A SPECIFIC SUBSET OF STUDENTS OR COURSES  
24 SHALL PROVIDE SUFFICIENT INFORMATION TO PROVE THAT THE INCREASE APPLIED TO THAT SUBSET WILL  
25 NOT CAUSE THE INCREASE IN THE AVERAGE AMOUNT OF BOARD-AUTHORIZED TOTAL TUITION AND FEES  
26 PAID BY RESIDENT STUDENTS IN THE 2019-2020 ACADEMIC YEAR TO EXCEED THE LIMIT ESTABLISHED IN  
27 THIS SUBSECTION.

28 (B) "TUITION AND FEE RATE" MEANS THE AVERAGE OF FULL-TIME RATES PAID BY A MAJORITY OF  
29 STUDENTS IN EACH UNDERGRADUATE CLASS, BASED ON AN UNWEIGHTED AVERAGE OF THE RATES  
30 AUTHORIZED BY THE COMMUNITY COLLEGE BOARD AND ACTUALLY CHARGED TO STUDENTS, DEDUCTING ANY  
31 UNIFORMLY REBATED OR REFUNDED AMOUNTS, FOR THE 2 SEMESTERS WITH THE HIGHEST LEVELS OF FULL-  
32 TIME EQUATED RESIDENT ENROLLMENT DURING THE ACADEMIC YEAR.

1           (2) THE STATE BUDGET DIRECTOR SHALL IMPLEMENT UNIFORM REPORTING REQUIREMENTS TO  
2 ENSURE THAT A PUBLIC COMMUNITY COLLEGE RECEIVING A PAYMENT UNDER SECTION 230 FOR  
3 PERFORMANCE FUNDING HAS SATISFIED THE TUITION RESTRAINT REQUIREMENTS OF THIS SUBSECTION.  
4 THE STATE BUDGET DIRECTOR SHALL HAVE THE SOLE AUTHORITY TO DETERMINE IF A PUBLIC COMMUNITY  
5 COLLEGE HAS MET THE REQUIREMENTS OF THIS SUBSECTION. INFORMATION REPORTED BY A PUBLIC  
6 COMMUNITY COLLEGE TO THE STATE BUDGET DIRECTOR UNDER THIS SUBSECTION SHALL ALSO BE REPORTED  
7 TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES AND THE HOUSE  
8 AND SENATE FISCAL AGENCIES.

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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, ~~2019-2020~~, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,669,732,600.00~~ **\$1,711,321,800.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,669,732,600.00~~ **\$1,711,321,800.00**.

1 (b) The sources of the adjusted gross appropriation described in subdivision (a) are  
2 as follows:

3 (i) Total federal revenues, \$123,526,400.00.

4 (ii) Total local revenues, \$0.00.

5 (iii) Total private revenues, \$0.00.

6 (iv) Total other state restricted revenues, ~~\$500,188,300.00~~ **\$0.00**.

7 (v) State general fund/general purpose money, ~~\$1,046,017,900.00~~ **\$1,587,795,400.00**.

8 (2) Amounts appropriated for public universities are as follows:

9 (a) The appropriation for Central Michigan University is ~~\$87,415,000.00~~  
10 **\$90,037,500.00**, ~~\$85,654,400.00~~ **\$87,415,000.00** for operations and ~~\$1,760,600.00~~  
11 **\$2,622,500.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**.

12 (b) The appropriation for Eastern Michigan University is ~~\$76,979,300.00~~  
13 **\$79,288,700.00**, ~~\$75,169,900.00~~ **\$76,979,300.00** for operations and ~~\$1,809,400.00~~  
14 **\$2,309,400.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**.

15 (c) The appropriation for Ferris State University is ~~\$54,950,700.00~~ **\$56,599,200.00**,  
16 ~~\$53,595,500.00~~ **\$54,950,700.00** for operations and ~~\$1,355,200.00~~ **\$1,648,500.00** for  
17 ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**.

18 (d) The appropriation for Grand Valley State University is ~~\$72,056,600.00~~  
19 **\$74,218,300.00**, ~~\$70,100,100.00~~ **\$72,056,600.00** for operations and ~~\$1,956,500.00~~  
20 **\$2,161,700.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**.

21 (e) The appropriation for Lake Superior State University is ~~\$13,987,000.00~~  
22 **\$14,406,600.00**, ~~\$13,775,000.00~~ **\$13,987,000.00** for operations and ~~\$212,000.00~~ **\$419,600.00**  
23 for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**.

24 (f) The appropriation for Michigan State University is ~~\$350,703,300.00~~  
25 **\$361,224,300.00**, ~~\$281,239,100.00~~ **\$286,274,200.00** for operations, ~~\$5,035,100.00~~  
26 **\$8,588,200.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**, ~~\$34,591,400.00~~  
27 **\$35,629,100.00** for MSU AgBioResearch, and ~~\$29,837,700.00~~ **\$30,732,800.00** for MSU Extension.

28 (g) The appropriation for Michigan Technological University is ~~\$49,949,600.00~~  
29 **\$51,448,100.00**, ~~\$49,052,200.00~~ **\$49,949,600.00** for operations and ~~\$897,400.00~~ **\$1,498,500.00**  
30 for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**.

31 (h) The appropriation for Northern Michigan University is ~~\$47,998,400.00~~  
32 **\$49,438,400.00**, ~~\$47,137,400.00~~ **\$47,998,400.00** for operations and ~~\$861,000.00~~ **\$1,440,000.00**

1 for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

2 (i) The appropriation for Oakland University is ~~\$52,819,200.00~~ **\$54,403,800.00,**  
3 ~~\$51,235,900.00~~ **\$52,819,200.00** for operations and ~~\$1,583,300.00~~ **\$1,584,600.00** for  
4 ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

5 (j) The appropriation for Saginaw Valley State University is ~~\$30,528,000.00~~  
6 **\$31,443,800.00,** ~~\$29,766,100.00~~ **\$30,528,000.00** for operations and ~~\$761,900.00~~ **\$915,800.00**  
7 for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

8 (k) The appropriation for University of Michigan - Ann Arbor is ~~\$320,782,400.00~~  
9 **\$330,405,800.00,** ~~\$314,589,100.00~~ **\$320,782,400.00** for operations and ~~\$6,193,300.00~~  
10 **\$9,623,400.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

11 (l) The appropriation for University of Michigan - Dearborn is ~~\$26,071,800.00~~  
12 **\$26,854,000.00,** ~~\$25,421,900.00~~ **\$26,071,800.00** for operations and ~~\$649,900.00~~ **\$782,200.00**  
13 for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

14 (m) The appropriation for University of Michigan - Flint is ~~\$23,585,400.00~~  
15 **\$24,293,000.00,** ~~\$23,061,800.00~~ **\$23,585,400.00** for operations and ~~\$523,600.00~~ **\$707,600.00**  
16 for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

17 (n) The appropriation for Wayne State University is ~~\$202,363,200.00~~ **\$208,434,100.00,**  
18 ~~\$199,169,800.00~~ **\$202,363,200.00** for operations and ~~\$3,193,400.00~~ **\$6,070,900.00** for  
19 ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

20 (o) The appropriation for Western Michigan University is ~~\$111,151,000.00~~  
21 **\$114,485,500.00,** ~~\$109,376,800.00~~ **\$111,151,000.00** for operations and ~~\$1,774,200.00~~  
22 **\$3,334,500.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

23 (3) The amount appropriated in subsection (2) for public universities is  
24 **\$1,566,981,100.00,** appropriated from the ~~following:~~ **STATE GENERAL FUND/GENERAL PURPOSE**  
25 **MONEY.**

26 ~~(a) State school aid fund, \$494,286,300.00.~~

27 ~~(b) State general fund/general purpose money, \$1,027,054,600.00.~~

28 (4) The amount appropriated for Michigan public school employees' retirement system  
29 reimbursement is ~~\$5,133,000.00~~ **\$5,017,000.00,** appropriated from the state ~~school aid fund~~  
30 **GENERAL FUND/GENERAL PURPOSE MONEY.**

31 (5) The amount appropriated for state and regional programs is \$315,000.00,  
32 appropriated from general fund/general purpose money and allocated as follows:

1 (a) Higher education database modernization and conversion, \$200,000.00.

2 (b) Midwestern Higher Education Compact, \$115,000.00.

3 (6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa

4 Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and

5 allocated as follows:

6 (a) Select student support services, \$1,956,100.00.

7 (b) Michigan college/university partnership program, \$586,800.00.

8 (c) Morris Hood, Jr. educator development program, \$148,600.00.

9 (7) Subject to subsection (8), the amount appropriated for grants and financial aid

10 is ~~\$139,583,200.00~~, **\$135,083,200.00**, allocated as follows:

11 (a) State competitive scholarships, \$32,361,700.00.

12 (b) Tuition grants, \$38,021,500.00.

13 (c) Tuition incentive program, ~~\$64,300,000.00~~ **\$59,800,000.00**.

14 (d) Children of veterans and officer's survivor tuition grant programs,

15 \$1,400,000.00.

16 (e) Project GEAR-UP, \$3,200,000.00.

17 (f) North American Indian tuition waiver, \$300,000.00.

18 (8) The money appropriated in subsection (7) for grants and financial aid is

19 appropriated from the following:

20 (a) Federal revenues under the United States Department of Education, Office of

21 Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

22 (b) Federal revenues under the social security act, temporary assistance for needy

23 families, \$120,326,400.00.

24 ~~(c) Contributions to children of veterans tuition grant program, \$100,000.00.~~

25 **(C) (d) State general fund/general purpose money, \$15,956,800.00 \$11,556,800.00.**

26 (9) For fiscal year ~~2018-2019 only~~, **2019-2020**, in addition to the allocation under

27 subsection (4), from the appropriations described in subsection (1), there is allocated an

28 amount not to exceed ~~\$669,000.00~~ **\$1,234,000.00** for payments to participating public

29 universities, appropriated from the state ~~school aid fund~~ **GENERAL FUND/GENERAL PURPOSE**

30 **MONEY**. A university that receives money under this subsection shall use that money solely

31 for the purpose of offsetting the normal cost contribution rate. As used in this

32 subsection, "participating public universities" means public universities that are a



1 reporting unit of the Michigan public school employees' retirement system under the public  
2 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that pay  
3 contributions to the Michigan public school employees' retirement system for the state  
4 fiscal year.

5 Sec. 236b. In addition to the funds appropriated in section 236, there is  
6 appropriated for grants and financial aid in fiscal year ~~2018-2019~~**2019-2020** an amount not  
7 to exceed \$6,000,000.00 for federal contingency funds. These funds are not available for  
8 expenditure until they have been transferred under section 393(2) of the management and  
9 budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

10 Sec. 236c. In addition to the funds appropriated for fiscal year ~~2018-2019~~**2019-2020**  
11 in section 236, appropriations to the department of technology, management, and budget in  
12 the act providing general appropriations for fiscal year ~~2018-2019~~**2019-2020** for state  
13 building authority rent, totaling an estimated ~~\$155,478,500.00~~**\$144,995,300.00**, provide  
14 funding for the state share of costs for previously constructed capital projects for state  
15 universities. These appropriations for state building authority rent represent additional  
16 state general fund support provided to public universities, and the following is an  
17 estimate of the amount of that support to each university:

- 18 (a) Central Michigan University, ~~\$12,936,500.00~~**\$12,141,800.00**.
- 19 (b) Eastern Michigan University, ~~\$7,083,900.00~~**\$7,673,600.00**.
- 20 (c) Ferris State University, ~~\$8,275,000.00~~**\$8,434,200.00**.
- 21 (d) Grand Valley State University, ~~\$8,800,000.00~~**\$6,752,400.00**.
- 22 (e) Lake Superior State University, ~~\$2,285,800.00~~**\$1,856,100.00**.
- 23 (f) Michigan State University, ~~\$16,790,400.00~~**\$15,514,900.00**.
- 24 (g) Michigan Technological University, ~~\$6,782,000.00~~**\$6,912,500.00**.
- 25 (h) Northern Michigan University, ~~\$7,309,000.00~~**\$7,449,600.00**.
- 26 (i) Oakland University, ~~\$12,665,000.00~~**\$12,908,600.00**.
- 27 (j) Saginaw Valley State University, ~~\$10,984,000.00~~**\$10,670,900.00**.
- 28 (k) University of Michigan - Ann Arbor, ~~\$11,861,000.00~~**\$9,795,900.00**.
- 29 (l) University of Michigan - Dearborn, ~~\$10,918,000.00~~**\$9,522,700.00**.
- 30 (m) University of Michigan - Flint, ~~\$6,244,800.00~~**\$4,128,900.00**.
- 31 (n) Wayne State University, ~~\$16,480,200.00~~**\$16,008,000.00**.
- 32 (o) Western Michigan University, ~~\$16,062,900.00~~**\$15,225,200.00**.

1           Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section 236  
2 to public universities shall be paid out of the state treasury and distributed by the state  
3 treasurer to the respective institutions in 11 equal monthly installments on the sixteenth  
4 of each month, or the next succeeding business day, beginning with October 16, ~~2018~~2019.  
5 Except for Wayne State University, each institution shall accrue its July and August 2019  
6 2020 payments to its institutional fiscal year ending June 30, ~~2019~~2020.

7           (2) All public universities shall submit higher education institutional data  
8 inventory (HEIDI) data and associated financial and program information requested by and in  
9 a manner prescribed by the state budget director. For public universities with fiscal years  
10 ending June 30, ~~2018~~2019, these data shall be submitted to the state budget director by  
11 October 15, ~~2018~~2019. Public universities with a fiscal year ending September 30, ~~2018~~  
12 2019 shall submit preliminary HEIDI data by November 15, ~~2018~~2019 and final data by  
13 December 15, ~~2018~~2019. If a public university fails to submit HEIDI data and associated  
14 financial aid program information in accordance with this reporting schedule, the state  
15 treasurer may withhold the monthly installments under subsection (1) to the public  
16 university until those data are submitted.

17           Sec. 242. Funds received by the state from the federal government or private sources  
18 for the use of a college or university are appropriated for the purposes for which they are  
19 provided. ~~The acceptance and use of federal or private funds do not place an obligation on~~  
20 ~~the legislature to continue the purposes for which the funds are made available.~~

21           Sec. 245. (1) A public university shall maintain a public transparency website  
22 available through a link on its website homepage. The public university shall update this  
23 website within 30 days after the university's governing board adopts its annual operating  
24 budget for the next academic year, or after the governing board adopts a subsequent  
25 revision to that budget.

26           (2) The website required under subsection (1) shall include all of the following  
27 concerning the public university:

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

29           (b) A summary of current expenditures for the most recent fiscal year for which they  
30 are available, expressed as pie charts in the following 2 categories:

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

32           (A) Earnings and wages.

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

3 (C) Retirement benefit costs.

4 (D) All other personnel costs.

5 (ii) A chart of all current expenditures the public university reported as part of  
6 its higher education institutional data inventory data under section 241(2), broken into  
7 the same subcategories in which it reported those data.

8 (c) Links to all of the following for the public university:

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

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

13 (iii) Audits and financial reports for the most recent fiscal year for which they are  
14 available.

15 (d) A list of all positions funded partially or wholly through institutional general  
16 fund revenue that includes the position title and annual salary or wage amount for each  
17 position.

18 (e) General fund revenue and expenditure projections for the current fiscal year and  
19 the next fiscal year.

20 (f) A listing of all debt service obligations, detailed by project, anticipated  
21 fiscal year payment for each project, and total outstanding debt for the current fiscal  
22 year.

23 (g) The institution's policy regarding the transferability of core college courses  
24 between community colleges and the university.

25 (h) A listing of all community colleges that have entered into reverse transfer  
26 agreements with the university.

27 (3) On the website required under subsection (1), a public university shall provide a  
28 dashboard or report card demonstrating the university's performance in several "best  
29 practice" measures. The dashboard or report card shall include at least all of the  
30 following for the 3 most recent academic years for which the data are available:

31 (a) Enrollment.

32 (b) Student retention rate.

1 (c) Six-year graduation rates.

2 (d) Number of Pell grant recipients and graduating Pell grant recipients.

3 (e) Geographic origination of students, categorized as in-state, out-of-state, and  
4 international.

5 (f) Faculty to student ratios and total university employee to student ratios.

6 (g) Teaching load by faculty classification.

7 (h) Graduation outcome rates, including employment and continuing education.

8 (4) For statewide consistency and public visibility, public universities must use the  
9 icon badge provided by the department of technology, management, and budget consistent with  
10 the icon badge developed by the department of education for K-12 school districts. It must  
11 appear on the front of each public university's homepage. The size of the icon may be  
12 reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent  
13 with other documents on each university's website.

14 ~~(5) The state budget director shall determine whether a public university has~~  
15 ~~complied with this section. The state budget director may withhold a public university's~~  
16 ~~monthly installments described in section 241 until the public university complies with~~  
17 ~~this section.~~

18 (5) ~~(6)~~ By **THE FIRST BUSINESS DAY OF** November 15 of each year, a public university  
19 shall report the following information to the center and post the information on its  
20 website under the budget transparency icon badge:

21 (a) Opportunities for earning college credit through the following programs:

22 (i) State approved career and technical education or a tech prep articulated program  
23 of study.

24 (ii) Direct college credit or concurrent enrollment.

25 (iii) Dual enrollment.

26 (iv) An early college/middle college program.

27 (b) For each program described in subdivision (a) that the public university offers,  
28 all of the following information:

29 (i) The number of high school students participating in the program.

30 (ii) The number of school districts that participate in the program with the public  
31 university.

32 (iii) Whether a university professor, qualified local school district employee, or

1 other individual teaches the course or courses in the program.

2 (iv) The total cost to the public university to operate the program.

3 (v) The cost per credit hour for the course or courses in the program.

4 (vi) The location where the course or courses in the program are held.

5 (vii) Instructional resources offered to the program instructors.

6 (viii) Resources offered to the student in the program.

7 (ix) Transportation services provided to students in the program.

8 Sec. 251. (1) Payments of the amounts included in section 236 for the state  
9 competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971  
10 to 390.981.

11 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of treasury  
12 shall determine an actual maximum state competitive scholarship award per student, which  
13 shall be not less than \$1,000.00, that ensures that the aggregate payments for the state  
14 competitive scholarship program do not exceed the appropriation contained in section 236  
15 for the state competitive scholarship program. If the department determines that  
16 insufficient funds are available to establish a maximum award amount equal to at least  
17 \$1,000.00, the department shall immediately report to the house and senate appropriations  
18 subcommittees on higher education, the house and senate fiscal agencies, and the state  
19 budget director regarding the estimated amount of additional funds necessary to establish a  
20 \$1,000.00 maximum award amount.

21 (3) The department of treasury shall implement a proportional competitive scholarship  
22 maximum award level for recipients enrolled less than full-time in a given semester or  
23 term.

24 (4) If a student who receives an award under this section has his or her tuition and  
25 fees paid under the Michigan educational trust program, pursuant to the Michigan education  
26 trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds  
27 awarded under this section may be used for educational expenses other than tuition and  
28 fees.

29 (5) If the department of treasury increases the maximum award per eligible student  
30 from that provided in the previous fiscal year, it shall not have the effect of reducing  
31 the number of eligible students receiving awards in relation to the total number of  
32 eligible applicants. Any increase in the maximum grant shall be proportional for all

1 eligible students receiving awards.

2 (6) Veterans Administration benefits shall not be considered in determining  
3 eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

4 (7) Any unexpended and unencumbered funds remaining on September 30, ~~2019-2020~~ from  
5 the amounts appropriated in section 236 for the state competitive scholarship program for  
6 fiscal year ~~2018-2019-2019-2020~~ do not lapse on September 30, ~~2019-2020~~, but continue to be  
7 available for the expenditure for state competitive scholarships provided in the ~~2019-2020~~  
8 ~~2020-2021~~ fiscal year under a work project account. The use of these unexpended fiscal year  
9 ~~2018-2019-2019-2020~~ funds terminates at the end of the ~~2019-2020-2020-2021~~ fiscal year.

10 Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant  
11 program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

12 (2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in  
13 undergraduate degree programs who are qualified and who apply ~~before~~ **BY** March 1 of each  
14 year for the next academic year.

15 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections (7)  
16 and (8), the department of treasury shall determine an actual maximum tuition grant award  
17 per student, which shall be no less than \$2,400.00, that ensures that the aggregate  
18 payments for the tuition grant program do not exceed the appropriation contained in section  
19 236 for the state tuition grant program. If the department determines that insufficient  
20 funds are available to establish a maximum award amount equal to at least \$2,400.00, the  
21 department shall immediately report to the house and senate appropriations subcommittees on  
22 higher education, the house and senate fiscal agencies, and the state budget director  
23 regarding the estimated amount of additional funds necessary to establish a \$2,400.00  
24 maximum award amount. If the department determines that sufficient funds are available to  
25 establish a maximum award amount equal to at least \$2,400.00, the department shall  
26 immediately report to the house and senate appropriations subcommittees on higher  
27 education, the house and senate fiscal agencies, and the state budget director regarding  
28 the maximum award amount established and the projected amount of any projected year-end  
29 appropriation balance based on that maximum award amount. By February 18 of each fiscal  
30 year, the department shall analyze the status of award commitments, shall make any  
31 necessary adjustments, and shall confirm that those award commitments will not exceed the  
32 appropriation contained in section 236 for the tuition grant program. The determination and

1 actions shall be reported to the state budget director and the house and senate fiscal  
2 agencies no later than the final day of February of each year. If award adjustments are  
3 necessary, the students shall be notified of the adjustment by March 4 of each year.

4 (4) Any unexpended and unencumbered funds remaining on September 30, ~~2019-2020~~ from  
5 the amounts appropriated in section 236 for the tuition grant program for fiscal year ~~2018-~~  
6 ~~2019-2019-2020~~ do not lapse on September 30, ~~2019, -2020~~, but continue to be available for  
7 expenditure for tuition grants provided in the ~~2019-2020-2020-2021~~ fiscal year under a work  
8 project account.

9 (5) The department of treasury shall continue a proportional tuition grant maximum  
10 award level for recipients enrolled less than full-time in a given semester or term.

11 (6) If the department of treasury increases the maximum award per eligible student  
12 from that provided in the previous fiscal year, it shall not have the effect of reducing  
13 the number of eligible students receiving awards in relation to the total number of  
14 eligible applicants. Any increase in the maximum grant shall be proportional for all  
15 eligible students receiving awards for that fiscal year.

16 (7) Except as provided in subsection (4), the department of treasury shall not award  
17 more than \$4,200,000.00 in tuition grants to eligible students enrolled in the same  
18 independent nonprofit college or university in this state. Any decrease in the maximum  
19 grant shall be proportional for all eligible students enrolled in that college or  
20 university, as determined by the department. ~~The limit described in this subsection does~~  
21 ~~not apply to any other student financial aid program or in combination with any other~~  
22 ~~student financial aid program.~~

23 (8) The department of treasury shall not award tuition grants to otherwise eligible  
24 students enrolled in an independent college or university that does not report, in a form  
25 and manner directed by and satisfactory to the department of treasury, by October 31 of  
26 each year, all of the following:

27 (a) The number of students in the most recently completed academic year who in any  
28 academic year received a state tuition grant at the reporting institution and successfully  
29 completed a program or graduated.

30 (b) The number of students in the most recently completed academic year who in any  
31 academic year received a state tuition grant at the reporting institution and took a  
32 remedial education class.

1 (c) The number of students in the most recently completed academic year who in any  
2 academic year received a Pell grant at the reporting institution and successfully completed  
3 a program or graduated.

4 (9) By February 1, ~~2019~~2020, each independent college and university participating  
5 in the tuition grant program shall report to the senate and house appropriations  
6 subcommittees on higher education, the senate and house fiscal agencies, and the state  
7 budget director on its efforts to develop and implement sexual assault response training  
8 for the institution's title IX coordinator, campus law enforcement personnel, campus public  
9 safety personnel, and any other campus personnel charged with responding to on-campus  
10 incidents, including information on sexual assault response training materials and the  
11 status of implementing sexual assault response training for institutional personnel.

12 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program  
13 shall be distributed as provided in this section and pursuant to the administrative  
14 procedures for the tuition incentive program of the department of treasury.

15 (2) As used in this section:

16 (a) "Phase I" means the first part of the tuition incentive program defined as the  
17 academic period of 80 semester or 120 term credits, or less, leading to an associate degree  
18 or certificate. Students must be enrolled in a certificate or associate degree program and  
19 taking classes within the program of study for a certificate or associate degree. Tuition  
20 will not be covered for courses outside of a certificate or associate degree program.

21 (b) "Phase II" means the second part of the tuition incentive program which provides  
22 assistance in the third and fourth year of 4-year degree programs.

23 (c) "Department" means the department of treasury.

24 (d) "High school equivalency certificate" means that term as defined in section 4.

25 (3) An individual shall meet the following basic criteria and financial thresholds to  
26 be eligible for tuition incentive program benefits:

27 (a) To be eligible for phase I, an individual shall meet all of the following  
28 criteria:

29 (i) Apply for certification to the department any time after he or she begins the  
30 sixth grade but before August 31 of the school year in which he or she graduates from high  
31 school or before achieving a high school equivalency certificate.

32 (ii) Be less than 20 years of age at the time he or she graduates from high school



1 with a diploma or certificate of completion or achieves a high school equivalency  
2 certificate or, for students attending a 5-year middle college approved by the Michigan  
3 department of education, be less than 21 years of age when he or she graduates from high  
4 school.

5 (iii) Be a United States citizen and a resident of this state according to  
6 institutional criteria.

7 (iv) Be at least a half-time student, earning less than 80 semester or 120 term  
8 credits at a participating educational institution within 4 years of high school graduation  
9 or achievement of a high school equivalency certificate. All program eligibility expires 6  
10 years from high school graduation or achievement of a high school equivalency certificate.

11 (v) Meet the satisfactory academic progress policy of the educational institution he  
12 or she attends.

13 (b) To be eligible for phase II, an individual shall meet either of the following  
14 criteria in addition to the criteria in subdivision (a):

15 (i) Complete at least 56 transferable semester or 84 transferable term credits.

16 (ii) Obtain an associate degree or certificate at a participating institution.

17 (c) To be eligible for phase I or phase II, an individual must not be incarcerated  
18 and must be financially eligible as determined by the department. An individual is  
19 financially eligible for the tuition incentive program if he or she was eligible for  
20 Medicaid from this state for 24 months within the 36 consecutive months before application.  
21 The department shall accept certification of Medicaid eligibility only from the department  
22 of health and human services for the purposes of verifying if a person is Medicaid eligible  
23 for 24 months within the 36 consecutive months before application. Certification of  
24 eligibility may begin in the sixth grade. As used in this subdivision, "incarcerated" does  
25 not include detention of a juvenile in a state-operated or privately operated juvenile  
26 detention facility.

27 (4) For phase I, the department shall provide payment on behalf of a person eligible  
28 under subsection (3). The department shall only accept standard per-credit hour tuition  
29 billings and shall reject billings that are excessive or outside the guidelines for the  
30 type of educational institution.

31 (5) For phase I, all of the following apply:

32 (a) Payments for associate degree or certificate programs shall not be made for more

1 than 80 semester or 120 term credits for any individual student at any participating  
2 institution.

3 (b) For persons enrolled at a Michigan community college, the department shall pay  
4 the current in-district tuition and mandatory fees. For persons residing in an area that is  
5 not included in any community college district, the out-of-district tuition rate may be  
6 authorized.

7 (c) For persons enrolled at a Michigan public university, the department shall pay  
8 lower division resident tuition and mandatory fees for the current year **AND A PER-CREDIT**  
9 **PAYMENT THAT DOES NOT EXCEED 3.0 TIMES THE AVERAGE COMMUNITY COLLEGE IN-DISTRICT PER-CREDIT**  
10 **TUITION RATE AS REPORTED ON AUGUST 1, FOR THE IMMEDIATELY PRECEDING ACADEMIC YEAR.**

11 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting college  
12 or university, or a Michigan federal tribally controlled community college, or Focus: HOPE,  
13 the department shall pay mandatory fees for the current year and a per-credit payment that  
14 does not exceed the average community college in-district per-credit tuition rate as  
15 reported on August 1, for the immediately preceding academic year.

16 (6) A person participating in phase II may be eligible for additional funds not to  
17 exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the  
18 following conditions:

19 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year  
20 college or university.

21 (b) The tuition reimbursement is for coursework completed within 30 months of  
22 completion of the phase I requirements.

23 (7) The department shall work closely with participating institutions to develop an  
24 application and eligibility determination process that will provide the highest level of  
25 participation and ensure that all requirements of the program are met.

26 (8) Applications for the tuition incentive program may be approved at any time after  
27 the student begins the sixth grade. If a determination of financial eligibility is made,  
28 that determination is valid as long as the student meets all other program requirements and  
29 conditions.

30 (9) Each institution shall ensure that all known available restricted grants for  
31 tuition and fees are used prior to billing the tuition incentive program for any portion of  
32 a student's tuition and fees.

1 (10) The department shall ensure that the tuition incentive program is well  
2 publicized and that eligible Medicaid clients are provided information on the program. The  
3 department shall provide the necessary funding and staff to fully operate the program.

4 (11) Any unexpended and unencumbered funds remaining on September 30, ~~2019-2020~~ from  
5 the amounts appropriated in section 236 for the tuition incentive program for fiscal year  
6 ~~2018-2019-2019-2020~~ do not lapse on September 30, ~~2019,~~ **2020**, but continue to be available  
7 for expenditure for tuition incentive program funds provided in the ~~2019-2020~~ **2020-2021**  
8 fiscal year under a work project account. The use of these unexpended fiscal year ~~2018-2019~~  
9 **2019-2020** funds terminates at the end of the ~~2019-2020-2020-2021~~ fiscal year.

10 (12) The department of treasury shall collaborate with the center to use the P-20  
11 longitudinal data system to report the following information for each qualified  
12 postsecondary institution:

13 (a) The number of phase I students in the most recently completed academic year who  
14 in any academic year received a tuition incentive program award and who successfully  
15 completed a degree or certificate program. Cohort graduation rates for phase I students  
16 shall be calculated using the established success rate methodology developed by the center  
17 in collaboration with the postsecondary institutions.

18 (b) The number of students in the most recently completed academic year who in any  
19 academic year received a Pell grant at the reporting institution and who successfully  
20 completed a degree or certificate program. Cohort graduation rates for students who  
21 received Pell grants shall be calculated using the established success rate methodology  
22 developed by the center in collaboration with the postsecondary institutions.

23 ~~(13) If a qualified postsecondary institution does not report the data necessary to~~  
24 ~~comply with subsection (12) to the P-20 longitudinal data system, the institution shall~~  
25 ~~report, in a form and manner satisfactory to the department of treasury and the center, all~~  
26 ~~of the information needed to comply with subsection (12) by December 1, 2019.~~

27 **(13)** ~~(14)~~ Beginning in fiscal year 2019-2020, if a qualified postsecondary  
28 institution does not report the data necessary to complete the reporting in subsection (12)  
29 to the P-20 longitudinal data system by October 15 for the prior academic year, the  
30 department of treasury shall not award phase I tuition incentive program funding to  
31 otherwise eligible students enrolled in that institution until the data are submitted.

32 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2018-2019~~

1 **2019-2020** for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in  
2 section 236 for MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN is  
3 intended to address critical regulatory, food safety, economic, and environmental problems  
4 faced by this state's plant-based agriculture, forestry, and processing industries.  
5 "GREEN" is an acronym for Generating Research and Extension to Meet Environmental and  
6 Economic Needs.

7 (2) The department of agriculture and rural development and Michigan State  
8 University, in consultation with agricultural commodity groups and other interested  
9 parties, shall develop Project GREEN and its program priorities.

10 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2018-2019~~  
11 **2019-2020** for Michigan State University is \$80,000.00 for the Michigan Future Farmers of  
12 America Association. This \$80,000.00 allocation shall not supplant any existing support  
13 that Michigan State University provides to the Michigan Future Farmers of America  
14 Association.

15 Sec. 265. (1) Payments under section 265a for ~~performance~~ **STUDENT AFFORDABILITY**  
16 funding for fiscal ~~years 2018-2019, 2019-2020, and 2020-2021~~ **YEAR 2019-2020** shall only be  
17 made to a public university that certifies to the state budget director by August 31, ~~2018~~  
18 **2019** that its board did not adopt an increase in tuition and fee rates for resident  
19 undergraduate students after September 1, ~~2017-2018~~ for the ~~2017-2018-2018-2019~~ academic  
20 year and that its board will not adopt an increase in tuition and fee rates for resident  
21 undergraduate students for the ~~2018-2019-2019-2020~~ academic year that is greater than ~~3.8~~  
22 **3.2%** or ~~\$490.00~~ **\$427.00**, whichever is greater. As used in this subsection:

23 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all  
24 resident undergraduate students at least once during their enrollment at a public  
25 university, as described in the higher education institutional data inventory (HEIDI) user  
26 manual. A university increasing a fee that applies to a specific subset of students or  
27 courses shall provide sufficient information to prove that the increase applied to that  
28 subset will not cause the increase in the average amount of board-authorized total tuition  
29 and fees paid by resident undergraduate students in the ~~2018-2019-2019-2020~~ academic year  
30 to exceed the limit established in this subsection.

31 (b) "Tuition and fee rate" means the average of full-time rates paid by a majority of  
32 students in each undergraduate class, based on an unweighted average of the rates

1 authorized by the university board and actually charged to students, deducting any  
2 uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-  
3 time equated resident undergraduate enrollment during the academic year, as described in  
4 the higher education institutional data inventory (HEIDI) user manual.

5 (2) The state budget director shall implement uniform reporting requirements to  
6 ensure that a public university receiving a payment under section 265a for ~~performance~~  
7 **STUDENT AFFORDABILITY** funding has satisfied the tuition restraint requirements of this  
8 section. The state budget director shall have the sole authority to determine if a public  
9 university has met the requirements of this section. Information reported by a public  
10 university to the state budget director under this subsection shall also be reported to the  
11 house and senate appropriations subcommittees on higher education and the house and senate  
12 fiscal agencies.

13 ~~(3) Universities that exceed the tuition and fee rate cap described in subsection (1)~~  
14 ~~shall not receive a planning or construction authorization for a state-funded capital~~  
15 ~~outlay project in fiscal year 2019-2020, fiscal year 2020-2021, or fiscal year 2021-2022.~~

16 ~~(4) Notwithstanding any other provision of this act, the legislature may at any time~~  
17 ~~adjust appropriations for a university that adopts an increase in tuition and fee rates for~~  
18 ~~resident undergraduate students that exceeds the rate cap established in subsection (1).~~

19 Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal ~~years~~  
20 ~~2018-2019, 2019-2020, and 2020-2021~~ **YEAR 2019-2020** for ~~performance~~ **STUDENT AFFORDABILITY**  
21 funding shall be paid only to a public university that complies with section 265 and  
22 certifies to the state budget director, the house and senate appropriations subcommittees  
23 on higher education, and the house and senate fiscal agencies by August 31, ~~2018-2019~~ that  
24 it complies with all of the following requirements:

25 (a) The university participates in reverse transfer agreements described in section  
26 286 with at least 3 Michigan community colleges.

27 (b) The university does not and will not consider whether dual enrollment credits  
28 earned by an incoming student were utilized towards his or her high school graduation  
29 requirements when making a determination as to whether those credits may be used by the  
30 student toward completion of a university degree or certificate program.

31 (c) The university actively participates in and submits timely updates to the  
32 Michigan Transfer Network created as part of the Michigan Association of Collegiate

1 Registrars and Admissions Officers transfer agreement.

2 (2) Any ~~performance~~-**STUDENT AFFORDABILITY** funding amounts under section 236 that are  
3 not paid to a public university because it did not comply with 1 or more requirements under  
4 subsection (1) are unappropriated and reappropriated for ~~performance~~-**STUDENT AFFORDABILITY**  
5 funding to those public universities that meet the requirements under subsection (1),  
6 distributed in proportion to their ~~performance~~-**STUDENT AFFORDABILITY** funding appropriation  
7 amounts under section 236.

8 (3) The state budget director shall report to the house and senate appropriations  
9 subcommittees on higher education and the house and senate fiscal agencies by September 30,  
10 ~~2018, 2019~~, regarding any ~~performance~~-**STUDENT AFFORDABILITY** funding amounts that are not  
11 paid to a public university because it did not comply with 1 or more requirements under  
12 subsection (1) and any reappropriation of funds under subsection (2).

13 (4) ~~Performance~~ **STUDENT AFFORDABILITY** funding amounts described in section 236 are  
14 distributed ~~based on the following formula:~~ **SUCH THAT EACH PUBLIC UNIVERSITY RECEIVES A 3**  
15 **PERCENT INCREASE IN OPERATIONS FUNDING BETWEEN FISCAL YEAR 2018-2019 AND FISCAL YEAR 2019-**  
16 **2020.**

17 ~~(a) Proportional to each university's share of total operations funding appropriated~~  
18 ~~in fiscal year 2010-2011, 50%.~~

19 ~~(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.~~

20 ~~(c) Based on research and development expenditures, for universities classified in~~  
21 ~~Carnegie classifications as doctoral universities: moderate research activity, doctoral~~  
22 ~~universities: higher research activity, or doctoral universities: highest research activity~~  
23 ~~only, 5.6%.~~

24 ~~(d) Based on 6-year graduation rate, total degree completions, and institutional~~  
25 ~~support as a percentage of core expenditures, and the percentage of students receiving Pell~~  
26 ~~grants, scored against national Carnegie classification peers and weighted by total~~  
27 ~~undergraduate fiscal year equated students, 33.3%.~~

28 ~~(5) For purposes of determining the score of a university under subsection (4) (d),~~  
29 ~~each university is assigned 1 of the following scores:~~

30 ~~(a) A university classified as in the top 20%, a score of 3.~~

31 ~~(b) A university classified as above national median, a score of 2.~~

32 ~~(c) A university classified as improving, a score of 2. It is the intent of the~~

1 ~~legislature that, beginning in the 2019-2020 state fiscal year, a university classified as~~  
2 ~~improving is assigned a score of 1.~~

3 ~~(d) A university that is not included in subdivision (a), (b), or (c), a score of 0.~~

4 ~~(6) As used in this section, "Carnegie classification" means the basic classification~~  
5 ~~of the university according to the most recent version of the Carnegie classification of~~  
6 ~~institutions of higher education, published by the Carnegie Foundation for the Advancement~~  
7 ~~of Teaching.~~

8 ~~(7) It is the intent of the legislature to allocate more funding based on performance~~  
9 ~~metrics in future years.~~

10 Sec. 265b. (1) Appropriations to public universities in section 236 for the fiscal  
11 year ending September 30, ~~2019-2020~~ for operations funding shall be reduced by 10% pursuant  
12 to the procedures described in subdivision (a) for a public university that fails to submit  
13 certification to the state budget director, the house and senate appropriations  
14 subcommittees on higher education, and the house and senate fiscal agencies by August 31,  
15 ~~2018-2019~~ that the university complies with sections 274c and 274d and that it complies  
16 with all of the requirements described in subdivisions (b) to (i), as follows:

17 (a) If a university fails to submit certification, the state budget director shall  
18 withhold 10% of that university's annual operations funding until the university submits  
19 certification. If a university fails to submit certification by the end of the fiscal year,  
20 the 10% of its annual operations funding that is withheld shall lapse to the general fund.

21 (b) For title IX investigations of alleged sexual misconduct, the university  
22 prohibits the use of medical experts that have an actual or apparent conflict of interest.

23 (c) For title IX investigations of alleged sexual misconduct, the university  
24 prohibits the issuance of divergent reports to complainants, respondents, and  
25 administration and instead requires that identical reports be issued to them.

26 (d) Consistent with the university's obligations under 20 USC 1092(f), the university  
27 notifies each individual who reports having experienced sexual assault by a student,  
28 faculty member, or staff member of the university that the individual has the option to  
29 report the matter to law enforcement, to the university, to both, or to neither, as the  
30 individual may choose.

31 (e) The university provides both of the following:

32 (i) For all freshmen and incoming transfer students enrolled, an in-person sexual

1 misconduct prevention presentation or course, which must include contact information for  
2 the title IX office of the university.

3 (ii) For all students not considered freshmen or incoming transfer students, an  
4 online or electronic sexual misconduct prevention presentation or course.

5 (f) The university prohibits seeking compensation from the recipient of any medical  
6 procedure, treatment, or care provided by a medical professional who has been convicted of  
7 a felony arising out of the medical procedure, treatment, or care.

8 (g) The university ~~has or plans to have~~ **HAD** a third party review its title IX  
9 compliance office and related policies and procedures by the end of the 2018-2019 academic  
10 year. A copy of the third-party review shall be transmitted to the state budget director,  
11 the house and senate appropriations subcommittees on higher education, and the house and  
12 senate fiscal agencies. After the third-party review has been conducted for the 2018-2019  
13 academic year, the university shall have a third-party review once every three years and a  
14 copy of the third-party review shall be transmitted to the state budget director, the house  
15 and senate appropriations subcommittees on higher education, and the house and senate  
16 fiscal agencies.

17 (h) The university requires that the governing board and the president or chancellor  
18 of the university receive not less than quarterly reports from their title IX coordinator  
19 or title IX office. The report shall contain aggregated data of the number of sexual  
20 misconduct reports that the office received for the academic year, the types of reports  
21 received, including reports received against employees, and a summary of the general  
22 outcomes of the reports and investigations. A member of the governing board may request to  
23 review a title IX investigation report involving a complaint against an employee, and the  
24 university shall provide the report in a manner it considers appropriate. The university  
25 shall protect the complainant's anonymity, and the report shall not contain specific  
26 identifying information.

27 (i) If allegations against an employee are made in more than 1 title IX complaint  
28 that resulted in the university finding that no misconduct occurred, the university  
29 requires that the title IX officer promptly notify the president or chancellor and a member  
30 of the university's governing board in writing and take all appropriate steps to ensure  
31 that the matter is being investigated thoroughly, including hiring an outside investigator  
32 for future cases involving that employee. A third-party title IX investigation under this



1 subdivision does not prohibit the university from simultaneously conducting its own title  
2 IX investigation through its own title IX coordinator.

3 (2) Each public university that receives an appropriation in section 236 shall also  
4 certify that its president or chancellor and a member of its governing board has reviewed  
5 all title IX reports involving the alleged sexual misconduct of an employee of the  
6 university, and shall send the certification to the house and senate appropriations  
7 subcommittees on higher education, the house and senate fiscal agencies, and the state  
8 budget director by August 31, ~~2018.~~ **2019.**

9 (3) For purposes of this section, "sexual misconduct" includes, but is not limited  
10 to, any of the following:

- 11 (a) Intimate partner violence.
- 12 (b) Nonconsensual sexual conduct.
- 13 (c) Sexual assault.
- 14 (d) Sexual exploitation.
- 15 (e) Sexual harassment.
- 16 (f) Stalking.

17 Sec. 265d. ~~The legislature encourages each~~ **EACH** public university that receives an  
18 appropriation in section 236 **IS ENCOURAGED** to enter into a memorandum of understanding with  
19 at least 1 local law enforcement agency with jurisdiction on or around campus for the  
20 communication and coordination of responses to incidents of sexual assault.

21 Sec. 267. All public universities shall submit the amount of tuition and fees  
22 actually charged to a full-time resident undergraduate student for academic year ~~2018-2019~~  
23 **2019-2020** as part of their higher education institutional data inventory (HEIDI) data by  
24 August 31 of each year. A public university shall report any revisions for any semester of  
25 the reported academic year ~~2018-2019~~ **2019-2020** tuition and fee charges to HEIDI within 15  
26 days of being adopted.

27 Sec. 268. ~~(1) For the fiscal year ending September 30, 2019, it is the intent of the~~  
28 ~~legislature that funds be allocated for unfunded North American Indian tuition waiver costs~~  
29 ~~incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the~~  
30 ~~general fund.~~

31 **(1)** ~~(2)~~ Appropriations in section 236(7)(f) for North American Indian tuition waivers  
32 shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a. Allocations

1 shall be adjusted for amounts included in university operations appropriations. If funds  
2 are insufficient to support the entire cost of waivers, amounts shall be prorated  
3 proportionate to each institution's shortfall as a percentage of its fiscal year ~~2018-2019~~  
4 **2019-2020** state appropriation for operations.

5 (2) ~~(3)~~ By February 15 of each year, the department of civil rights shall annually  
6 submit to the state budget director, the house and senate appropriations subcommittees on  
7 higher education, and the house and senate fiscal agencies a report on North American  
8 Indian tuition waivers for the preceding academic year that includes, but is not limited  
9 to, all of the following information:

10 (a) The number of waiver applications received and the number of waiver applications  
11 approved.

12 (b) For each university submitting information under subsection ~~(4)~~, **(3)**, all of the  
13 following:

14 (i) The number of graduate and undergraduate North American Indian students enrolled  
15 each term for the previous academic year.

16 (ii) The number of North American Indian waivers granted each term, including to  
17 continuing education students, and the monetary value of the waivers for the previous  
18 academic year.

19 (iii) The number of graduate and undergraduate students attending under a North  
20 American Indian tuition waiver who withdrew from the university each term during the  
21 previous academic year. For purposes of this subparagraph, a withdrawal occurs when a  
22 student who has been awarded the waiver withdraws from the institution at any point during  
23 the term, regardless of enrollment in subsequent terms.

24 (iv) The number of graduate and undergraduate students attending under a North  
25 American Indian tuition waiver who successfully complete a degree or certificate program,  
26 separated by degree or certificate level, and the graduation rate for graduate and  
27 undergraduate students attending under a North American Indian tuition waiver who complete  
28 a degree or certificate within 150% of the normal time to complete, separated by the level  
29 of the degree or certificate.

30 (3) ~~(4)~~ A public university that receives funds under section 236 shall provide to  
31 the department of civil rights any information necessary for preparing the report detailed  
32 in subsection ~~(3)~~, **(2)**, using guidelines and procedures developed by the department of

1 civil rights.

2 (4) ~~(5)~~—The department of civil rights may consolidate the report required under this  
3 section with the report required under section 223, but a consolidated report must  
4 separately identify data for universities and data for community colleges.

5 Sec. 269. For fiscal year ~~2018-2019~~, **2019-2020**, from the amount appropriated in  
6 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to  
7 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians  
8 under 1976 PA 174, MCL 390.1251 to 390.1253.

9 Sec. 270. For fiscal year ~~2018-2019~~, **2019-2020**, from the amount appropriated in  
10 section 236 to Lake Superior State University for operations, \$100,000.00 shall be paid to  
11 Bay Mills Community College for the costs of waiving tuition for North American Indians  
12 under 1976 PA 174, MCL 390.1251 to 390.1253.

13 Sec. 274c. By February 1, ~~2019~~, **2020**, each university receiving funds under section  
14 236 shall report to the senate and house appropriations subcommittees on higher education,  
15 the senate and house fiscal agencies, and the state budget director on its efforts to  
16 develop and implement sexual assault response training for the university's title IX  
17 coordinator, campus law enforcement personnel, campus public safety personnel, and any  
18 other campus personnel charged with responding to on-campus incidents, including  
19 information on sexual assault response training materials and the status of implementing  
20 sexual assault response training for campus personnel.

21 Sec. 276. (1) Included in the appropriation for fiscal year ~~2018-2019~~ **2019-2020** for  
22 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
23 Chavez - Rosa Parks future faculty program that is intended to increase the pool of  
24 academically or economically disadvantaged candidates pursuing faculty teaching careers in  
25 postsecondary education. Preference may not be given to applicants on the basis of race,  
26 color, ethnicity, gender, or national origin. Institutions should encourage applications  
27 from applicants who would otherwise not adequately be represented in the graduate student  
28 and faculty populations. Each public university shall apply the percentage change  
29 applicable to every public university in the calculation of appropriations in section 236  
30 to the amount of funds allocated to the future faculty program.

31 (2) The program shall be administered by each public university in a manner  
32 prescribed by the workforce development agency. The workforce development agency shall use

1 a good faith effort standard to evaluate whether a fellowship is in default.

2 Sec. 277. (1) Included in the appropriation for fiscal year ~~2018-2019~~**2019-2020** for  
3 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
4 Chavez - Rosa Parks college day program that is intended to introduce academically or  
5 economically disadvantaged schoolchildren to the potential of a college education.  
6 Preference may not be given to participants on the basis of race, color, ethnicity, gender,  
7 or national origin. Public universities should encourage participation from those who would  
8 otherwise not adequately be represented in the student population.

9 (2) Individual program plans of each public university shall include a budget of  
10 equal contributions from this program, the participating public university, the  
11 participating school district, and the participating independent degree-granting college.  
12 College day funds shall not be expended to cover indirect costs. Not more than 20% of the  
13 university match shall be attributable to indirect costs. Each public university shall  
14 apply the percentage change applicable to every public university in the calculation of  
15 appropriations in section 236 to the amount of funds allocated to the college day program.

16 (3) The program described in this section shall be administered by each public  
17 university in a manner prescribed by the workforce development agency.

18 Sec. 278. (1) Included in section 236 for fiscal year ~~2018-2019~~**2019-2020** is funding  
19 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services  
20 program for developing academically or economically disadvantaged student retention  
21 programs for 4-year public and independent educational institutions in this state.  
22 Preference may not be given to participants on the basis of race, color, ethnicity, gender,  
23 or national origin. Institutions should encourage participation from those who would  
24 otherwise not adequately be represented in the student population.

25 (2) An award made under this program to any 1 institution shall not be greater than  
26 \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or  
27 university basis.

28 (3) The program described in this section shall be administered by the workforce  
29 development agency.

30 Sec. 279. (1) Included in section 236 for fiscal year ~~2018-2019~~**2019-2020** is funding  
31 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership  
32 program between 4-year public and independent colleges and universities and public

1 community colleges, which is intended to increase the number of academically or  
2 economically disadvantaged students who transfer from community colleges into baccalaureate  
3 programs. Preference may not be given to participants on the basis of race, color,  
4 ethnicity, gender, or national origin. Institutions should encourage participation from  
5 those who would otherwise not adequately be represented in the transfer student population.

6 (2) The grants shall be made under the program described in this section to Michigan  
7 public and independent colleges and universities. An award to any 1 institution shall not  
8 be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30%  
9 college or university basis.

10 (3) The program described in this section shall be administered by the workforce  
11 development agency.

12 Sec. 280. (1) Included in the appropriation for fiscal year ~~2018-2019-2019-2020~~ for  
13 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
14 Chavez - Rosa Parks visiting professors program which is intended to increase the number of  
15 instructors in the classroom to provide role models for academically or economically  
16 disadvantaged students. Preference may not be given to participants on the basis of race,  
17 color, ethnicity, gender, or national origin. Public universities should encourage  
18 participation from those who would otherwise not adequately be represented in the student  
19 population.

20 (2) The program described in this section shall be administered by the workforce  
21 development agency.

22 Sec. 281. (1) Included in the appropriation for fiscal year ~~2018-2019-2019-2020~~ in  
23 section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
24 initiative for the Morris Hood, Jr. educator development program which is intended to  
25 increase the number of academically or economically disadvantaged students who enroll in  
26 and complete K-12 teacher education programs at the baccalaureate level. Preference may not  
27 be given to participants on the basis of race, color, ethnicity, gender, or national  
28 origin. Institutions should encourage participation from those who would otherwise not  
29 adequately be represented in the teacher education student population.

30 (2) The program described in this section shall be administered by each state-  
31 approved teacher education institution in a manner prescribed by the workforce development  
32 agency.

1 (3) Approved teacher education institutions may and are encouraged to use student  
2 support services funding in coordination with the Morris Hood, Jr. funding to achieve the  
3 goals of the program described in this section.

4 Sec. 282. Each institution receiving funds for fiscal year ~~2018-2019~~ **2019-2020** under  
5 section 278, 279, or 281 shall provide to the workforce development agency by April 15,  
6 ~~2019~~ **2020** the unobligated and unexpended funds as of March 31, ~~2019-2020~~ and a plan to  
7 expend the remaining funds by the end of the fiscal year. Notwithstanding the award  
8 limitations in sections 278 and 279, the amount of funding reported as not being expended  
9 will be reallocated to the institutions that intend to expend all funding received under  
10 section 278, 279, or 281.

11 Sec. 289. (1) ~~Not less than~~ **AT LEAST ONCE** every 4 years, the auditor general shall  
12 audit higher education institutional data inventory (HEIDI) data submitted by all public  
13 universities under section 241 and may perform audits of selected public universities if  
14 determined necessary. The audits shall be based upon the definitions, requirements, and  
15 uniform reporting categories established by the state budget director in consultation with  
16 the HEIDI advisory committee. The auditor general shall submit a report of findings to the  
17 house and senate appropriations committees and the state budget director no later than July  
18 1 of each year an audit takes place.

19 (2) Student credit hours reports shall not include the following:

20 (a) Student credit hours generated through instructional activity by faculty or staff  
21 in classrooms located outside Michigan, with the exception of instructional activity  
22 related to study-abroad programs or field programs.

23 ~~(b) Student credit hours generated through distance learning instruction for students  
24 not eligible for the public university's in-state main campus resident tuition rate.  
25 However, in instances where a student is enrolled in distance education and non-distance  
26 education credit hours in a given term and the student's non-distance education enrollment  
27 is at a campus or site located within Michigan, student credit hours per the student's  
28 eligibility for in-state or out-of-state tuition rates may be reported.~~

29 **(B)** ~~(c)~~ Student credit hours generated through credit by examination.

30 ~~(d) Student credit hours generated through inmate prison programs regardless of  
31 teaching location.~~

32 **(C)** ~~(e)~~ Student credit hours generated in new degree programs created on or after

1 January 1, 1975 and before January 1, 2013, that were not specifically authorized for  
2 funding by the legislature, except spin-off programs converted from existing core programs,  
3 and student credit hours generated in any new degree programs created after January 1,  
4 2013, that are specifically excluded from reporting by the legislature under this section.

5 ~~(3) "Distance learning instruction" as used in subsection (2) means instruction that~~  
6 ~~occurs solely in other than a traditional classroom setting where the student and~~  
7 ~~instructor are in the same physical location and for which a student receives course~~  
8 ~~credits and is charged tuition and fees. Examples of distance learning instruction are~~  
9 ~~instruction delivered solely through the internet, cable television, teleconference, or~~  
10 ~~mail.~~

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ARTICLE VI

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, 2020 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, 2021, WITH THE FOLLOWING EXCEPTIONS:



FOR FISCAL  
YEAR ENDING  
SEPT. 30, 2020

FOR FISCAL  
YER ENDING  
SEPT. 30, 2021

1	(2) APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)			
2	SCHOOL AID FUND BORROWING COSTS .....	\$	56,000,000	\$ 66,000,000
3	DRINKING WATER DECLARATION OF EMERGENCY .....		8,075,100	8,075,000
4	PROPOSAL A OBLIGATION PAYMENT .....		4,953,000,000	4,860,000,000
5	RENAISSANCE ZONE REIMBURSEMENT PAYMENT .....		15,300,000	18,400,000
6	SPECIAL EDUCATION FOUNDATIONS .....		297,800,000	309,200,000
7	SPECIAL EDUCATION HEADLEE OBLIGATION .....		689,500,000	716,000,000
8	SCHOOL BUS INSPECTION PROGRAMS .....		1,747,900	1,735,100
9	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION ....		16,457,200	16,371,100
10	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM ....		1,245,540,000	1,438,857,000
11	(3) APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)			
12	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM ....	\$	87,045,600	\$ 98,506,600
13	(4) APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL AID (ARTICLE III)			
14	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM ....	\$	6,251,000	\$ 7,264,000

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 2019-2020 is estimated at  
4 \$13,621,660,400.00 and state appropriations for school aid to be paid to local units of  
5 government for fiscal year 2019-2020 are estimated at \$13,406,340,600.00.

6           (2) In accordance with section 30 of article IX of the state constitution of 1963,  
7 total state spending from state sources for community colleges for fiscal year 2019-2020  
8 under article II as amended by this amendatory act is estimated at \$421,164,000.00 and the  
9 amount of that state spending from state sources to be paid to local units of government  
10 for fiscal year 2019-2020 is estimated at \$421,164,000.00.

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 2019-2020  
13 under article III as amended by this amendatory act is estimated at \$1,587,795,400.00 and  
14 the amount of that state spending from state sources to be paid to local units of  
15 government for fiscal year 2019-2020 is estimated at \$0.

16           Enacting section 2. Sections 17c, 20m, 22p, 24c, 25f, 25g, 25h, 31b, 32q, 35b, 55,  
17 61c, 61d, 61f, 61g, 61h, 64b, 64d, 65, 74a, 95b, 99t, 99u, 99v, 99w, 99x, 99y, 102d, 104d,  
18 104f, 152b, 153, 164g, 164h, 201a, 208, 210f, 212, 227, 228, 236a, 261, 265c, 265e, 271a,  
19 274, and 275a of the state school aid act of 1979, 1979 PA 94, MCL 388.1617c, 388.1620m,  
20 388.1622p, 388.1624c, 388.1625f, 388.1625g, 388.1625h, 388.1631b, 388.1632q, 388.1635b,  
21 388.1655, 388.1661c, 388.1661d, 388.1661f, 388.1661g, 388.1661h, 388.1664b, 388.1664d,  
22 388.1665, 388.1674a, 388.1695b, 388.1699t, 388.1699u, 388.1699v, 388.1699w, 388.1699x,  
23 388.1699y, 388.1702d, 388.1704d, 388.1704f, 388.1752b, 388.1753, 388.1764g, 388.1764h,  
24 388.1801a, 388.1808, 388.1810f, 388.1812, 388.1827, 388.1828, 388.1836a, 388.1861,  
25 388.1865c, 388.1865e, 388.1871a, 388.1874, and 388.1875a are repealed effective October 1,  
26 2019.