

DRAFT 1
SUBSTITUTE FOR
HOUSE BILL NO. 4115

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 15, 18, 18a,
20, 20d, 20f, 21f, 22a, 22b, 22c, 22d, 22g, 23a, 24, 24a, 24c, 25f,
26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 43, 51a, 51c, 51d,
53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 95a, 98, 99, 99b, 99h, 101,
104, 104b, 104c, 147, 147a, 147c, 152a, 163, 201, 201a, 206, 207a,
207b, 207c, 209, 210, 210b, 213, 217, 222, 225, 226, 229, 229a,
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263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279,
280, 281, 282, 283, 284, and 286 (MCL 388.1606, 388.1608b,
388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1615,
388.1618, 388.1618a, 388.1620, 388.1620d, 388.1620f, 388.1621f,
388.1622a, 388.1622b, 388.1622c, 388.1622d, 388.1622g, 388.1623a,



388.1624, 388.1624a, 388.1624c, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1643, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699, 388.1699b, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1704c, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1763, 388.1801, 388.1801a, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810, 388.1810b, 388.1813, 388.1817, 388.1822, 388.1825, 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1844, 388.1846, 388.1852, 388.1856, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, and 388.1886), sections 6, 8b, 11a, 11j, 11k, 15, 20, 20d, 20f, 21f, 22c, 22d, 22g, 24, 24a, 24c, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 147, 147a, 152a, 163, 201a, 206, 209, 210b, 217, 225, 229, 229a, 230, 236a, 236b, 236c, 241, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 43, 95a, 99b, 104c, 207a, 207b, and 207c as added by 2014 PA 196, sections 11, 11m, 18, 22a, 22b, 51a, 51c, 147c, 201, and 236 as amended by 2015 PA 5, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, sections 210, 244, and 258 as amended by 2013 PA 60, and sections 213, 222, 226, and 286 as amended by 2012 PA 201, and by adding sections 55, 99q,



99r, 152b, 210c, 215, and 260; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or by an intermediate district for special education
3 pupils from several districts in programs for pupils with autism
4 spectrum disorder, pupils with severe cognitive impairment, pupils
5 with moderate cognitive impairment, pupils with severe multiple
6 impairments, pupils with hearing impairment, pupils with visual
7 impairment, and pupils with physical impairment or other health
8 impairment. Programs for pupils with emotional impairment housed in
9 buildings that do not serve regular education pupils also qualify.
10 Unless otherwise approved by the department, a center program
11 either shall serve all constituent districts within an intermediate
12 district or shall serve several districts with less than 50% of the
13 pupils residing in the operating district. In addition, special
14 education center program pupils placed part-time in noncenter
15 programs to comply with the least restrictive environment
16 provisions of section 612 of part B of the individuals with
17 disabilities education act, 20 USC 1412, may be considered center
18 program pupils for pupil accounting purposes for the time scheduled
19 in either a center program or a noncenter program.

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

23 (3) "District and high school graduation report" means a
24 report of the number of pupils, excluding adult **EDUCATION**



1 participants, in the district for the immediately preceding school
2 year, adjusted for those pupils who have transferred into or out of
3 the district or high school, who leave high school with a diploma
4 or other credential of equal status.

5 (4) "Membership", except as otherwise provided in this
6 article, means for a district, a public school academy, the
7 education achievement system, or an intermediate district the sum
8 of the product of .90 times the number of full-time equated pupils
9 in grades K to 12 actually enrolled and in regular daily attendance
10 on the pupil membership count day for the current school year, plus
11 the product of .10 times the final audited count from the
12 supplemental count day for the current school year. A district's,
13 public school academy's, or intermediate district's membership
14 shall be adjusted as provided under section 25e for pupils who
15 enroll in the district, public school academy, or intermediate
16 district after the pupil membership count day. All pupil counts
17 used in this subsection are as determined by the department and
18 calculated by adding the number of pupils registered for attendance
19 plus pupils received by transfer and minus pupils lost as defined
20 by rules promulgated by the superintendent, and as corrected by a
21 subsequent department audit. For the purposes of this section and
22 section 6a, for a school of excellence that is a cyber school, as
23 defined in section 551 of the revised school code, MCL 380.551, and
24 is in compliance with section 553a of the revised school code, MCL
25 380.553a, a pupil's participation, **AS DETERMINED BY THE DEPARTMENT**
26 **IN ACCORDANCE WITH THE PUPIL ACCOUNTING MANUAL**, in the cyber
27 school's educational program is considered regular daily



1 attendance; for the education achievement system, a pupil's
2 participation, **AS DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH**
3 **THE PUPIL ACCOUNTING MANUAL**, in an online educational program of
4 the education achievement system or of an achievement school is
5 considered regular daily attendance; and for a district a pupil's
6 participation in an online course as defined in section 21f is
7 considered regular daily attendance. The amount of the foundation
8 allowance for a pupil in membership is determined under section 20.
9 In making the calculation of membership, all of the following, as
10 applicable, apply to determining the membership of a district, a
11 public school academy, the education achievement system, or an
12 intermediate district:

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

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



1 (c) A special education pupil educated by the intermediate
2 district shall be counted in membership in the intermediate
3 district.

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

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

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

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

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

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

27 (i) If operations begin before the pupil membership count day



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

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

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

27 (k) In a district, a public school academy, the education



1 achievement system, or an intermediate district operating an
2 extended school year program approved by the superintendent, a
3 pupil enrolled, but not scheduled to be in regular daily attendance
4 on a pupil membership count day, shall be counted.

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

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

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

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

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

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

25 **(D) IS CONSIDERED TO BE HOMELESS UNDER 42 USC 11302.**

26 (iii) If a child does not meet the minimum age requirement to
27 be eligible to attend school for that school year under section



1 1147 of the revised school code, MCL 380.1147, but will be 5 years
2 of age not later than December 1 of that school year, the district
3 may count the child in membership for that school year if the
4 parent or legal guardian has notified the district in writing that
5 he or she intends to enroll the child in kindergarten for that
6 school year.

7 (m) An individual who has obtained a high school diploma shall
8 not be counted in membership. An individual who has obtained a
9 general educational development (G.E.D.) certificate shall not be
10 counted in membership unless the individual is a ~~pupil~~**STUDENT** with
11 a disability as defined in R 340.1702 of the Michigan
12 administrative code. An individual participating in a job training
13 program funded under former section 107a or a jobs program funded
14 under former section 107b, administered by the Michigan strategic
15 fund, or participating in any successor of either of those 2
16 programs, shall not be counted in membership.

17 (n) If a pupil counted in membership in a public school
18 academy or the education achievement system is also educated by a
19 district or intermediate district as part of a cooperative
20 education program, the pupil shall be counted in membership only in
21 the public school academy or the education achievement system
22 unless a written agreement signed by all parties designates the
23 party or parties in which the pupil shall be counted in membership,
24 and the instructional time scheduled for the pupil in the district
25 or intermediate district shall be included in the full-time equated
26 membership determination under subdivision (q) **AND SECTION 101**.
27 However, for pupils receiving instruction in both a public school



1 academy or the education achievement system and in a district or
2 intermediate district but not as a part of a cooperative education
3 program, the following apply:

4 (i) If the public school academy or the education achievement
5 system provides instruction for at least 1/2 of the class hours
6 ~~specified in subdivision (q),~~ **REQUIRED UNDER SECTION 101**, the
7 public school academy or the education achievement system shall
8 receive as its prorated share of the full-time equated membership
9 for each of those pupils an amount equal to 1 times the product of
10 the hours of instruction the public school academy or the education
11 achievement system provides divided by the number of hours
12 ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for full-
13 time equivalency, and the remainder of the full-time membership for
14 each of those pupils shall be allocated to the district or
15 intermediate district providing the remainder of the hours of
16 instruction.

17 (ii) If the public school academy or the education achievement
18 system provides instruction for less than 1/2 of the class hours
19 ~~specified in subdivision (q),~~ **REQUIRED UNDER SECTION 101**, the
20 district or intermediate district providing the remainder of the
21 hours of instruction shall receive as its prorated share of the
22 full-time equated membership for each of those pupils an amount
23 equal to 1 times the product of the hours of instruction the
24 district or intermediate district provides divided by the number of
25 hours ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for
26 full-time equivalency, and the remainder of the full-time
27 membership for each of those pupils shall be allocated to the



1 public school academy or the education achievement system.

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

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

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

17 (r) ~~Beginning in 2012-2013, full-time~~ **FULL-TIME** equated
18 memberships for pupils in kindergarten shall be determined by
19 dividing the number of instructional hours scheduled and provided
20 per year per kindergarten pupil by the same number used for
21 determining full-time equated memberships for pupils in grades 1 to
22 12. However, to the extent allowable under federal law, for a
23 district or public school academy that provides evidence
24 satisfactory to the department that it used federal title I money
25 in the 2 immediately preceding school fiscal years to fund full-
26 time kindergarten, full-time equated memberships for pupils in
27 kindergarten shall be determined by dividing the number of class



1 hours scheduled and provided per year per kindergarten pupil by a
2 number equal to 1/2 the number used for determining full-time
3 equated memberships for pupils in grades 1 to 12. The change in the
4 counting of full-time equated memberships for pupils in
5 kindergarten that took effect for 2012-2013 is not a mandate.

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

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

25 (u) If, as a result of a disciplinary action, a district
26 determines through the district's alternative or disciplinary
27 education program that the best instructional placement for a pupil



1 is in the pupil's home or otherwise apart from the general school
2 population, if that placement is authorized in writing by the
3 district superintendent and district alternative or disciplinary
4 education supervisor, and if the district provides appropriate
5 instruction as described in this subdivision to the pupil at the
6 pupil's home or otherwise apart from the general school population,
7 the district may count the pupil in membership on a pro rata basis,
8 with the proration based on the number of hours of instruction the
9 district actually provides to the pupil divided by the number of
10 hours ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for
11 full-time equivalency. For the purposes of this subdivision, a
12 district shall be considered to be providing appropriate
13 instruction if all of the following are met:

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

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

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

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

25 (v) If a pupil was enrolled in a public school academy on the
26 pupil membership count day, if the public school academy's contract
27 with its authorizing body is revoked or the public school academy



1 otherwise ceases to operate, and if the pupil enrolls in a district
2 or the education achievement system within 45 days after the pupil
3 membership count day, the department shall adjust the district's or
4 the education achievement system's pupil count for the pupil
5 membership count day to include the pupil in the count.

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

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



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

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

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

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

21 (z) A pupil of a district that begins its school year after
22 Labor ~~day~~-**DAY** who is enrolled in an intermediate district program
23 that begins before Labor ~~day~~-**DAY** shall not be considered to be less
24 than a full-time pupil solely due to instructional time scheduled
25 but not attended by the pupil before Labor ~~day~~-**DAY**.

26 (aa) For the first year in which a pupil is counted in
27 membership on the pupil membership count day in a middle college



1 program, the membership is the average of the full-time equated
2 membership on the pupil membership count day and on the
3 supplemental count day for the current school year, as determined
4 by the department.

5 (bb) A district, a public school academy, or the education
6 achievement system that educates a pupil who attends a United
7 States Olympic ~~education center~~ **EDUCATION CENTER** may count the
8 pupil in membership regardless of whether or not the pupil is a
9 resident of this state.

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

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



1 tenth day of the next month. A district shall not report a pupil as
2 being in full attendance for a month unless both of the following
3 are met:

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

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

15 **(EE) A PUPIL PARTICIPATING IN AN ONLINE COURSE UNDER SECTION**
16 **21F SHALL BE COUNTED IN MEMBERSHIP IN THE PUPIL'S PRIMARY DISTRICT,**
17 **AS DEFINED UNDER SECTION 21F.**

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

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

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

27 (b) A pupil receiving 1/2 or less of his or her instruction in



1 a district other than the pupil's district of residence.

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

4 (d) A pupil enrolled in a district other than the pupil's
5 district of residence under an intermediate district schools of
6 choice pilot program as described in section 91a or former section
7 91 if the intermediate district and its constituent districts have
8 been exempted from section 105.

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

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

26 (i) "At school" means in a classroom, elsewhere on school
27 premises, on a school bus or other school-related vehicle, or at a



1 school-sponsored activity or event whether or not it is held on
2 school premises.

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

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

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

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

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

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

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

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

25 (j) A pupil who is the child of a person who works at the
26 district or who is the child of a person who worked at the district
27 as of the time the pupil first enrolled in the district but who no



1 longer works at the district due to a workforce reduction. As used
 2 in this subdivision, "child" includes an adopted child, stepchild,
 3 or legal ward.

4 (k) An expelled pupil who has been denied reinstatement by the
 5 expelling district and is reinstated by another school board under
 6 section 1311 or 1311a of the revised school code, MCL 380.1311 and
 7 380.1311a.

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

12 (m) A pupil enrolled in a district other than the pupil's
 13 district of residence who attends a United States Olympic ~~education~~
 14 ~~center~~. **EDUCATION CENTER.**

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

18 (o) A pupil who enrolls in a district other than the pupil's
 19 district of residence as a result of the pupil's school not making
 20 adequate yearly progress under the no child left behind act of
 21 2001, Public Law 107-110.

22 ~~— (p) An online learning pupil enrolled in a district other than~~
 23 ~~the pupil's district of residence as an eligible pupil under~~
 24 ~~section 21f.~~

25 However, if a district educates pupils who reside in another
 26 district and if the primary instructional site for those pupils is
 27 established by the educating district after 2009-2010 and is



1 located within the boundaries of that other district, the educating
2 district must have the approval of that other district to count
3 those pupils in membership.

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

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

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

14 (i) Fourth Wednesday in July.

15 (ii) First Wednesday in October.

16 (iii) Second Wednesday in February.

17 (iv) Fourth Wednesday in April.

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



1 been excused by the district, shall not be counted as 1.0 full-time
2 equated membership. A pupil who is excused from attendance on the
3 pupil membership count day or supplemental count day and who fails
4 to attend each of the classes in which the pupil is enrolled within
5 30 calendar days after the pupil membership count day or
6 supplemental count day shall not be counted as 1.0 full-time
7 equated membership. In addition, a pupil who was enrolled and in
8 attendance in a district, an intermediate district, a public school
9 academy, or the education achievement system before the pupil
10 membership count day or supplemental count day of a particular year
11 but was expelled or suspended on the pupil membership count day or
12 supplemental count day shall only be counted as 1.0 full-time
13 equated membership if the pupil resumed attendance in the district,
14 intermediate district, public school academy, or education
15 achievement system within 45 days after the pupil membership count
16 day or supplemental count day of that particular year. Pupils not
17 counted as 1.0 full-time equated membership due to an absence from
18 a class shall be counted as a prorated membership for the classes
19 the pupil attended. For purposes of this subsection, "class" means
20 a period of time in 1 day when pupils and a certificated teacher or
21 legally qualified substitute teacher are together and instruction
22 is taking place.

23 (9) "Rule" means a rule promulgated pursuant to the
24 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
25 24.328.

26 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
27 380.1852.



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

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

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

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

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

14 (16) "Tuition pupil" means a pupil of school age attending
15 school in a district other than the pupil's district of residence
16 for whom tuition may be charged to the district of residence.
17 Tuition pupil does not include a pupil who is a special education
18 pupil, a pupil described in subsection (6)(c) to (p), or a pupil
19 whose parent or guardian voluntarily enrolls the pupil in a
20 district that is not the pupil's district of residence. A pupil's
21 district of residence shall not require a high school tuition
22 pupil, as provided under section 111, to attend another school
23 district after the pupil has been assigned to a school district.

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

27 (18) "Taxable value" means the taxable value of property as



1 determined under section 27a of the general property tax act, 1893
2 PA 206, MCL 211.27a.

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

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

15 Sec. 8b. (1) The department shall assign a district code to
16 each public school academy that is authorized under the revised
17 school code and is eligible to receive funding under this article
18 within 30 days after a contract is submitted to the department by
19 the authorizing body of a public school academy.

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



1 in the same county as the newly authorized public school academy,
 2 then the district code the department shall use to make payments
 3 under this article to the newly authorized public school academy
 4 shall be a 5-digit number that has the county code in which the
 5 public school academy is located as its first 2 digits, 9 as its
 6 third digit, 0 as its fourth digit, and 1 as its fifth digit. If
 7 the number of public school academies in a county grows to exceed
 8 100, the third digit in this 5-digit number shall then be 7 for the
 9 public school academies in excess of 100.

10 **(3) FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL AND**
 11 **IS AUTHORIZED UNDER PART 6E OF THE REVISED SCHOOL CODE, MCL 380.551**
 12 **TO 380.561, BY A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,**
 13 **COMMUNITY COLLEGE OTHER THAN A FEDERAL TRIBALLY CONTROLLED**
 14 **COMMUNITY COLLEGE, OR OTHER AUTHORIZING BODY THAT IS NOT EMPOWERED**
 15 **TO AUTHORIZE A SCHOOL OF EXCELLENCE TO OPERATE STATEWIDE AND IS**
 16 **ELIGIBLE TO RECEIVE FUNDING UNDER THIS ARTICLE, THE DEPARTMENT**
 17 **SHALL ASSIGN A DISTRICT CODE THAT INCLUDES AS THE FIRST 2 DIGITS**
 18 **THE COUNTY CODE IN WHICH THE AUTHORIZING BODY IS LOCATED.**

19 ~~Sec. 11. (1) For the fiscal year ending September 30, 2015,~~
 20 ~~there is appropriated for the public schools of this state and~~
 21 ~~certain other state purposes relating to education the sum of~~
 22 ~~\$11,827,097,400.00 from the state school aid fund, the sum of~~
 23 ~~\$18,000,000.00 from the MPSEERS retirement obligation reform reserve~~
 24 ~~fund created under section 147b, and the sum of \$33,700,000.00 from~~
 25 ~~the general fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016,**~~
 26 **THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND**
 27 **CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF**



1 **\$12,087,799,700.00 FROM THE STATE SCHOOL AID FUND AND THE SUM OF**
2 **\$45,900.00.00 FROM THE GENERAL FUND.** In addition, all other
3 available federal funds are appropriated for the fiscal year ending
4 September 30, ~~2015-2016~~.

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

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

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

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

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

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

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

26 (3) Money available in the school aid stabilization fund may
27 not be expended without a specific appropriation from the school



1 aid stabilization fund. Money in the school aid stabilization fund
2 shall be expended only for purposes for which state school aid fund
3 money may be expended.

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

8 (5) Money in the school aid stabilization fund at the close of
9 a fiscal year shall remain in the school aid stabilization fund and
10 shall not lapse to the unreserved school aid fund balance or the
11 general fund.

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

25 (7) For ~~2014-2015~~, **2015-2016**, in addition to the
26 appropriations in section 11, there is appropriated from the school
27 aid stabilization fund to the state school aid fund the amount



1 necessary to fully fund the allocations under this article.

2 Sec. 11j. From the appropriation in section 11, there is
3 allocated an amount not to exceed ~~§126,000,000.00 for 2014-2015~~
4 **§143,000,000.00 FOR 2015-2016** for payments to the school loan bond
5 redemption fund in the department of treasury on behalf of
6 districts and intermediate districts. Notwithstanding section 296
7 or any other provision of this act, funds allocated under this
8 section are not subject to proration and shall be paid in full.

9 Sec. 11k. For ~~2014-2015,~~ **2015-2016**, there is appropriated from
10 the general fund to the school loan revolving fund an amount equal
11 to the amount of school bond loans assigned to the Michigan finance
12 authority, not to exceed the total amount of school bond loans held
13 in reserve as long-term assets. As used in this section, "school
14 loan revolving fund" means that fund created in section 16c of the
15 shared credit rating act, 1985 PA 227, MCL 141.1066c.

16 Sec. 11m. From the appropriation in section 11, there is
17 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
18 ~~§3,000,000.00~~ **§4,000,000.00** for fiscal year cash-flow borrowing
19 costs solely related to the state school aid fund established by
20 section 11 of article IX of the state constitution of 1963.

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



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

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



1 adjustment and may advance payments to the district otherwise
2 authorized under this article if the district would otherwise
3 experience a significant hardship in satisfying its financial
4 obligations.

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

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



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

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

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

25 (2) **A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AN ANNUAL**
26 **BUDGET IN A MANNER THAT COMPLIES WITH THE UNIFORM BUDGETING AND**
27 **ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.** Within 15 days



1 after a board adopts its annual operating budget for the following
2 school fiscal year, or after a board adopts a subsequent revision
3 to that budget, the district shall make all of the following
4 available through a link on its website ~~home page,~~ **HOME PAGE**, or may
5 make the information available through a link on its intermediate
6 district's website ~~home page,~~ **HOME PAGE**, in a form and manner
7 prescribed by the department:

8 (a) The annual operating budget and subsequent budget
9 revisions.

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

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

16 (A) Salaries and wages.

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

20 (C) Retirement benefit costs.

21 (D) All other personnel costs.

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

24 (A) Instruction.

25 (B) Support services.

26 (C) Business and administration.

27 (D) Operations and maintenance.



1 (c) Links to all of the following:

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

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

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

11 (iv) The bids required under section 5 of the public employee
12 health benefits act, 2007 PA 106, MCL 124.75.

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

15 (vi) The district's written policy establishing specific
16 categories of reimbursable expenses, as described in section
17 1254(2) of the revised school code, MCL 380.1254.

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

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

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



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

4 (g) Any deficit elimination plan or enhanced deficit
5 elimination plan the district was required to submit under this
6 article.

7 (h) Identification of all credit cards maintained by the
8 district as district credit cards, the identity of all individuals
9 authorized to use each of those credit cards, the credit limit on
10 each credit card, and the dollar limit, if any, for each
11 individual's authorized use of the credit card.

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

17 (3) For the information required under subsection (2) (a),
18 (2) (b) (i), and (2) (c), an intermediate district shall provide the
19 same information in the same manner as required for a district
20 under subsection (2).

21 (4) For the purposes of determining the reasonableness of
22 expenditures, whether a district or intermediate district has
23 received the proper amount of funds under this article, and whether
24 a violation of this article has occurred, all of the following
25 apply:

26 (a) The department shall require that each district and
27 intermediate district have an audit of the district's or



1 intermediate district's financial and pupil accounting records
2 conducted at least annually, and at such other times as determined
3 by the department, at the expense of the district or intermediate
4 district, as applicable. The audits must be performed by a
5 certified public accountant or by the intermediate district
6 superintendent, as may be required by the department, or in the
7 case of a district of the first class by a certified public
8 accountant, the intermediate superintendent, or the auditor general
9 of the city. A district or intermediate district shall retain these
10 records for the current fiscal year and from at least the 3
11 immediately preceding fiscal years.

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

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

27 (d) The pupil and financial accounting records and reports,



1 audits, and management letters are subject to requirements
2 established in the auditing and accounting manuals approved and
3 published by the department.

4 (e) All of the following shall be done not later than ~~November~~
5 ~~15, 2014 for reporting 2013-2014 data during 2014-2015, and not~~
6 ~~later than November 1~~ **EACH YEAR** for reporting the prior fiscal year
7 data: ~~for all subsequent fiscal years:~~

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

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

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

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

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

27 (5) ~~By November 15, 2014 for 2014-2015 and by November 1 for~~



1 ~~all subsequent fiscal years,~~ **EACH YEAR**, each district and
2 intermediate district shall submit to the center, in a manner
3 prescribed by the center, annual comprehensive financial data
4 consistent with accounting manuals and charts of accounts approved
5 and published by the department. For an intermediate district, the
6 report shall also contain the website address where the department
7 can access the report required under section 620 of the revised
8 school code, MCL 380.620. The department shall ensure that the
9 prescribed Michigan public school accounting manual chart of
10 accounts includes standard conventions to distinguish expenditures
11 by allowable fund function and object. The functions shall include
12 at minimum categories for instruction, pupil support, instructional
13 staff support, general administration, school administration,
14 business administration, transportation, facilities operation and
15 maintenance, facilities acquisition, and debt service; and shall
16 include object classifications of salary, benefits, including
17 categories for active employee health expenditures, purchased
18 services, supplies, capital outlay, and other. Districts shall
19 report the required level of detail consistent with the manual as
20 part of the comprehensive annual financial report.

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

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



1 by the center.

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

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

9 (10) If a district or intermediate district does not comply
10 with subsections (4), (5), (6), and (7), the department shall
11 withhold all state school aid due to the district or intermediate
12 district under this article, beginning with the next payment due to
13 the district or intermediate district, until the district or
14 intermediate district complies with subsections (4), (5), (6), and
15 (7). ~~However, the department shall not withhold the payment due on~~
16 ~~October 20 due to the operation of this subsection.~~ If the district
17 or intermediate district does not comply with subsections (4), (5),
18 (6), and (7) by the end of the fiscal year, the district or
19 intermediate district forfeits the amount withheld.

20 **(11) IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY**
21 **WITH SUBSECTION (2), THE DEPARTMENT MAY WITHHOLD UP TO 10% OF THE**
22 **STATE SCHOOL AID OTHERWISE PAYABLE TO THE DISTRICT OR INTERMEDIATE**
23 **DISTRICT UNDER THIS ARTICLE, BEGINNING WITH THE NEXT PAYMENT DUE TO**
24 **THE DISTRICT OR INTERMEDIATE DISTRICT, UNTIL THE DISTRICT OR**
25 **INTERMEDIATE DISTRICT COMPLIES WITH SUBSECTION (2). IF THE DISTRICT**
26 **OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION (2) BY THE**
27 **END OF THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT**



1 **FORFEITS THE AMOUNT WITHHELD.**

2 (12) ~~(11)~~ Not later than November 1, 2014, ~~2015~~, if a district
3 or intermediate district offers online learning under section 21f,
4 the district or intermediate district shall submit to the
5 department a report that details the per-pupil costs of operating
6 the online learning by vendor type. The report shall include at
7 least all of the following information concerning the operation of
8 online learning for the school fiscal year ending June 30,
9 ~~2014:2015~~:

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

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

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

17 (d) The district in which the pupil was enrolled before
18 enrolling in the district offering online learning.

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

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

23 (g) The total cost to enroll a student in the program. This
24 cost shall be reported on a per-pupil, per-course, per-semester or
25 trimester basis by vendor type. The total shall include costs
26 broken down by cost for content development, content licensing,
27 training, online instruction and instructional support, personnel,



1 hardware and software, payment to each online learning provider,
2 and other costs associated with operating online learning.

3 (h) The name of each online education provider contracted by
4 the district and the state in which each online education provider
5 is headquartered.

6 **(13)** ~~(12)~~ Not later than March 31, 2015, **2016**, the department
7 shall submit to the house and senate appropriations subcommittees
8 on state school aid, the state budget director, and the house and
9 senate fiscal agencies a report summarizing the per pupil costs by
10 vendor type of online courses available under section 21f.

11 **(14)** ~~(13)~~ As used in subsections ~~(11)~~ and ~~(12)~~, **(12) AND (13)**,
12 "vendor type" means the following:

13 (a) Online courses provided by the Michigan virtual
14 university.

15 (b) Online courses provided by a school of excellence that is
16 a cyber school, as defined in section 551 of the revised school
17 code, MCL 380.551.

18 (c) Online courses provided by third party vendors not
19 affiliated with a Michigan public school.

20 (d) Online courses created and offered by a district or
21 intermediate district.

22 Sec. 18a. Grant funds awarded and allotted to a district,
23 intermediate district, or other entity, unless otherwise specified
24 in this ~~act~~, **ARTICLE**, shall be expended by the grant recipient
25 before the end of the ~~school~~-fiscal year immediately following the
26 fiscal year in which the funds are received. If a grant recipient
27 does not expend the funds received under this ~~act~~ **ARTICLE** before



1 the end of the fiscal year in which the funds are received, the
2 grant recipient shall submit a report to the department not later
3 than November 1 after the fiscal year in which the funds are
4 received indicating whether it expects to expend those funds during
5 the fiscal year in which the report is submitted. A recipient of a
6 grant shall return any unexpended grant funds to the department in
7 the manner prescribed by the department not later than September 30
8 after the fiscal year in which the funds are received.

9 Sec. 20. (1) For ~~2014-2015~~, **2015-2016**, both of the following
10 apply:

11 (a) The basic foundation allowance is ~~\$8,099.00~~. **\$8,236.00**.

12 (b) The minimum foundation allowance is ~~\$7,126.00~~. **\$7,525.00**.

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

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

20 (a) Except as otherwise provided in this subdivision, for a
21 district that had a foundation allowance for the immediately
22 preceding state fiscal year that was equal to the minimum
23 foundation allowance for the immediately preceding state fiscal
24 year, but less than the basic foundation allowance for the
25 immediately preceding state fiscal year, the district shall receive
26 a foundation allowance in an amount equal to the sum of the
27 district's foundation allowance for the immediately preceding state



1 fiscal year plus the difference between twice the dollar amount of
 2 the adjustment from the immediately preceding state fiscal year to
 3 the current state fiscal year made in the basic foundation
 4 allowance and [(the difference between the basic foundation
 5 allowance for the current state fiscal year and basic foundation
 6 allowance for the immediately preceding state fiscal year minus
 7 \$10.00) times (the difference between the district's foundation
 8 allowance for the immediately preceding state fiscal year and the
 9 minimum foundation allowance for the immediately preceding state
 10 fiscal year) divided by the difference between the basic foundation
 11 allowance for the current state fiscal year and the minimum
 12 foundation allowance for the immediately preceding state fiscal
 13 year]. However, the foundation allowance for a district that had
 14 less than the basic foundation allowance for the immediately
 15 preceding state fiscal year shall not exceed the basic foundation
 16 allowance for the current state fiscal year. For the purposes of
 17 this subdivision, for ~~2014-2015,~~ **2015-2016**, the minimum foundation
 18 allowance for the immediately preceding state fiscal year shall be
 19 considered to be \$7,076.00. ~~For 2014-2015, for a district that had~~
 20 ~~a foundation allowance for the immediately preceding state fiscal~~
 21 ~~year that was at least equal to the minimum foundation allowance~~
 22 ~~for the immediately preceding state fiscal year but less than the~~
 23 ~~basic foundation allowance for the immediately preceding state~~
 24 ~~fiscal year, the district shall receive a foundation allowance in~~
 25 ~~an amount equal to the district's foundation allowance for 2013-~~
 26 ~~2014 plus \$50.00.~~ **\$7,251.00.**

27 (b) Except as otherwise provided in this subsection, for a



1 district that in the immediately preceding state fiscal year had a
2 foundation allowance in an amount equal to the amount of the basic
3 foundation allowance for the immediately preceding state fiscal
4 year, the district shall receive a foundation allowance for ~~2014-~~
5 ~~2015-2015-2016~~ in an amount equal to the basic foundation allowance
6 for ~~2014-2015-2015-2016~~.

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

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

24 (e) For a district that received a payment under section 22c
25 as that section was in effect for ~~2013-2014, 2014-2015~~, the
26 district's ~~2013-2014-2014-2015~~ foundation allowance shall be
27 considered to have been an amount equal to the sum of the



1 district's actual ~~2013-2014~~**2014-2015** foundation allowance as
2 otherwise calculated under this section plus the per-pupil amount
3 of the district's equity payment for ~~2013-2014~~**2014-2015** under
4 section 22c as that section was in effect for ~~2013-2014~~**2014-2015**.

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



1 property within the geographic area of the dissolved district.

2 (5) The allocation calculated under this section for a pupil
3 shall be based on the foundation allowance of the pupil's district
4 of residence. For a pupil enrolled pursuant to section 105 or 105c
5 in a district other than the pupil's district of residence, the
6 allocation calculated under this section shall be based on the
7 lesser of the foundation allowance of the pupil's district of
8 residence or the foundation allowance of the educating district.
9 For a pupil in membership in a K-5, K-6, or K-8 district who is
10 enrolled in another district in a grade not offered by the pupil's
11 district of residence, the allocation calculated under this section
12 shall be based on the foundation allowance of the educating
13 district if the educating district's foundation allowance is
14 greater than the foundation allowance of the pupil's district of
15 residence.

16 (6) Except as otherwise provided in this subsection, for
17 pupils in membership, other than special education pupils, in a
18 public school academy, the allocation calculated under this section
19 is an amount per membership pupil other than special education
20 pupils in the public school academy equal to the foundation
21 allowance of the district in which the public school academy is
22 located or the state maximum public school academy allocation,
23 whichever is less. **FOR PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL**
24 **EDUCATION PUPILS, IN A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL**
25 **AND IS AUTHORIZED BY A SCHOOL DISTRICT, THE ALLOCATION CALCULATED**
26 **UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN**
27 **SPECIAL EDUCATION PUPILS IN THE PUBLIC SCHOOL ACADEMY EQUAL TO THE**



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

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



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

19 (8) Subject to subsection (4), for a district that is formed
20 or reconfigured after June 1, 2002 by consolidation of 2 or more
21 districts or by annexation, the resulting district's foundation
22 allowance under this section beginning after the effective date of
23 the consolidation or annexation shall be the lesser of the sum of
24 the average of the foundation allowances of each of the original or
25 affected districts, calculated as provided in this section,
26 weighted as to the percentage of pupils in total membership in the
27 resulting district who reside in the geographic area of each of the



1 original or affected districts plus \$100.00 or the highest
2 foundation allowance among the original or affected districts. This
3 subsection does not apply to a receiving district unless there is a
4 subsequent consolidation or annexation that affects the district.

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

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

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

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



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

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

26 (12) Payments to districts, public school academies, or the
27 education achievement system shall not be made under this section.



1 Rather, the calculations under this section shall be used to
2 determine the amount of state payments under section 22b.

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

8 (14) As used in this section:

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

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

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

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

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

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

27 (g) "Local portion of the district's foundation allowance"



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

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

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

23 (j) "Maximum public school academy allocation", ~~except as~~
24 ~~otherwise provided in this subdivision, means the maximum per-pupil~~
25 ~~allocation as calculated by adding the highest per-pupil allocation~~
26 ~~among all public school academies for the immediately preceding~~
27 ~~state fiscal year plus the difference between twice the amount of~~



1 ~~the difference between the basic foundation allowance for the~~
 2 ~~current state fiscal year and the basic foundation for the~~
 3 ~~immediately preceding state fiscal year and [(the amount of the~~
 4 ~~difference between the basic foundation allowance for the current~~
 5 ~~state fiscal year and the basic foundation for the immediately~~
 6 ~~preceding state fiscal year minus \$10.00) times (the difference~~
 7 ~~between the highest per-pupil allocation among all public school~~
 8 ~~academies for the immediately preceding state fiscal year and the~~
 9 ~~minimum foundation allowance for the immediately preceding state~~
 10 ~~fiscal year) divided by the difference between the basic foundation~~
 11 ~~allowance for the current state fiscal year and the minimum~~
 12 ~~foundation allowance for the immediately preceding state fiscal~~
 13 ~~year]. For the purposes of this subdivision, for 2014-2015, the~~
 14 ~~minimum foundation allowance for the immediately preceding state~~
 15 ~~fiscal year shall be considered to be \$7,076.00. For 2014-2015, the~~
 16 ~~maximum public school academy allocation is \$7,218.00.~~ **MEANS THE**
 17 **MINIMUM FOUNDATION ALLOWANCE UNDER SUBSECTION (1) .**

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

21 (l) "Nonexempt property" means property that is not a
 22 principal residence, qualified agricultural property, qualified
 23 forest property, supportive housing property, industrial personal
 24 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**
 25 **A PUBLIC SCHOOL ACADEMY.**

26 (m) "Principal residence", "qualified agricultural property",
 27 "qualified forest property", "supportive housing property",



1 "industrial personal property", and "commercial personal property"
2 mean those terms as defined in section 1211 of the revised school
3 code, MCL 380.1211.

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

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

11 (p) "School operating taxes" means local ad valorem property
12 taxes levied under section 1211 of the revised school code, MCL
13 380.1211, and retained for school operating purposes.

14 (q) "Tax increment financing acts" means 1975 PA 197, MCL
15 125.1651 to 125.1681, the tax increment finance authority act, 1980
16 PA 450, MCL 125.1801 to 125.1830, the local development financing
17 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
18 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
19 or the corridor improvement authority act, 2005 PA 280, MCL
20 125.2871 to 125.2899.

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

27 Sec. 20d. In making the final determination required under



1 former section 20a of a district's combined state and local revenue
2 per membership pupil in 1993-94 and in making calculations under
3 section 20 for ~~2014-2015~~, **2015-2016**, the department and the
4 department of treasury shall comply with all of the following:

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

21 (b) If a district had an adjustment made to its 1993-94 total
22 state school aid that excluded payments made under former section
23 146 and under section 147 on behalf of the district's employees who
24 provided direct services for intermediate district center programs
25 operated by the district under article 5, if nonresident pupils
26 attending the center programs were included in the district's
27 membership for purposes of calculating the combined state and local



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

11 Sec. 20f. (1) **FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**
 12 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$14,000,000.00 FOR 2015-2016**
 13 **FOR SUPPLEMENTAL PAYMENTS TO DISTRICTS UNDER THIS SECTION.**

14 (2) From the ~~funds appropriated in section 11,~~ **AMOUNT**
 15 **ALLOCATED UNDER SUBSECTION (1)**, there is allocated an amount not to
 16 exceed \$6,000,000.00 for ~~2014-2015~~ **2015-2016** for payments to
 17 eligible districts under this ~~section.~~ **SUBSECTION.** A district is
 18 eligible for funding under this ~~section.~~ **SUBSECTION** if the district
 19 received a payment under this section as it was in effect for 2013-
 20 2014. A district was eligible for funding in 2013-2014 if the sum
 21 of the following was less than \$5.00:

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

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

27 (c) The quotient of the district's allocation under section



1 147a for 2012-2013 divided by the district's membership pupils for
 2 2012-2013 minus the quotient of the district's allocation under
 3 section 147a for 2013-2014 divided by the district's membership
 4 pupils for 2013-2014.

5 (3) ~~(2)~~—The amount allocated to each eligible district under
 6 ~~this section~~ **SUBSECTION (2)** is an amount per membership pupil equal
 7 to the amount per membership pupil the district received in 2013-
 8 2014.

9 (4) ~~(3)~~—If the allocation under subsection ~~(1)~~ **(2)** is
 10 insufficient to fully fund payments as otherwise calculated under
 11 ~~this section~~, **SUBSECTION (3)**, the department shall prorate payments
 12 under ~~this section~~ **SUBSECTION (2)** on an equal per-pupil basis.

13 (5) **FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), THERE IS**
 14 **ALLOCATED AN AMOUNT NOT TO EXCEED \$8,000,000.00 FOR 2015-2016 FOR**
 15 **PAYMENTS TO ELIGIBLE DISTRICTS UNDER THIS SUBSECTION. A DISTRICT IS**
 16 **ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION IF THE SUM OF THE**
 17 **FOLLOWING IS LESS THAN \$25.00:**

18 (A) **THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR**
 19 **PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO**
 20 **2015-2016.**

21 (B) **THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20G FOR**
 22 **2015-2016, WHICH IS \$0.00, MINUS THE DISTRICT'S PER-PUPIL**
 23 **ALLOCATION UNDER SECTION 20G FOR 2014-2015.**

24 (C) **THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 22F FOR**
 25 **2015-2016, WHICH IS \$0.00, MINUS THE DISTRICT'S PER-PUPIL**
 26 **ALLOCATION UNDER SECTION 22F FOR 2014-2015.**

27 (D) **THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 22J FOR**



1 2015-2016, WHICH IS \$0.00, MINUS THE DISTRICT'S PER-PUPIL
2 ALLOCATION UNDER SECTION 22J FOR 2014-2015.

3 (E) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION
4 147A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR
5 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER
6 SECTION 147A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP
7 PUPILS FOR 2014-2015.

8 (6) THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER
9 SUBSECTION (5) IS AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO \$25.00
10 MINUS THE SUM OF THE FOLLOWING:

11 (A) THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR
12 PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO
13 2015-2016.

14 (B) THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20G FOR
15 2015-2016, WHICH IS \$0.00, MINUS THE DISTRICT'S PER-PUPIL
16 ALLOCATION UNDER SECTION 20G FOR 2014-2015.

17 (C) THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 22F FOR
18 2015-2016, WHICH IS \$0.00, MINUS THE DISTRICT'S PER-PUPIL
19 ALLOCATION UNDER SECTION 22F FOR 2014-2015.

20 (D) THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 22J FOR
21 2015-2016, WHICH IS \$0.00, MINUS THE DISTRICT'S PER-PUPIL
22 ALLOCATION UNDER SECTION 22J FOR 2014-2015.

23 (E) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION
24 147A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR
25 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER
26 SECTION 147A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP
27 PUPILS FOR 2014-2015.



1 (7) IF THE ALLOCATION UNDER SUBSECTION (5) IS INSUFFICIENT TO
2 FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER SUBSECTION (6),
3 THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER SUBSECTION (5) ON AN
4 EQUAL PER-PUPIL BASIS.

5 Sec. 21f. (1) A pupil enrolled in a district in any of grades
6 6 to 12 is eligible to enroll in an online course as provided for
7 in this section.

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

23 (3) An eligible pupil may enroll in an online course published
24 in the pupil's ~~educating~~**PRIMARY** district's catalog of online
25 courses described in subsection (7) (a) or the statewide catalog of
26 online courses maintained by the Michigan ~~virtual university~~
27 **VIRTUAL UNIVERSITY** pursuant to section 98.



1 (4) A **PROVIDING** district **OR COMMUNITY COLLEGE** shall determine
2 whether or not it has capacity to accept applications for
3 enrollment from nonresident applicants in online courses and may
4 use that limit as the reason for refusal to enroll an applicant. If
5 the number of nonresident applicants eligible for acceptance in an
6 online course does not exceed the capacity of the **PROVIDING**
7 district **OR COMMUNITY COLLEGE** to provide the online course, the
8 **PROVIDING** district **OR COMMUNITY COLLEGE** shall accept for enrollment
9 all of the nonresident applicants eligible for acceptance. If the
10 number of nonresident applicants exceeds the **PROVIDING** district's
11 **OR COMMUNITY COLLEGE'S** capacity to provide the online course, the
12 **PROVIDING** district **OR COMMUNITY COLLEGE** shall use a random draw
13 system, subject to the need to abide by state and federal
14 antidiscrimination laws and court orders.

15 (5) A **PUPIL'S PRIMARY** district may deny a ~~THE~~ pupil enrollment
16 in an online course if any of the following apply, as determined by
17 the district:

18 (a) The pupil has previously gained the credits provided from
19 the completion of the online course.

20 (b) The online course is not capable of generating academic
21 credit.

22 (c) The online course is inconsistent with the remaining
23 graduation requirements or career interests of the pupil.

24 (d) The pupil does not possess the prerequisite knowledge and
25 skills to be successful in the online course or has demonstrated
26 failure in previous online coursework in the same subject.

27 (e) The online course is of insufficient quality or rigor. A



1 district that denies a pupil enrollment for this reason shall make
 2 a reasonable effort to assist the pupil to find an alternative
 3 course in the same or a similar subject that is of acceptable rigor
 4 and quality.

5 (f) The cost of the online course exceeds the amount
 6 identified in subsection ~~(8)~~, **(10)**, unless the pupil's parent or
 7 legal guardian agrees to pay the cost that exceeds this amount.

8 (g) The online course enrollment request does not occur within
 9 the same timelines established by the **PUPIL'S PRIMARY** district for
 10 enrollment and schedule changes for regular courses.

11 (6) If a pupil is denied enrollment in an online course by a
 12 **THE PUPIL'S PRIMARY** district, the pupil may appeal the denial by
 13 submitting a letter to the superintendent of the intermediate
 14 district in which the pupil's ~~educating~~ **PRIMARY** district is
 15 located. The letter of appeal shall include the reason provided by
 16 the **PUPIL'S PRIMARY** district for not enrolling the pupil and the
 17 reason why the pupil is claiming that the enrollment should be
 18 approved. The intermediate district superintendent or designee
 19 shall respond to the appeal within 5 days after it is received. If
 20 the intermediate district superintendent or designee determines
 21 that the denial of enrollment does not meet 1 or more of the
 22 reasons specified in subsection (5), the **PUPIL'S PRIMARY** district
 23 shall allow the pupil to enroll in the online course.

24 (7) To ~~offer or~~ provide an online course under this section, a
 25 **THE PROVIDING** district or intermediate district shall do all of the
 26 following:

27 (a) Provide the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**



1 with the course syllabus in a form and method prescribed by the
 2 Michigan ~~virtual university~~**VIRTUAL UNIVERSITY** for inclusion in a
 3 statewide online course catalog. The district or intermediate
 4 district shall also provide on its publicly accessible website a
 5 link to the course syllabi for all of the online courses offered by
 6 the district or intermediate district and a link to the statewide
 7 catalog of online courses maintained by the Michigan ~~virtual~~
 8 ~~university~~**VIRTUAL UNIVERSITY**.

9 **(B) ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE**
 10 **PUPIL'S PRIMARY DISTRICT WITH THE PERSONAL IDENTIFICATION CODE FOR**
 11 **THE TEACHER OF RECORD.**

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

15 **(D)** ~~(e)~~ Not later than October 1, ~~2014,~~**2015**, provide the
 16 Michigan virtual university with the number of enrollments in each
 17 online course the district or intermediate district ~~offered~~
 18 **PROVIDED** to pupils pursuant to this section in the immediately
 19 preceding school year, and the number of enrollments in which the
 20 pupil earned 60% or more of the total course points for each online
 21 course.

22 **(8) TO PROVIDE AN ONLINE COURSE UNDER THIS SECTION, A**
 23 **COMMUNITY COLLEGE SHALL DO ALL OF THE FOLLOWING:**

24 **(A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE**
 25 **SYLLABUS IN A FORM AND METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL**
 26 **UNIVERSITY FOR INCLUSION IN A STATEWIDE ONLINE COURSE CATALOG.**

27 **(B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD,**



1 OR ALIGNED TO A SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM
2 FORMAT.

3 (C) ENSURE THAT EACH ONLINE COURSE IT PROVIDES UNDER THIS
4 SECTION GENERATES POSTSECONDARY CREDIT.

5 (D) BEGINNING WITH OCTOBER 1, 2016, AND BY OCTOBER 1 OF EACH
6 YEAR THEREAFTER, PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE
7 NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE COMMUNITY COLLEGE
8 PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY
9 PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE
10 PUPIL EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE
11 COURSE.

12 (E) BE TAUGHT BY AN INSTRUCTOR EMPLOYED BY OR CONTRACTED
13 THROUGH THE COMMUNITY COLLEGE.

14 (9) FOR ANY ONLINE COURSE A PUPIL ENROLLS IN UNDER THIS
15 SECTION, THE PUPIL'S PRIMARY DISTRICT MUST ASSIGN TO THE PUPIL A
16 MENTOR TO MONITOR THE PUPIL'S PROGRESS DURING THE ONLINE COURSE AND
17 SHALL SUPPLY THE PROVIDING DISTRICT WITH THE MENTOR'S CONTACT
18 INFORMATION.

19 (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses
20 published in the pupil's ~~educating~~ **PRIMARY** district's catalog of
21 online courses under subsection (7) or in the statewide catalog of
22 online courses maintained by the Michigan ~~virtual university,~~
23 **VIRTUAL UNIVERSITY**, the **PUPIL'S PRIMARY** district shall use
24 foundation allowance or per-pupil funds calculated under section 20
25 to pay for the expenses associated with the online course or
26 courses. The district shall pay 80% of the cost of the online
27 course upon enrollment and 20% upon completion as determined by the



1 district. A district is not required to pay toward the cost of an
 2 online course an amount that exceeds 8.33% of the minimum
 3 foundation allowance for the current fiscal year as calculated
 4 under section 20.

5 (11) ~~(9)~~—An online learning pupil shall have the same rights
 6 and access to technology in his or her primary district's school
 7 facilities as all other pupils enrolled in the pupil's primary
 8 district.

9 (12) ~~(10)~~—If a pupil successfully completes an online course,
 10 as determined by the pupil's primary district, the pupil's primary
 11 district shall grant appropriate academic credit for completion of
 12 the course and shall count that credit toward completion of
 13 graduation and subject area requirements. A pupil's school record
 14 and transcript shall identify the online course title as it appears
 15 in the online course syllabus.

16 (13) ~~(11)~~—The enrollment of a pupil in 1 or more online
 17 courses shall not result in a pupil being counted as more than 1.0
 18 full-time equivalent pupils under this article.

19 (14) ~~(12)~~—The portion of the full-time equated pupil
 20 membership for which a pupil is enrolled in 1 or more online
 21 courses under this section shall not be transferred under the pupil
 22 transfer process under section 25e.

23 (15) ~~(13)~~—As used in this section:

24 (A) "MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY
 25 DISTRICT WHO MONITORS THE PUPIL'S PROGRESS, ENSURES THE PUPIL HAS
 26 ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE FOR ASSISTANCE, AND
 27 ENSURES ACCESS TO THE TEACHER OF RECORD. A MENTOR MAY ALSO SERVE AS



1 **THE TEACHER OF RECORD IF THE MENTOR MEETS THE REQUIREMENTS UNDER**
2 **SUBDIVISION (G) .**

3 **(B)** ~~(a)~~—"Online course" means a course of study that is
4 capable of generating a credit or a grade, that is provided in an
5 interactive ~~internet-connected~~ **INTERNET-CONNECTED** learning
6 environment, in which pupils are separated from their teachers by
7 time or location, or both, and, **FOR A COURSE PROVIDED BY A DISTRICT**
8 **OR INTERMEDIATE DISTRICT**, in which a teacher who holds a valid
9 Michigan teaching certificate **THAT QUALIFIES THE TEACHER TO TEACH**
10 **THE COURSE** is responsible for **PROVIDING INSTRUCTION**, determining
11 appropriate instructional methods for each pupil, diagnosing
12 learning needs, assessing pupil learning, prescribing intervention
13 strategies, reporting outcomes, and evaluating the effects of
14 instruction and support strategies.

15 **(C)** ~~(b)~~—"Online course syllabus" means a document that
16 includes all of the following:

17 (i) The state academic standards addressed in an online
18 course.

19 (ii) The online course content outline.

20 (iii) The online course required assessments.

21 (iv) The online course prerequisites.

22 (v) Expectations for actual instructor contact time with the
23 online learning pupil and other pupil-to-instructor communications.

24 (vi) Academic support available to the online learning pupil.

25 (vii) The online course learning outcomes and objectives.

26 (viii) The name of the institution or organization providing
27 the online content.



1 (ix) The name of the institution or organization providing the
2 online instructor.

3 (x) The course titles assigned by the district or intermediate
4 district and the course titles and course codes from the ~~national~~
5 ~~center for education statistics~~ **NATIONAL CENTER FOR EDUCATION**
6 **STATISTICS** (NCES) school codes for the exchange of data (SCED).

7 (xi) The number of eligible nonresident pupils that will be
8 accepted by the district or intermediate district in the online
9 course.

10 (xii) The results of the online course quality review using
11 the guidelines and model review process published by the Michigan
12 ~~virtual university~~ **VIRTUAL UNIVERSITY**.

13 (D) ~~(e)~~ "Online learning pupil" means a pupil enrolled in 1 or
14 more online courses.

15 (E) ~~(d)~~ "Primary district" means the district that enrolls the
16 pupil and reports the pupil as a full-time equated pupil for pupil
17 membership purposes.

18 (F) **"PROVIDING DISTRICT" MEANS THE DISTRICT, INTERMEDIATE**
19 **DISTRICT, OR COMMUNITY COLLEGE THAT THE PRIMARY DISTRICT PAYS TO**
20 **PROVIDE THE ONLINE COURSE.**

21 (G) **"TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID**
22 **MICHIGAN TEACHING CERTIFICATE; WHO, WHERE APPLICABLE, IS ENDORSED**
23 **IN THE SUBJECT AREA AND GRADE OF THE ONLINE COURSE; AND IS**
24 **RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL**
25 **METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL**
26 **LEARNING, PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES,**
27 **AND EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.**



1 Sec. 22a. (1) From the appropriation in section 11, there is
2 allocated an amount not to exceed ~~\$5,380,000,000.00 for 2014-2015~~
3 **\$5,277,000,000.00 FOR 2015-2016** for payments to districts and
4 qualifying public school academies to guarantee each district and
5 qualifying public school academy an amount equal to its 1994-95
6 total state and local per pupil revenue for school operating
7 purposes under section 11 of article IX of the state constitution
8 of 1963. Pursuant to section 11 of article IX of the state
9 constitution of 1963, this guarantee does not apply to a district
10 in a year in which the district levies a millage rate for school
11 district operating purposes less than it levied in 1994. However,
12 subsection (2) applies to calculating the payments under this
13 section. Funds allocated under this section that are not expended
14 in the state fiscal year for which they were allocated, as
15 determined by the department, may be used to supplement the
16 allocations under sections 22b and 51c in order to fully fund those
17 calculated allocations for the same fiscal year.

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

23 (a) Except as otherwise provided in this subsection, the state
24 portion of a district's 1994-95 foundation allowance is an amount
25 equal to the district's 1994-95 foundation allowance or \$6,500.00,
26 whichever is less, minus the difference between the sum of the
27 product of the taxable value per membership pupil of all property



1 in the district that is nonexempt property times the district's
2 certified mills and, for a district with certified mills exceeding
3 12, the product of the taxable value per membership pupil of
4 property in the district that is commercial personal property times
5 the certified mills minus 12 mills and the quotient of the ad
6 valorem property tax revenue of the district captured under tax
7 increment financing acts divided by the district's membership. For
8 a district that has a millage reduction required under section 31
9 of article IX of the state constitution of 1963, the state portion
10 of the district's foundation allowance shall be calculated as if
11 that reduction did not occur. For a receiving district, if school
12 operating taxes are to be levied on behalf of a dissolved district
13 that has been attached in whole or in part to the receiving
14 district to satisfy debt obligations of the dissolved district
15 under section 12 of the revised school code, MCL 380.12, taxable
16 value per membership pupil of all property in the receiving
17 district that is nonexempt property and taxable value per
18 membership pupil of property in the receiving district that is
19 commercial personal property do not include property within the
20 geographic area of the dissolved district; ad valorem property tax
21 revenue of the receiving district captured under tax increment
22 financing acts does not include ad valorem property tax revenue
23 captured within the geographic boundaries of the dissolved district
24 under tax increment financing acts; and certified mills do not
25 include the certified mills of the dissolved district.

26 (b) For a district that had a 1994-95 foundation allowance
27 greater than \$6,500.00, the state payment under this subsection



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

23 (3) Beginning in 2003-2004, for pupils in membership in a
24 qualifying public school academy, there is allocated under this
25 section to the authorizing body that is the fiscal agent for the
26 qualifying public school academy for forwarding to the qualifying
27 public school academy an amount equal to the 1994-95 per pupil



1 payment to the qualifying public school academy under section 20.

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

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

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

25 (7) As used in this section:

26 (a) "1994-95 foundation allowance" means a district's 1994-95
27 foundation allowance calculated and certified by the department of



1 treasury or the superintendent under former section 20a as enacted
2 in 1993 PA 336 and as amended by 1994 PA 283.

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

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

8 (d) "Current year hold harmless school operating taxes per
9 pupil" means the per pupil revenue generated by multiplying a
10 district's 1994-95 hold harmless millage by the district's current
11 year taxable value per membership pupil. For a receiving district,
12 if school operating taxes are to be levied on behalf of a dissolved
13 district that has been attached in whole or in part to the
14 receiving district to satisfy debt obligations of the dissolved
15 district under section 12 of the revised school code, MCL 380.12,
16 taxable value per membership pupil does not include the taxable
17 value of property within the geographic area of the dissolved
18 district.

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

23 (f) "Hold harmless millage" means, for a district with a 1994-
24 95 foundation allowance greater than \$6,500.00, the number of mills
25 by which the exemption from the levy of school operating taxes on a
26 homestead, qualified agricultural property, qualified forest
27 property, supportive housing property, industrial personal



1 property, ~~and~~ commercial personal property, **AND PROPERTY OCCUPIED**
 2 **BY A PUBLIC SCHOOL ACADEMY** could be reduced as provided in section
 3 1211 of the revised school code, MCL 380.1211, and the number of
 4 mills of school operating taxes that could be levied on all
 5 property as provided in section 1211(2) of the revised school code,
 6 MCL 380.1211, as certified by the department of treasury for the
 7 1994 tax year. For a receiving district, if school operating taxes
 8 are to be levied on behalf of a dissolved district that has been
 9 attached in whole or in part to the receiving district to satisfy
 10 debt obligations of the dissolved district under section 12 of the
 11 revised school code, MCL 380.12, school operating taxes do not
 12 include school operating taxes levied within the geographic area of
 13 the dissolved district.

14 (g) "Homestead", "qualified agricultural property", "qualified
 15 forest property", "supportive housing property", "industrial
 16 personal property", and "commercial personal property" mean those
 17 terms as defined in section 1211 of the revised school code, MCL
 18 380.1211.

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

22 (i) "Nonexempt property" means property that is not a
 23 principal residence, qualified agricultural property, qualified
 24 forest property, supportive housing property, industrial personal
 25 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**
 26 **A PUBLIC SCHOOL ACADEMY.**

27 (j) "Qualifying public school academy" means a public school



1 academy that was in operation in the 1994-95 school year and is in
2 operation in the current state fiscal year.

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

6 (l) "School operating taxes" means local ad valorem property
7 taxes levied under section 1211 of the revised school code, MCL
8 380.1211, and retained for school operating purposes as defined in
9 section 20.

10 (m) "Tax increment financing acts" means 1975 PA 197, MCL
11 125.1651 to 125.1681, the tax increment finance authority act, 1980
12 PA 450, MCL 125.1801 to 125.1830, the local development financing
13 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
14 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
15 or the corridor improvement authority act, 2005 PA 280, MCL
16 125.2871 to 125.2899.

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

19 (i) For the number of mills by which the exemption from the
20 levy of school operating taxes on a homestead, qualified
21 agricultural property, qualified forest property, supportive
22 housing property, industrial personal property, ~~and~~ commercial
23 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**
24 may be reduced as provided in section 1211 of the revised school
25 code, MCL 380.1211, the taxable value of homestead, qualified
26 agricultural property, qualified forest property, supportive
27 housing property, industrial personal property, ~~and~~ commercial



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

9 (ii) For the number of mills of school operating taxes that
10 may be levied on all property as provided in section 1211(2) of the
11 revised school code, MCL 380.1211, the taxable value of all
12 property for the calendar year ending in the current state fiscal
13 year. For a receiving district, if school operating taxes are to be
14 levied on behalf of a dissolved district that has been attached in
15 whole or in part to the receiving district to satisfy debt
16 obligations of the dissolved district under section 12 of the
17 revised school code, MCL 380.12, school operating taxes do not
18 include school operating taxes levied within the geographic area of
19 the dissolved district.

20 Sec. 22b. (1) From the appropriation in section 11, there is
21 allocated an amount not to exceed ~~\$3,434,000,000.00 for 2014-2015~~
22 **\$3,912,400,000.00 FOR 2015-2016** for discretionary nonmandated
23 payments to districts under this section. Funds allocated under
24 this section that are not expended in the state fiscal year for
25 which they were allocated, as determined by the department, may be
26 used to supplement the allocations under sections 22a and 51c in
27 order to fully fund those calculated allocations for the same



1 fiscal year.

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

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

9 (a) Comply with section 1280b of the revised school code, MCL
10 380.1280b.

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

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

16 (d) Comply with section 1230g of the revised school code, MCL
17 380.1230g.

18 (e) Comply with section 21f.

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

24 (5) From the allocation in subsection (1), the department
25 shall pay up to \$1,000,000.00 in litigation costs incurred by this
26 state related to commercial or industrial property tax appeals,
27 including, but not limited to, appeals of classification, that



1 impact revenues dedicated to the state school aid fund.

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

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

25 (8) If the local claims review board or a court of competent
26 jurisdiction makes a final determination that this state is in
27 violation of section 29 of article IX of the state constitution of



1 1963 regarding state payments to districts, the state budget
2 director shall use work project funds under subsection (7) or
3 allocate from the discretionary funds for nonmandated payments
4 under this section the amount as may be necessary to satisfy the
5 amount owed to districts before making any payments to districts
6 under subsection (2).

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

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

22 (11) If a lawsuit challenging payments made to districts
23 related to costs reimbursed by federal title XIX Medicaid funds is
24 filed against this state, then, for the purpose of addressing
25 potential liability under such a lawsuit, the state budget director
26 may place funds allocated under this section in escrow or allocate
27 money from the funds otherwise allocated under this section, up to



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

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

14 Sec. 22c. From the appropriation in section 11, there is
15 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
16 ~~\$103,000,000.00~~ **\$24,000,000.00** to make equity payments to districts
17 that have a foundation allowance or per-pupil payment as calculated
18 under section 20 for ~~2014-2015-2015-2016~~ of less than ~~\$7,251.00~~.
19 **\$7,550.00**. The equity payment for a district shall be an amount per
20 membership pupil equal to the lesser of ~~\$125.00~~ **\$25.00** or the
21 difference between ~~\$7,251.00~~ **\$7,550.00** and the district's ~~2014-2015~~
22 **2015-2016** foundation allowance or per-pupil payment as calculated
23 under section 20.

24 Sec. 22d. (1) From the appropriation in section 11, an amount
25 not to exceed \$2,584,600.00 is allocated for ~~2014-2015-2015-2016~~
26 for supplemental payments to rural districts under this section.

27 (2) From the allocation under subsection (1), there is



1 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed
2 \$957,300.00 for payments under this subsection to districts that
3 meet all of the following:

4 (a) Operates grades K to 12.

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

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

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

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

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



1 (4) Subject to subsection (6), from the allocation in
 2 subsection (1), there is allocated for ~~2014-2015~~**2015-2016** an
 3 amount not to exceed \$1,627,300.00 for payments under this
 4 subsection to districts that meet all of the following:

5 (a) The district has 5.0 or fewer pupils per square mile as
 6 determined by the department.

7 (b) The district has a total square mileage greater than 200.0
 8 or is 1 of 2 districts that have consolidated transportation
 9 services and have a combined total square mileage greater than
 10 200.0.

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

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

15 Sec. 22g. (1) From the funds appropriated in section 11, there
 16 is allocated for ~~2014-2015~~**2015-2016** only an amount not to exceed
 17 ~~\$2,000,000.00~~**\$5,000,000.00** for competitive assistance grants to
 18 districts and intermediate districts.

19 (2) Funds received under this section may be used for
 20 reimbursement of transition costs associated with the consolidation
 21 **OR ANNEXATION** of ~~operations or services between 2 or more districts~~
 22 ~~OR~~ intermediate districts. ~~or other local units of government,~~
 23 ~~the consolidation or sharing of technology and data operations or~~
 24 ~~services between 50 or more districts or 5 or more intermediate~~
 25 ~~districts, or the consolidation of districts or intermediate~~
 26 ~~districts.~~ Grant funding shall be available for consolidations **OR**
 27 **ANNEXATIONS** that occur on or after June 1, 2014. ~~The department~~



1 ~~shall develop an application process and method of grant~~
 2 ~~distribution. The department shall give priority to applicants that~~
 3 ~~propose including at least 1 of the following statewide activities:~~

4 **2015. DISTRICTS MAY SPEND FUNDS ALLOCATED UNDER THIS SECTION OVER 3**
 5 **FISCAL YEARS.**

6 ~~—— (a) A comprehensive, research-based academic early warning~~
 7 ~~indicator and dropout prevention solution.~~

8 ~~—— (b) A data-driven system for identifying early reading~~
 9 ~~challenges and establishing individual reading development plans~~
 10 ~~for every student by the end of grade 3.~~

11 Sec. 23a. (1) A dropout recovery program operated by a
 12 district qualifies for the special membership counting provisions
 13 of section ~~6(4)(ff)~~ **6(4)(DD)** and the hours and day of pupil
 14 instruction exemption under section 101(12) if the dropout recovery
 15 program meets all of the following:

16 (a) Enrolls only eligible pupils.

17 (b) Provides an advocate. An advocate may serve in that role
 18 for more than 1 pupil but no more than 50 pupils. An advocate may
 19 be employed by the district or may be provided by an education
 20 management organization that is partnering with the district.

21 Before an individual is assigned to be an advocate for a pupil in
 22 the dropout recovery program, the district shall comply with
 23 sections 1230 and 1230a of the revised school code, MCL 380.1230
 24 and 380.1230a, with respect to that individual.

25 (c) Develops a written learning plan.

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



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

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

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

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

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

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

18 (3) As used in this section:

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

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



1 (c) "Eligible pupil" means a pupil who has been expelled from
2 school under the mandatory expulsion provisions in section 1311 or
3 1311a of the revised school code, MCL 380.1311 and 380.1311a, a
4 pupil who has been suspended or expelled from school under a local
5 policy, a pupil who is referred by a court, a pupil who is pregnant
6 or is a parent, a pupil who was previously a dropout, or a pupil
7 who is determined by the district to be at risk of dropping out.

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

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

20 Sec. 24. (1) From the appropriation in section 11, there is
21 allocated for ~~2014-2015~~**2015-2016** an amount not to exceed
22 \$8,000,000.00 for payments to the educating district or
23 intermediate district for educating pupils assigned by a court or
24 the department of human services to reside in or to attend a
25 juvenile detention facility or child caring institution licensed by
26 the department of human services and approved by the department to
27 provide an on-grounds education program. The amount of the payment



1 under this section to a district or intermediate district shall be
2 calculated as prescribed under subsection (2).

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

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

23 (b) "Department's approved per-pupil allocation" for a
24 district or intermediate district shall be determined by dividing
25 the total amount allocated under this section for a fiscal year by
26 the full-time equated membership total for all pupils approved by
27 the department to be funded under this section for that fiscal year



1 for the district or intermediate district.

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

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

13 Sec. 24a. From the appropriation in section 11, there is
14 allocated an amount not to exceed ~~\$2,195,500.00 for 2014-2015~~
15 **\$2,189,800.00 FOR 2015-2016** for payments to intermediate districts
16 for pupils who are placed in juvenile justice service facilities
17 operated by the department of human services. Each intermediate
18 district shall receive an amount equal to the state share of those
19 costs that are clearly and directly attributable to the educational
20 programs for pupils placed in facilities described in this section
21 that are located within the intermediate district's boundaries. The
22 intermediate districts receiving payments under this section shall
23 cooperate with the department of human services to ensure that all
24 funding allocated under this section is utilized by the
25 intermediate district and department of human services for
26 educational programs for pupils described in this section. Pupils
27 described in this section are not eligible to be funded under



1 section 24. However, a program responsibility or other fiscal
 2 responsibility associated with these pupils shall not be
 3 transferred from the department of human services to a district or
 4 intermediate district unless the district or intermediate district
 5 consents to the transfer.

6 Sec. 24c. From the appropriation in section 11, there is
 7 allocated an amount not to exceed ~~\$1,500,000.00 for 2014-2015~~
 8 **\$1,497,400.00 FOR 2015-2016** for payments to districts for pupils
 9 who are enrolled in a nationally administered community-based
 10 education and youth mentoring program, known as the youth challenge
 11 program, that is administered by the department of military and
 12 veterans affairs. Both of the following apply to a district
 13 receiving payments under this section:

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

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

21 Sec. 25f. (1) From the state school aid fund money
 22 appropriated in section 11, there is allocated an amount not to
 23 exceed ~~\$2,000,000.00 for 2014-2015~~ **\$1,000,000.00 FOR 2015-2016** for
 24 ~~payments to strict discipline academies established under sections~~
 25 ~~1311b to 1311m of the revised school code, MCL 380.1311b to~~
 26 ~~380.1311m, as provided under this section and for the purposes~~
 27 described in subsection ~~(5)~~. **(2)**.



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

5 ~~—— (3) Not later than June 30, 2015, a strict discipline academy~~
 6 ~~shall report to the center and to the department, in a manner~~
 7 ~~prescribed by the center and the department, the following~~
 8 ~~information for 2014-2015:~~

9 ~~—— (a) The number of pupils enrolled and in attendance at the~~
 10 ~~strict discipline academy.~~

11 ~~—— (b) The number of days each pupil enrolled was in attendance~~
 12 ~~at the strict discipline academy, not to exceed 180.~~

13 ~~—— (4) The amount of the payment to a strict discipline academy~~
 14 ~~under this section shall be an amount equal to the difference~~
 15 ~~between the product of 1/180 of the per-pupil payment as calculated~~
 16 ~~under section 20 for the strict discipline academy multiplied by~~
 17 ~~the number of days of pupil attendance reported under subsection~~
 18 ~~(3) (b) minus the product of the per-pupil payment as calculated~~
 19 ~~under section 20 for the strict discipline academy multiplied by~~
 20 ~~the pupils in membership at the strict discipline academy as~~
 21 ~~calculated under section 6 and as adjusted by section 25e.~~

22 ~~(2) (5) If the operation of the special membership counting~~
 23 ~~provisions under section 6(4)(dd) and the other membership counting~~
 24 ~~provisions under section 6(4) result in a pupil being counted as~~
 25 ~~more than 1.0 FTE in a fiscal year, then the payment made for the~~
 26 ~~pupil under sections 22a and 22b shall not be based on more than~~
 27 ~~1.0 FTE for that pupil, and that portion of the FTE that exceeds~~



1 1.0 shall be paid under this section in an amount equal to that
 2 portion multiplied by the educating district's foundation allowance
 3 or per-pupil payment calculated under section 20.

4 (3) ~~(6)~~—If the funds allocated under this section are
 5 insufficient to fully fund the adjustments under ~~subsections (4)~~
 6 ~~and (5)~~, **SUBSECTION (2)**, payments under this section shall be
 7 prorated on an equal per-pupil basis.

8 (4) ~~(7)~~—Payments to districts under this section shall be made
 9 according to the payment schedule under section 17b.

10 Sec. 26a. From the funds appropriated in section 11, there is
 11 allocated an amount not to exceed \$26,300,000.00 for ~~2014-2015~~
 12 **2015-2016** to reimburse districts and intermediate districts
 13 pursuant to section 12 of the Michigan renaissance zone act, 1996
 14 PA 376, MCL 125.2692, for taxes levied in ~~2014-~~**2015**. The
 15 allocations shall be made not later than 60 days after the
 16 department of treasury certifies to the department and to the state
 17 budget director that the department of treasury has received all
 18 necessary information to properly determine the amounts due to each
 19 eligible recipient.

20 Sec. 26b. (1) From the appropriation in section 11, there is
 21 allocated for ~~2014-2015-~~**2015-2016** an amount not to exceed
 22 ~~\$4,210,000.00-~~**\$4,276,800.00** for payments to districts, intermediate
 23 districts, and community college districts for the portion of the
 24 payment in lieu of taxes obligation that is attributable to
 25 districts, intermediate districts, and community college districts
 26 pursuant to section 2154 of the natural resources and environmental
 27 protection act, 1994 PA 451, MCL 324.2154.



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

5 Sec. 26c. (1) From the appropriation in section 11, there is
6 allocated an amount not to exceed ~~\$293,100.00 for 2014-2015~~
7 **\$610,000.00 FOR 2015-2016** to the promise zone fund created in
8 subsection (3).

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

14 (3) The promise zone fund is created as a separate account
15 within the state school aid fund to be used solely for the purposes
16 of the Michigan promise zone authority act, 2008 PA 549, MCL
17 390.1661 to 390.1679. All of the following apply to the promise
18 zone fund:

19 (a) The state treasurer shall direct the investment of the
20 promise zone fund. The state treasurer shall credit to the promise
21 zone fund interest and earnings from fund investments.

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

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



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

4 Sec. 31a. (1) From the state school aid fund money
 5 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~
 6 **2016** an amount not to exceed \$317,695,500.00 for payments to
 7 eligible districts, eligible public school academies, and the
 8 education achievement system for the purposes of ensuring that
 9 pupils are proficient in reading by the end of grade 3 and that
 10 high school graduates are career and college ready and for the
 11 purposes under subsections ~~(6) and (7)~~. **(5) AND (6)**.

12 (2) For a district or public school academy, or the education
 13 achievement system, to be eligible to receive funding under this
 14 section, other than funding under subsection ~~(6) or (7)~~, **(5) OR**
 15 **(6)**, the sum of the district's or public school academy's or the
 16 education achievement system's combined state and local revenue per
 17 membership pupil in the current state fiscal year, as calculated
 18 under section 20, must be less than or equal to the basic
 19 foundation allowance under section 20 for the current state fiscal
 20 year.

21 **(3) FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY, OR THE EDUCATION**
 22 **ACHIEVEMENT SYSTEM, TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS**
 23 **SECTION, OTHER THAN FUNDING UNDER SUBSECTION (5) OR (6), THE**
 24 **DISTRICT OR PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT**
 25 **SYSTEM, MUST IMPLEMENT A MULTI-TIERED SYSTEM OF SUPPORTS THAT IS AN**
 26 **EVIDENCE-BASED MODEL THAT USES DATA-DRIVEN PROBLEM SOLVING TO**
 27 **INTEGRATE ACADEMIC AND BEHAVIORAL INSTRUCTION AND THAT USES**



1 INTERVENTION DELIVERED TO ALL PUPILS IN VARYING INTENSITIES BASED
2 ON PUPIL NEEDS. TO QUALIFY A DISTRICT OR PUBLIC SCHOOL ACADEMY, OR
3 THE EDUCATION ACHIEVEMENT SYSTEM, FOR FUNDING UNDER THIS SECTION, A
4 MULTI-TIERED SYSTEM OF SUPPORTS MUST PROVIDE AT LEAST ALL OF THE
5 FOLLOWING ESSENTIAL ELEMENTS:

6 (A) IMPLEMENTS EFFECTIVE INSTRUCTION FOR ALL LEARNERS.

7 (B) INTERVENES EARLY.

8 (C) PROVIDES A MULTI-TIERED MODEL OF INSTRUCTION AND

9 INTERVENTION THAT PROVIDES THE FOLLOWING:

10 (i) A CORE CURRICULUM AND CLASSROOM INTERVENTIONS AVAILABLE TO
11 ALL PUPILS THAT MEET THE NEEDS OF AT LEAST 80% OF PUPILS.

12 (ii) TARGETED GROUP INTERVENTIONS SERVING APPROXIMATELY 15% OF
13 PUPILS.

14 (iii) INTENSE INDIVIDUAL INTERVENTIONS SERVING APPROXIMATELY
15 5% OF PUPILS.

16 (D) MONITORS PUPIL PROGRESS TO INFORM INSTRUCTION.

17 (E) USES DATA TO MAKE INSTRUCTIONAL DECISIONS.

18 (F) USES ASSESSMENTS INCLUDING UNIVERSAL SCREENING,
19 DIAGNOSTICS, AND PROGRESS MONITORING.

20 (G) ENGAGES FAMILIES AND THE COMMUNITY.

21 (H) IMPLEMENTS EVIDENCE-BASED, SCIENTIFICALLY VALIDATED,
22 INSTRUCTION AND INTERVENTION.

23 (I) IMPLEMENTS INSTRUCTION AND INTERVENTION PRACTICES WITH
24 FIDELITY.

25 (J) USES A COLLABORATIVE PROBLEM-SOLVING MODEL.

26 (4) ~~(3)~~—Except as otherwise provided in this subsection, an
27 eligible district or eligible public school academy or the



1 education achievement system shall receive under this section for
2 each membership pupil in the district or public school academy or
3 the education achievement system who met the income eligibility
4 criteria for free breakfast, lunch, or milk, as determined under
5 the Richard B. Russell national school lunch act, 42 USC 1751 to
6 1769, and as reported to the department in the form and manner
7 prescribed by the department not later than the fifth Wednesday
8 after the pupil membership count day of the immediately preceding
9 fiscal year and adjusted not later than December 31 of the
10 immediately preceding fiscal year, an amount per pupil equal to
11 11.5% of the sum of the district's foundation allowance or the
12 public school academy's or the education achievement system's per
13 pupil amount calculated under section 20, not to exceed the basic
14 foundation allowance under section 20 for the current state fiscal
15 year, or of the public school academy's or the education
16 achievement system's per membership pupil amount calculated under
17 section 20 for the current state fiscal year. However, a public
18 school academy that began operations as a public school academy, or
19 an achievement school that began operations as an achievement
20 school, after the pupil membership count day of the immediately
21 preceding school year shall receive under this section for each
22 membership pupil in the public school academy or in the education
23 achievement system who met the income eligibility criteria for free
24 breakfast, lunch, or milk, as determined under the Richard B.
25 Russell national school lunch act and as reported to the department
26 not later than the fifth Wednesday after the pupil membership count
27 day of the current fiscal year and adjusted not later than December



1 31 of the current fiscal year, an amount per pupil equal to 11.5%
2 of the public school academy's or the education achievement
3 system's per membership pupil amount calculated under section 20
4 for the current state fiscal year.

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

25 ~~—— (5) A district or public school academy that receives funds
26 under this section and that operates a school breakfast program
27 under section 1272a of the revised school code, MCL 380.1272a, or~~



1 ~~the education achievement system if it operates a school breakfast~~
2 ~~program, shall use from the funds received under this section an~~
3 ~~amount, not to exceed \$10.00 per pupil for whom the district or~~
4 ~~public school academy or the education achievement system receives~~
5 ~~funds under this section, necessary to pay for costs associated~~
6 ~~with the operation of the school breakfast program.~~

7 **(5)** ~~(6)~~ From the funds allocated under subsection (1), there
8 is allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed
9 \$3,557,300.00 to support child and adolescent health centers. These
10 grants shall be awarded for 5 consecutive years beginning with
11 2003-2004 in a form and manner approved jointly by the department
12 and the department of community health. Each grant recipient shall
13 remain in compliance with the terms of the grant award or shall
14 forfeit the grant award for the duration of the 5-year period after
15 the noncompliance. To continue to receive funding for a child and
16 adolescent health center under this section a grant recipient shall
17 ensure that the child and adolescent health center has an advisory
18 committee and that at least one-third of the members of the
19 advisory committee are parents or legal guardians of school-aged
20 children. A child and adolescent health center program shall
21 recognize the role of a child's parents or legal guardian in the
22 physical and emotional well-being of the child. Funding under this
23 subsection shall be used to support child and adolescent health
24 center services provided to children up to age 21. ~~If any funds~~
25 ~~allocated under this subsection are not used for the purposes of~~
26 ~~this subsection for the fiscal year in which they are allocated,~~
27 ~~those unused funds shall be used that fiscal year to avoid or~~



1 ~~minimize any proration that would otherwise be required under~~
2 ~~subsection (14) for that fiscal year.~~

3 **(6)** ~~(7)~~—From the funds allocated under subsection (1), there
4 is allocated for ~~2014–2015~~**2015–2016** an amount not to exceed
5 \$5,150,000.00 for the state portion of the hearing and vision
6 screenings as described in section 9301 of the public health code,
7 1978 PA 368, MCL 333.9301. A local public health department shall
8 pay at least 50% of the total cost of the screenings. The frequency
9 of the screenings shall be as required under R 325.13091 to R
10 325.13096 and R 325.3271 to R 325.3276 of the Michigan
11 administrative code. Funds shall be awarded in a form and manner
12 approved jointly by the department and the department of community
13 health. Notwithstanding section 17b, payments to eligible entities
14 under this subsection shall be paid on a schedule determined by the
15 department.

16 ~~— (8) Each district or public school academy receiving funds~~
17 ~~under this section and the education achievement system shall~~
18 ~~submit to the department by July 15 of each fiscal year a report,~~
19 ~~not to exceed 10 pages, on the usage by the district or public~~
20 ~~school academy or the education achievement system of funds under~~
21 ~~this section, which report shall include a brief description of~~
22 ~~each program conducted or services performed by the district or~~
23 ~~public school academy or the education achievement system using~~
24 ~~funds under this section, the amount of funds under this section~~
25 ~~allocated to each of those programs or services, the total number~~
26 ~~of at risk pupils served by each of those programs or services, and~~
27 ~~the data necessary for the department and the department of human~~



~~1 services to verify matching funds for the temporary assistance for
2 needy families program. If a district or public school academy or
3 the education achievement system does not comply with this
4 subsection, the department shall withhold an amount equal to the
5 August payment due under this section until the district or public
6 school academy or the education achievement system complies with
7 this subsection. If the district or public school academy or the
8 education achievement system does not comply with this subsection
9 by the end of the state fiscal year, the withheld funds shall be
10 forfeited to the school aid fund.~~

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

~~18 ——— (10) Subject to subsections (5), (6), and (7), a district may
19 use up to 100% of the funds it receives under this section to
20 implement schoolwide reform in schools with 40% or more of their
21 pupils identified as at-risk pupils by providing supplemental
22 instructional or noninstructional services consistent with the
23 school improvement plan.~~

~~24 (7) (11) If necessary, and before any proration required under
25 section 296, the department shall prorate payments under this
26 section by reducing the amount of the per pupil payment under this
27 section by a dollar amount calculated by determining the amount by~~



1 which the amount necessary to fully fund the requirements of this
2 section exceeds the maximum amount allocated under this section and
3 then dividing that amount by the total statewide number of pupils
4 who met the income eligibility criteria for free breakfast, lunch,
5 or milk in the immediately preceding fiscal year, as described in
6 subsection (3).

7 **(8)** ~~(12)~~—If a district is formed by consolidation after June
8 1, 1995, and if 1 or more of the original districts ~~was~~ **WERE** not
9 eligible before the consolidation for an additional allowance under
10 this section, the amount of the additional allowance under this
11 section for the consolidated district shall be based on the number
12 of pupils described in subsection (1) enrolled in the consolidated
13 district who reside in the territory of an original district that
14 was eligible before the consolidation for an additional allowance
15 under this section. In addition, if a district is dissolved
16 pursuant to section 12 of the revised school code, MCL 380.12, the
17 intermediate district to which the dissolved school district was
18 constituent shall determine the estimated number of pupils that
19 meet the income eligibility criteria for free breakfast, lunch, or
20 milk, as described under subsection (3), enrolled in each of the
21 other districts within the intermediate district and provide that
22 estimate to the department for the purposes of distributing funds
23 under this section within 60 days after the school district is
24 declared dissolved.

25 ~~— (13) As used in this section, "at-risk pupil" means a pupil~~
26 ~~for whom the district has documentation that the pupil meets any of~~
27 ~~the following criteria:~~



- 1 ~~—— (a) Is a victim of child abuse or neglect.~~
- 2 ~~—— (b) Is a pregnant teenager or teenage parent.~~
- 3 ~~—— (c) Has a family history of school failure, incarceration, or~~
4 ~~substance abuse.~~
- 5 ~~—— (d) For pupils for whom the results of the Michigan merit~~
6 ~~examination have been received, is a pupil who does not meet the~~
7 ~~other criteria under this subsection but who did not achieve~~
8 ~~proficiency on the reading, writing, mathematics, science, or~~
9 ~~social studies components of the most recent Michigan merit~~
10 ~~examination for which results for the pupil have been received.~~
- 11 ~~—— (e) For pupils in grades K-3, is a pupil who is at risk of not~~
12 ~~meeting the district's core academic curricular objectives in~~
13 ~~English language arts or mathematics.~~
- 14 ~~—— (f) The pupil is enrolled in a priority or priority-successor~~
15 ~~school, as defined in the elementary and secondary education act of~~
16 ~~2001 flexibility waiver approved by the United States department of~~
17 ~~education.~~
- 18 ~~—— (g) The pupil did not achieve a score of at least proficient~~
19 ~~on 2 or more state-administered assessments for English language~~
20 ~~arts, mathematics, science, or social studies.~~
- 21 ~~—— (h) For high school pupils in grades not assessed by the~~
22 ~~state, the pupil did not receive a satisfactory score on 2 or more~~
23 ~~end-of-course examinations that are aligned with state standards in~~
24 ~~English language arts, mathematics, science, or social studies. For~~
25 ~~middle school pupils in grades not assessed by the state, the pupil~~
26 ~~did not receive a satisfactory score on 2 or more end-of-semester~~
27 ~~or end-of-trimester examinations that are aligned with state~~



~~1 standards in science or social studies. For pupils in the
2 elementary grades in grades and subjects not assessed by the state,
3 the pupil did not receive a satisfactory score or did not have a
4 satisfactory outcome on 2 or more interim assessments in English
5 language arts, mathematics, science, or social studies.~~

~~6 — (i) In the absence of state or local assessment data, the
7 pupil meets at least 2 of the following criteria, as documented in
8 a form and manner approved by the department:~~

~~9 — (i) The pupil is eligible for free breakfast, lunch, or milk.~~

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

~~12 — (iii) The pupil is homeless.~~

~~13 — (iv) The pupil is a migrant.~~

~~14 — (v) The pupil is an English language learner.~~

~~15 — (vi) The pupil is an immigrant who has immigrated within the
16 immediately preceding 3 years.~~

~~17 — (vii) The pupil did not complete high school in 4 years and is
18 still continuing in school as identified in the Michigan cohort
19 graduation and dropout report.~~

~~20 — (14) Beginning in 2014-2015, if a district, public school
21 academy, or the education achievement system does not demonstrate
22 to the satisfaction of the department that at least 50% of at-risk
23 pupils are reading at grade level by the end of grade 3 as measured
24 by the state assessment and demonstrate to the satisfaction of the
25 department improvement over 3 consecutive years in the percentage
26 of at-risk pupils that are career and college ready as measured by
27 the pupil's score on each of the individual subject areas on the~~



~~1 college entrance examination portion of the Michigan merit
2 examination under section 1279g(2) (a) of the revised school code,
3 MCL 380.1279g, the district, public school academy, or education
4 achievement system shall ensure all of the following:~~

~~5 — (a) The district, public school academy, or the education
6 achievement system shall determine the proportion of total at-risk
7 pupils that represents the number of pupils in grade 3 that are not
8 reading at grade level by the end of grade 3, and the district,
9 public school academy, or the education achievement system shall
10 expend that same proportion multiplied by 1/2 of its total at-risk
11 funds under this section on tutoring and other methods of improving
12 grade 3 reading levels.~~

~~13 — (b) The district, public school academy, or the education
14 achievement system shall determine the proportion of total at-risk
15 pupils that represent the number of pupils in grade 11 that are not
16 career- and college-ready as measured by the student's score on
17 each of the individual subject areas on the college entrance
18 examination portion of the Michigan merit examination under section
19 1279g(2) (a) of the revised school code, MCL 380.1279g, and the
20 district, public school academy, or the education achievement
21 system shall expend that same proportion multiplied by 1/2 of its
22 total at-risk funds under this section on tutoring and other
23 activities to improve scores on the college entrance examination
24 portion of the Michigan merit examination.~~

~~25 — (15) As used in subsection (14), "total at risk pupils" means
26 the sum of the number of pupils in grade 3 that are not reading at
27 grade level by the end of third grade and the number of pupils in~~



~~1 grade 11 that are not career and college ready as measured by the
2 student's score on each of the individual subject areas on the
3 college entrance examination portion of the Michigan merit
4 examination under section 1279g(2) (a) of the revised school code,
5 MCL 380.1279g.~~

~~6 (16) A district or public school academy that receives funds
7 under this section or the education achievement system may use
8 funds received under this section to provide an anti-bullying or
9 crisis intervention program.~~

10 Sec. 31d. (1) From the appropriations in section 11, there is
11 allocated an amount not to exceed \$22,495,100.00 for ~~2014-2015~~
12 **2015-2016** for the purpose of making payments to districts and other
13 eligible entities under this section.

14 (2) The amounts allocated from state sources under this
15 section shall be used to pay the amount necessary to reimburse
16 districts for 6.0127% of the necessary costs of the state mandated
17 portion of the school lunch programs provided by those districts.
18 The amount due to each district under this section shall be
19 computed by the department using the methods of calculation adopted
20 by the Michigan supreme court in the consolidated cases known as
21 Durant v State of Michigan, Michigan supreme court docket no.
22 104458-104492.

23 (3) The payments made under this section include all state
24 payments made to districts so that each district receives at least
25 6.0127% of the necessary costs of operating the state mandated
26 portion of the school lunch program in a fiscal year.

27 (4) The payments made under this section to districts and



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

6 (5) From the federal funds appropriated in section 11, there
7 is allocated for ~~2014-2015~~**2015-2016** all available federal funding,
8 estimated at \$510,000,000.00 for the national school lunch program
9 and all available federal funding, estimated at \$3,200,000.00 for
10 the emergency food assistance program.

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

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

18 Sec. 31f. (1) From the appropriations in section 11, there is
19 allocated an amount not to exceed \$5,625,000.00 for ~~2014-2015~~**2015-**
20 **2016** for the purpose of making payments to districts to reimburse
21 for the cost of providing breakfast.

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

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



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

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

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

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

17 Sec. 32d. (1) From the funds appropriated in section 11, there
18 is allocated to eligible intermediate districts and consortia of
19 intermediate districts for great start readiness programs an amount
20 not to exceed ~~\$214,275,000.00 for 2014-2015. In addition, from the~~
21 ~~funds appropriated in section 11, there is allocated to the great~~
22 ~~start readiness reserve fund created under subsection (19) an~~
23 ~~amount not to exceed \$25,000,000.00 for 2014-2015. **\$239,275,000.00**~~
24 **FOR 2015-2016.** Funds allocated under this section for great start
25 readiness programs shall be used to provide part-day, school-day,
26 or GSRP/head start blended comprehensive free compensatory
27 classroom programs designed to improve the readiness and subsequent



1 achievement of educationally disadvantaged children who meet the
2 participant eligibility and prioritization guidelines as defined by
3 the department. For a child to be eligible to participate in a
4 program under this section, the child shall be at least 4, but less
5 than 5, years of age as of the date specified for determining a
6 child's eligibility to attend school under section 1147 of the
7 revised school code, MCL 380.1147.

8 (2) Funds allocated under subsection (1) shall be allocated to
9 intermediate districts or consortia of intermediate districts based
10 on the formula in section 39. An intermediate district or
11 consortium of intermediate districts receiving funding under this
12 section shall act as the fiduciary for the great start readiness
13 programs. In order to be eligible to receive funds allocated under
14 this subsection from an intermediate district or consortium of
15 intermediate districts, a district, a consortium of districts, or a
16 public or private for-profit or nonprofit legal entity or agency
17 shall comply with this section and section 39.

18 (3) In addition to the allocation under subsection (1), from
19 the general fund money appropriated under section 11, there is
20 allocated an amount not to exceed \$300,000.00 for ~~2014-2015-2015-~~
21 **2016** for a competitive grant to continue a longitudinal evaluation
22 of children who have participated in great start readiness
23 programs.

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



1 the department:

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

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

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

11 (d) Physical and dental health and developmental screening
12 services for all program participants.

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

16 (f) Active and continuous involvement of the parents or
17 guardians of the program participants.

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

21 (h) Participation in a school readiness advisory committee
22 convened as a workgroup of the great start collaborative that
23 provides for the involvement of classroom teachers, parents or
24 guardians of program participants, and community, volunteer, and
25 social service agencies and organizations, as appropriate. The
26 advisory committee annually shall review and make recommendations
27 regarding the program components listed in this subsection. The



1 advisory committee also shall make recommendations to the great
2 start collaborative regarding other community services designed to
3 improve all children's school readiness.

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

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

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

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

13 (b) Except as otherwise provided in this subdivision, ensure
14 that at least 90% of the children participating in an eligible
15 great start readiness program for whom the intermediate district is
16 receiving funds under this section are children who live with
17 families with a household income that is equal to or less than 250%
18 of the federal poverty level. If the intermediate district
19 determines that all eligible children are being served and that
20 there are no children on the waiting list under section 39(1)(d)
21 who live with families with a household income that is equal to or
22 less than 250% of the federal poverty level, the intermediate
23 district may then enroll children who live with families with a
24 household income that is equal to or less than 300% of the federal
25 poverty level. The enrollment process shall consider income and
26 risk factors, such that children determined with higher need are
27 enrolled before children with lesser need. For purposes of this



1 subdivision, all age-eligible children served in foster care or who
2 are experiencing homelessness or who have individualized education
3 plans recommending placement in an inclusive preschool setting
4 shall be considered to live with families with household income
5 equal to or less than 250% of the federal poverty level regardless
6 of actual family income.

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

9 (i) Teachers possessing proper training. A lead teacher must
10 have a valid teaching certificate with an early childhood (ZA or
11 ZS) endorsement or a bachelor's degree in child development or
12 early child development with specialization in preschool teaching.
13 However, if an applicant demonstrates to the department that it is
14 unable to fully comply with this subparagraph after making
15 reasonable efforts to comply, teachers who have significant but
16 incomplete training in early childhood education or child
17 development may be used if the applicant provides to the
18 department, and the department approves, a plan for each teacher to
19 come into compliance with the standards in this subparagraph. A
20 teacher's compliance plan must be completed within 2 years of the
21 date of employment. Progress toward completion of the compliance
22 plan shall consist of at least 2 courses per calendar year.

23 (ii) Paraprofessionals possessing proper training in early
24 childhood development, including an associate's degree in early
25 childhood education or child development or the equivalent, or a
26 child development associate (CDA) credential. However, if an
27 applicant demonstrates to the department that it is unable to fully



1 comply with this subparagraph after making reasonable efforts to
2 comply, the applicant may use paraprofessionals who have completed
3 at least 1 course that earns college credit in early childhood
4 education or child development if the applicant provides to the
5 department, and the department approves, a plan for each
6 paraprofessional to come into compliance with the standards in this
7 subparagraph. A paraprofessional's compliance plan must be
8 completed within 2 years of the date of employment. Progress toward
9 completion of the compliance plan shall consist of at least 2
10 courses or 60 clock hours of training per calendar year.

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

22 (6) For a grant recipient that enrolls pupils in a school-day
23 program funded under this section, each child enrolled in the
24 school-day program shall be counted as 2 children served by the
25 program for purposes of determining the number of children to be
26 served and for determining the amount of the grant award. A grant
27 award shall not be increased solely on the basis of providing a



1 school-day program.

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

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

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

15 (a) For the portion of the total grant amount for which
16 services are provided directly by an intermediate district or
17 consortium of intermediate districts, the intermediate district or
18 consortium of intermediate districts may retain an amount equal to
19 not more than 7% of that portion of the grant amount.

20 (b) For the portion of the total grant amount for which
21 services are contracted, the intermediate district or consortium of
22 intermediate districts receiving the grant may retain an amount
23 equal to not more than ~~2%~~5% of that portion of the grant amount
24 and the subrecipients engaged by the intermediate district to
25 provide program services may retain for administrative services an
26 amount equal to not more than ~~5%~~2% of that portion of the grant
27 amount.



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

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



1 (12) An intermediate district or consortium of intermediate
2 districts receiving a grant under this section shall allow parents
3 of eligible children who are residents of the intermediate district
4 or within the consortium to choose a program operated by or
5 contracted with another intermediate district or consortium of
6 intermediate districts and shall pay to the educating intermediate
7 district or consortium the per-child amount attributable to each
8 child enrolled pursuant to this sentence, as determined under
9 section 39.

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



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

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

22 (b) The intermediate district or consortium provided to each
23 licensed child care center located in the service area of the
24 intermediate district or consortium information regarding great
25 start readiness program requirements and a description of the
26 application and selection process for community-based providers.

27 (c) The intermediate district or consortium provided to the



1 public and to participating families a list of community-based
2 great start readiness program subrecipients with a great start to
3 quality rating of at least 3 stars.

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

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

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

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

26 (c) Ensure that all intermediate district, district, community
27 college or university, head start grantee or delegate, private for-



1 profit, and private nonprofit providers are subject to a single
2 great start to quality rating system. The rating system shall
3 ensure that regulators process all prospective providers at the
4 same pace on a first-come, first-served basis and shall not allow 1
5 type of provider to receive a great start to quality rating ahead
6 of any other type of provider.

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

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



1 families maintenance of effort purposes.

2 (17) As used in this section:

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

6 (b) "Part-day program" means a program that operates at least
7 4 days per week, 30 weeks per year, for at least 3 hours of
8 teacher-child contact time per day but for fewer hours of teacher-
9 child contact time per day than a school-day program.

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

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

25 ~~— (19) The great start readiness reserve fund is created as a~~
26 ~~separate account within the state school aid fund established by~~
27 ~~section 11 of article IX of the state constitution of 1963. Money~~



1 ~~available in the great start readiness reserve fund may not be~~
2 ~~expended for 2014-2015 unless transferred by the legislature not~~
3 ~~later than December 15, 2014 to the allocation under subsection (1)~~
4 ~~for great start readiness programs. Money in the great start~~
5 ~~readiness reserve fund shall be expended only for purposes for~~
6 ~~which state school aid fund money may be expended. The state~~
7 ~~treasurer shall direct the investment of the great start readiness~~
8 ~~reserve fund. The state treasurer shall credit to the great start~~
9 ~~readiness reserve fund interest and earnings from fund investments.~~
10 ~~Money in the great start readiness reserve fund at the close of a~~
11 ~~fiscal year shall remain in the great start readiness reserve fund~~
12 ~~and shall not lapse to the unreserved school aid fund balance or~~
13 ~~the general fund.~~

14 **(19)** ~~(20)~~ From the amount appropriated in subsection (1),
15 there is allocated an amount not to exceed \$10,000,000.00 for
16 reimbursement of transportation costs for children attending great
17 start readiness programs funded under this section. To receive
18 reimbursement under this subsection, not later than November 1,
19 ~~2014, 2015~~, a program funded under this section that provides
20 transportation shall submit to the intermediate district that is
21 the fiscal agent for the program a projected transportation budget.
22 The amount of the reimbursement for transportation under this
23 subsection shall be the lesser of the projected transportation
24 budget or \$150.00 multiplied by the number of slots funded for the
25 program under this section. If the amount allocated under this
26 subsection is insufficient to fully reimburse the transportation
27 costs for all programs that provide transportation and submit the



1 required information, the reimbursement shall be prorated in an
 2 equal amount per slot funded. Payments shall be made to the
 3 intermediate district that is the fiscal agent for each program,
 4 and the intermediate district shall then reimburse the program
 5 provider for transportation costs as prescribed under this
 6 subsection.

7 Sec. 32p. (1) From the school aid fund appropriation in
 8 section 11, there is allocated an amount not to exceed
 9 \$10,900,000.00 to intermediate districts for ~~2014-2015~~**2015-2016**
 10 for the purpose of providing early childhood funding to
 11 intermediate school districts in block grants ~~, supporting TO~~
 12 **SUPPORT** the activities under subsection (2) ~~, and providing TO~~
 13 **PROVIDE** early childhood programs for children from birth through
 14 age 8. The funding provided to each intermediate district under
 15 this section shall be determined by the distribution formula
 16 established by the department's office of great start to provide
 17 equitable funding statewide. In order to receive funding under this
 18 section, each intermediate district shall provide an application to
 19 the office of great start not later than September 15 of the
 20 immediately preceding fiscal year indicating the activities planned
 21 to be provided.

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



1 to achieve the following outcomes:

2 (a) Children born healthy.

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

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

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

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

14 (a) Physical health.

15 (b) Social-emotional health.

16 (c) Family supports and basic needs.

17 (d) Parent education. ~~and child advocacy.~~

18 (e) Early education and care.

19 (4) Not later than December 1 of each year, each intermediate
20 district shall provide a report to the department detailing the
21 activities actually provided during the immediately preceding
22 school year and the families and children actually served. The
23 department shall compile and summarize these reports and submit its
24 summary to the house and senate appropriations subcommittees on
25 school aid and to the house and senate fiscal agencies not later
26 than February 15 of each year.

27 (5) An intermediate district or consortium of intermediate



1 districts that receives funding under this section may carry over
2 any unexpended funds received under this section into the next
3 fiscal year and may expend those unused funds through June 30 of
4 the next fiscal year. A recipient of a grant shall return any
5 unexpended grant funds to the department in the manner prescribed
6 by the department not later than September 30 of the next fiscal
7 year after the fiscal year in which the funds are received.

8 Sec. 39. (1) An eligible applicant receiving funds under
9 section 32d shall submit an application, in a form and manner
10 prescribed by the department, by a date specified by the department
11 in the immediately preceding state fiscal year. The application
12 shall include a comprehensive needs assessment using aggregated
13 data from the applicant's entire service area and a community
14 collaboration plan that is endorsed by the local great start
15 collaborative and is part of the community's great start strategic
16 plan that includes, but is not limited to, great start readiness
17 program and head start providers, and shall identify all of the
18 following:

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

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

26 (c) The number of children the applicant will be able to serve
27 who meet the criteria of section 32d including a verification of



1 physical facility and staff resources capacity.

2 (d) The estimated number of children who meet the criteria of
3 section 32d who will remain unserved after the applicant and
4 community early childhood programs have met their funded
5 enrollments. The applicant shall maintain a waiting list of
6 identified unserved eligible children who would be served when
7 openings are available.

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

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

26 (4) The initial allocation for each fiscal year to each
27 eligible applicant under section 32d shall be determined by



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

21 (5) If funds allocated for eligible applicants ~~or to the great~~
22 ~~start readiness reserve fund~~ under section 32d remain after the
23 initial allocation under subsection (4), the allocation under this
24 subsection shall be distributed to each eligible applicant under
25 section 32d in decreasing order of concentration of eligible
26 children as determined by the formula under subsection (3). The
27 allocation shall be determined by multiplying the number of



1 children **IN** each district within the applicant's service area
2 served in the immediately preceding fiscal year or the number of
3 children the applicant indicates it will be able to serve under
4 subsection (1)(c), whichever is less, minus the number of children
5 for which the applicant received funding in subsection (4) by
6 \$3,625.00.

7 (6) If funds allocated for eligible applicants ~~or to the great~~
8 ~~start readiness reserve fund~~ under section 32d remain after the
9 allocations under subsections (4) and (5), remaining funds shall be
10 distributed to each eligible applicant under section 32d in
11 decreasing order of concentration of eligible children as
12 determined by the formula under subsection (3). If the number of
13 children the applicant indicates it will be able to serve under
14 subsection (1)(c) exceeds the number of children for which funds
15 have been received under subsections (4) and (5), the allocation
16 under this subsection shall be determined by multiplying the number
17 of children the applicant indicates it will be able to serve under
18 subsection (1)(c) less the number of children for which funds have
19 been received under subsections (4) and (5) by \$3,625.00 until the
20 funds allocated for eligible applicants in section 32d are
21 distributed.

22 (7) An applicant that offers supplementary child care funded
23 by funds other than those received under section 32d and therefore
24 offers full-day programs as part of its early childhood development
25 program shall receive priority in the allocation of funds under
26 section 32d over other eligible applicants. As used in this
27 subsection, "full-day program" means a program that provides



1 supplementary child care that totals at least 10 hours of
2 programming per day.

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

10 Sec. 39a. (1) From the federal funds appropriated in section
11 11, there is allocated for ~~2014-2015~~**2015-2016** to districts,
12 intermediate districts, and other eligible entities all available
13 federal funding, estimated at ~~\$807,969,900.00~~**\$779,076,400.00** for
14 the federal programs under the no child left behind act of 2001,
15 Public Law 107-110. These funds are allocated as follows:

16 (a) An amount estimated at ~~\$8,000,000.00~~**\$5,000,000.00** to
17 provide students with drug- and violence-prevention programs and to
18 implement strategies to improve school safety, funded from DED-
19 OESE, drug-free schools and communities funds.

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

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

27 (d) An amount estimated at \$10,286,500.00 for the Michigan



1 charter school subgrant program, funded from DED-OESE, charter
2 school funds.

3 (e) An amount estimated at ~~\$2,393,500.00~~ **\$3,000,000.00** for
4 rural and low income schools, funded from DED-OESE, rural and low
5 income school funds.

6 (f) An amount estimated at ~~\$591,500,000.00~~ **\$565,000,000.00** to
7 provide supplemental programs to enable educationally disadvantaged
8 children to meet challenging academic standards, funded from DED-
9 OESE, title I, disadvantaged children funds.

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

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

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

21 (2) From the federal funds appropriated in section 11, there
22 is allocated for ~~2014-2015~~ **2015-2016** to districts, intermediate
23 districts, and other eligible entities all available federal
24 funding, estimated at ~~\$31,300,000.00~~ **\$30,800,000.00** for the
25 following programs that are funded by federal grants:

26 (a) An amount estimated at \$200,000.00 for acquired
27 immunodeficiency syndrome education grants, funded from HHS -



1 ~~center for disease control,~~ **CENTERS FOR DISEASE CONTROL AND**
 2 **PREVENTION,** AIDS funding.

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

6 **(C) AN AMOUNT ESTIMATED AT \$4,000,000.00 TO PROVIDE MENTAL**
 7 **HEALTH, SUBSTANCE ABUSE, OR VIOLENCE PREVENTION SERVICES TO**
 8 **STUDENTS, FUNDED FROM HHS-SAMHSA.**

9 **(D)** ~~(e)~~ An amount estimated at ~~\$28,500,000.00~~ **\$24,000,000.00**
 10 for providing career and technical education services to pupils,
 11 funded from DED-OVAE, basic grants to states.

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

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

25 (5) As used in this section:

26 (a) "DED" means the United States ~~department of~~
 27 ~~education.~~ **DEPARTMENT OF EDUCATION.**



1 (b) "DED-OESE" means the DED ~~office of elementary and~~
 2 ~~secondary education.~~**OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

3 (c) "DED-OVAE" means the DED ~~office of vocational and adult~~
 4 ~~education.~~**OFFICE OF VOCATIONAL AND ADULT EDUCATION.**

5 (d) "HHS" means the United States ~~department of health and~~
 6 ~~human services.~~**DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

7 ~~(e) "HHS-ACF" means the HHS administration for children and~~
 8 ~~families.~~

9 **(E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL**
 10 **HEALTH SERVICES ADMINISTRATION.**

11 Sec. 43. From the general fund money appropriated in section
 12 11, there is allocated to the department for ~~2014-2015-2015-2016~~ an
 13 amount not to exceed \$1,800,000.00 for updating teacher
 14 certification tests. The department shall use these funds to update
 15 the set of teacher certification tests, including content-specific
 16 and subject-relevant tests, to reflect current education standards
 17 by not later than September 30, 2016. **THIS IS THE SECOND YEAR OF 2**
 18 **YEARS OF FUNDING.**

19 Sec. 51a. (1) From the appropriation in section 11, there is
 20 allocated an amount not to exceed ~~\$914,946,100.00 for 2014-2015~~
 21 **\$934,546,100.00 FOR 2015-2016** from state sources and all available
 22 federal funding under sections 611 to 619 of part B of the
 23 individuals with disabilities education act, 20 USC 1411 to 1419,
 24 estimated at \$370,000,000.00 for ~~2014-2015,~~**2014-2015**, plus any
 25 carryover federal funds from previous year appropriations. The
 26 allocations under this subsection are for the purpose of
 27 reimbursing districts and intermediate districts for special



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

19 (2) From the funds allocated under subsection (1), there is
20 allocated the amount necessary, estimated at ~~\$251,800,000.00 for~~
21 ~~2014-2015,~~ **\$257,200,000.00 FOR 2015-2016** for payments toward
22 reimbursing districts and intermediate districts for 28.6138% of
23 total approved costs of special education, excluding costs
24 reimbursed under section 53a, and 70.4165% of total approved costs
25 of special education transportation. Allocations under this
26 subsection shall be made as follows:

27 (a) The initial amount allocated to a district under this



1 subsection toward fulfilling the specified percentages shall be
2 calculated by multiplying the district's special education pupil
3 membership, excluding pupils described in subsection (11), times
4 the foundation allowance under section 20 of the pupil's district
5 of residence, not to exceed the basic foundation allowance under
6 section 20 for the current fiscal year, or, for a special education
7 pupil in membership in a district that is a public school academy,
8 times an amount equal to the amount per membership pupil calculated
9 under section 20(6) or, for a pupil described in this subsection
10 who is counted in membership in the education achievement system,
11 times an amount equal to the amount per membership pupil under
12 section 20(7). For an intermediate district, the amount allocated
13 under this subdivision toward fulfilling the specified percentages
14 shall be an amount per special education membership pupil,
15 excluding pupils described in subsection (11), and shall be
16 calculated in the same manner as for a district, using the
17 foundation allowance under section 20 of the pupil's district of
18 residence, not to exceed the basic foundation allowance under
19 section 20 for the current fiscal year.

20 (b) After the allocations under subdivision (a), districts and
21 intermediate districts for which the payments calculated under
22 subdivision (a) do not fulfill the specified percentages shall be
23 paid the amount necessary to achieve the specified percentages for
24 the district or intermediate district.

25 (3) From the funds allocated under subsection (1), there is
26 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed
27 \$1,000,000.00 to make payments to districts and intermediate



1 districts under this subsection. If the amount allocated to a
2 district or intermediate district for a fiscal year under
3 subsection (2)(b) is less than the sum of the amounts allocated to
4 the district or intermediate district for 1996-97 under sections 52
5 and 58, there is allocated to the district or intermediate district
6 for the fiscal year an amount equal to that difference, adjusted by
7 applying the same proration factor that was used in the
8 distribution of funds under section 52 in 1996-97 as adjusted to
9 the district's or intermediate district's necessary costs of
10 special education used in calculations for the fiscal year. This
11 adjustment is to reflect reductions in special education program
12 operations or services between 1996-97 and subsequent fiscal years.
13 Adjustments for reductions in special education program operations
14 or services shall be made in a manner determined by the department
15 and shall include adjustments for program or service shifts.

16 (4) If the department determines that the sum of the amounts
17 allocated for a fiscal year to a district or intermediate district
18 under subsection (2)(a) and (b) is not sufficient to fulfill the
19 specified percentages in subsection (2), then the shortfall shall
20 be paid to the district or intermediate district during the fiscal
21 year beginning on the October 1 following the determination and
22 payments under subsection (3) shall be adjusted as necessary. If
23 the department determines that the sum of the amounts allocated for
24 a fiscal year to a district or intermediate district under
25 subsection (2)(a) and (b) exceeds the sum of the amount necessary
26 to fulfill the specified percentages in subsection (2), then the
27 department shall deduct the amount of the excess from the



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

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

16 (6) From the amount allocated in subsection (1), there is
17 allocated an amount not to exceed \$2,200,000.00 for ~~2014-2015~~**2015-**
18 **2016** to reimburse 100% of the net increase in necessary costs
19 incurred by a district or intermediate district in implementing the
20 revisions in the administrative rules for special education that
21 became effective on July 1, 1987. As used in this subsection, "net
22 increase in necessary costs" means the necessary additional costs
23 incurred solely because of new or revised requirements in the
24 administrative rules minus cost savings permitted in implementing
25 the revised rules. Net increase in necessary costs shall be
26 determined in a manner specified by the department.

27 (7) For purposes of sections 51a to 58, all of the following



1 apply:

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

23 (b) Beginning with the 2004-2005 fiscal year, a district or
24 intermediate district that employed special education support
25 services staff to provide special education support services in
26 2003-2004 or in a subsequent fiscal year and that in a fiscal year
27 after 2003-2004 receives the same type of support services from



1 another district or intermediate district shall report the cost of
2 those support services for special education reimbursement purposes
3 under this article. This subdivision does not prohibit the transfer
4 of special education classroom teachers and special education
5 classroom aides if the pupils counted in membership associated with
6 those special education classroom teachers and special education
7 classroom aides are transferred and counted in membership in the
8 other district or intermediate district in conjunction with the
9 transfer of those teachers and aides.

10 ~~—— (c) If the department determines before bookclosing for a~~
11 ~~fiscal year that the amounts allocated for that fiscal year under~~
12 ~~subsections (2), (3), (6), and (11) and sections 53a, 54, and 56~~
13 ~~will exceed expenditures for that fiscal year under subsections~~
14 ~~(2), (3), (6), and (11) and sections 53a, 54, and 56, then for a~~
15 ~~district or intermediate district whose reimbursement for that~~
16 ~~fiscal year would otherwise be affected by subdivision (b),~~
17 ~~subdivision (b) does not apply to the calculation of the~~
18 ~~reimbursement for that district or intermediate district and~~
19 ~~reimbursement for that district or intermediate district shall be~~
20 ~~calculated in the same manner as it was for 2003-2004. If the~~
21 ~~amount of the excess allocations under subsections (2), (3), (6),~~
22 ~~and (11) and sections 53a, 54, and 56 is not sufficient to fully~~
23 ~~fund the calculation of reimbursement to those districts and~~
24 ~~intermediate districts under this subdivision, then the~~
25 ~~calculations and resulting reimbursement under this subdivision~~
26 ~~shall be prorated on an equal percentage basis. This reimbursement~~
27 ~~shall not be made after 2014-2015.~~



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

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

27 (8) A pupil who is enrolled in a full-time special education



1 program conducted or administered by an intermediate district or a
2 pupil who is enrolled in the Michigan schools for the deaf and
3 blind shall not be included in the membership count of a district,
4 but shall be counted in membership in the intermediate district of
5 residence.

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

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

17 (11) From the funds allocated in subsection (1), there is
18 allocated the amount necessary, estimated at ~~\$4,000,000.00 for~~
19 ~~2014-2015,~~ **\$3,200,000.00 FOR 2015-2016**, to pay the foundation
20 allowances for pupils described in this subsection. The allocation
21 to a district under this subsection shall be calculated by
22 multiplying the number of pupils described in this subsection who
23 are counted in membership in the district times the foundation
24 allowance under section 20 of the pupil's district of residence,
25 not to exceed the basic foundation allowance under section 20 for
26 the current fiscal year, or, for a pupil described in this
27 subsection who is counted in membership in a district that is a



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

12 (a) Pupils described in section 53a.

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

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

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



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

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

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

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

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

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

10 (14) If a public school academy enrolls pursuant to this
11 section a pupil who resides outside of the intermediate district in
12 which the public school academy is located and who is eligible for
13 special education programs and services according to statute or
14 rule, or who is a child with disabilities, as defined under the
15 individuals with disabilities education act, Public Law 108-446,
16 the provision of special education programs and services and the
17 payment of the added costs of special education programs and
18 services for the pupil are the responsibility of the district and
19 intermediate district in which the pupil resides unless the
20 enrolling district or intermediate district has a written agreement
21 with the district or intermediate district in which the pupil
22 resides or the public school academy for the purpose of providing
23 the pupil with a free appropriate public education and the written
24 agreement includes at least an agreement on the responsibility for
25 the payment of the added costs of special education programs and
26 services for the pupil.

27 **(15) A DISTRICT OR INTERMEDIATE DISTRICT THAT FAILS TO COMPLY**



1 WITH SUBSECTION (14) OR WITH THE REQUIREMENTS OF FEDERAL
2 REGULATIONS REGARDING THE TREATMENT OF PUBLIC SCHOOL ACADEMIES AND
3 PUBLIC SCHOOL ACADEMY PUPILS FOR THE PURPOSES OF SPECIAL EDUCATION,
4 34 CFR 300.209, FORFEITS FROM ITS TOTAL STATE AID AN AMOUNT EQUAL
5 TO 10% OF ITS TOTAL STATE AID.

6 Sec. 51c. As required by the court in the consolidated cases
7 known as Durant v State of Michigan, Michigan supreme court docket
8 no. 104458-104492, from the allocation under section 51a(1), there
9 is allocated for ~~2014-2015~~ **2015-2016** the amount necessary,
10 estimated at ~~\$606,000,000.00~~, **\$621,000,000.00**, for payments to
11 reimburse districts for 28.6138% of total approved costs of special
12 education excluding costs reimbursed under section 53a, and
13 70.4165% of total approved costs of special education
14 transportation. Funds allocated under this section that are not
15 expended in the state fiscal year for which they were allocated, as
16 determined by the department, may be used to supplement the
17 allocations under sections 22a and 22b in order to fully fund those
18 calculated allocations for the same fiscal year.

19 Sec. 51d. (1) From the federal funds appropriated in section
20 11, there is allocated for ~~2014-2015~~, **2015-2016**, all available
21 federal funding, estimated at ~~\$74,000,000.00~~, **\$71,000,000.00**, for
22 special education programs and services that are funded by federal
23 grants. All federal funds allocated under this section shall be
24 distributed in accordance with federal law. Notwithstanding section
25 17b, payments of federal funds to districts, intermediate
26 districts, and other eligible entities under this section shall be
27 paid on a schedule determined by the department.



1 (2) From the federal funds allocated under subsection (1), the
2 following amounts are allocated for ~~2014-2015~~:**2015-2016**:

3 (a) An amount estimated at ~~\$15,000,000.00~~**\$14,000,000.00** for
4 handicapped infants and toddlers, funded from DED-OSERS,
5 handicapped infants and toddlers funds.

6 (b) An amount estimated at ~~\$14,000,000.00~~**\$12,000,000.00** for
7 preschool grants (Public Law 94-142), funded from DED-OSERS,
8 handicapped preschool incentive funds.

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

12 (3) As used in this section, "DED-OSERS" means the United
13 States ~~department of education office of special education and~~
14 ~~rehabilitative services.~~**DEPARTMENT OF EDUCATION OFFICE OF SPECIAL**
15 **EDUCATION AND REHABILITATIVE SERVICES.**

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



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

3 (a) Pupils assigned to a district or intermediate district
4 through the community placement program of the courts or a state
5 agency, if the pupil was a resident of another intermediate
6 district at the time the pupil came under the jurisdiction of the
7 court or a state agency.

8 (b) Pupils who are residents of institutions operated by the
9 department of community health.

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

13 (d) Pupils enrolled in a department-approved on-grounds
14 educational program longer than 180 days, but not longer than 233
15 days, at a residential child care institution, if the child care
16 institution offered in 1991-92 an on-grounds educational program
17 longer than 180 days but not longer than 233 days.

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

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

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



1 (5) Not more than \$10,500,000.00 of the allocation for ~~2014-~~
2 ~~2015-2015-2016~~ in section 51a(1) shall be allocated under this
3 section.

4 Sec. 54. Each intermediate district shall receive an amount
5 per-pupil for each pupil in attendance at the Michigan schools for
6 the deaf and blind. The amount shall be proportionate to the total
7 instructional cost at each school. Not more than \$1,688,000.00 of
8 the allocation for ~~2014-2015-2015-2016~~ in section 51a(1) shall be
9 allocated under this section.

10 **SEC. 55. (1) FROM THE MONEY APPROPRIATED IN SECTION 11, THERE**
11 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$150,000.00 FOR 2015-2016 TO**
12 **MICHIGAN STATE UNIVERSITY, DEPARTMENT OF EPIDEMIOLOGY, FOR A STUDY**
13 **OF THE CONDUCTIVE LEARNING CENTER LOCATED AT AQUINAS COLLEGE. THIS**
14 **FUNDING SHALL BE USED TO DEVELOP AND IMPLEMENT AN EVALUATION OF THE**
15 **EFFECTIVENESS OF CONDUCTIVE EDUCATION FOR CHILDREN WITH CEREBRAL**
16 **PALSY. THE EVALUATION SHALL BE MULTIDIMENSIONAL AND SHALL INCLUDE A**
17 **CONTROL GROUP OF CHILDREN WITH CEREBRAL PALSY NOT ENROLLED IN**
18 **CONDUCTIVE EDUCATION. IT SHOULD INCLUDE AN ASSESSMENT OF THE MOTOR**
19 **SYSTEM ITSELF AS WELL AS THE IMPACT OF CONDUCTIVE EDUCATION ON EACH**
20 **OF THE FOLLOWING:**

21 (A) THE ACQUISITION OF SKILLS PERMITTING COMPLEX MOTOR
22 FUNCTIONS.

23 (B) THE PERFORMANCE OF TASKS ESSENTIAL TO DAILY LIVING.

24 (C) THE ATTITUDES AND FEELINGS OF BOTH CHILDREN AND PARENTS.

25 (D) THE LONG-TERM NEED FOR SPECIAL EDUCATION FOR CHILDREN WITH
26 CEREBRAL PALSY.

27 (2) IT IS THE INTENT OF THE LEGISLATURE THAT THIS FUNDING IS



1 **FOR THE FIRST OF 2 YEARS OF FUNDING FOR THIS PURPOSE.**

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

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

7 (b) "Millage levied" means the millage levied for special
8 education pursuant to part 30 of the revised school code, MCL
9 380.1711 to 380.1743, including a levy for debt service
10 obligations.

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

17 (2) From the allocation under section 51a(1), there is
18 allocated an amount not to exceed \$37,758,100.00 for ~~2014-2015~~
19 **2015-2016** to reimburse intermediate districts levying millages for
20 special education pursuant to part 30 of the revised school code,
21 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
22 reimbursement shall be limited as if the funds were generated by
23 these millages and governed by the intermediate district plan
24 adopted pursuant to article 3 of the revised school code, MCL
25 380.1701 to 380.1766. As a condition of receiving funds under this
26 section, an intermediate district distributing any portion of
27 special education millage funds to its constituent districts shall



1 submit for departmental approval and implement a distribution plan.

2 (3) Reimbursement for those millages levied in ~~2013-2014-2014-~~
 3 **2015** shall be made in ~~2014-2015-~~**2015-2016** at an amount per ~~2013-~~
 4 ~~2014-~~**2014-2015** membership pupil computed by subtracting from
 5 ~~\$172,200.00-~~**\$174,400.00** the ~~2013-2014-~~**2014-2015** taxable value
 6 behind each membership pupil and multiplying the resulting
 7 difference by the ~~2013-2014-~~**2014-2015** millage levied.

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

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

15 Sec. 61a. (1) From the appropriation in section 11, there is
 16 allocated an amount not to exceed ~~\$26,611,300.00 for 2014-2015~~
 17 **\$42,611,300.00 FOR 2015-2016** to reimburse on an added cost basis
 18 districts, except for a district that served as the fiscal agent
 19 for a vocational education consortium in the 1993-94 school year,
 20 and secondary area vocational-technical education centers for
 21 secondary-level career and technical education programs according
 22 to rules approved by the superintendent. Applications for
 23 participation in the programs shall be submitted in the form
 24 prescribed by the department. The department shall determine the
 25 added cost for each career and technical education program area.
 26 The allocation of added cost funds shall be based on the ~~type of~~
 27 **COST OF THE** career and technical education programs provided; ~~the~~



1 number of pupils enrolled; ~~THE ADVANCEMENT OF PUPILS THROUGH THE~~
2 ~~INSTRUCTIONAL PROGRAM; THE PROGRAM RANK IN STUDENT PLACEMENT;~~ and
3 the length of the training period provided, and shall not exceed
4 75% of the added cost of any program. With the approval of the
5 department, the board of a district maintaining a secondary career
6 and technical education program may offer the program for the
7 period from the close of the school year until September 1. The
8 program shall use existing facilities and shall be operated as
9 prescribed by rules promulgated by the superintendent.

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

20 ~~———— (3) In addition to the funds allocated in subsection (1), from~~
21 ~~the appropriation in section 11, there is allocated an amount not~~
22 ~~to exceed \$1,000,000.00 for 2014-2015 to districts or intermediate~~
23 ~~districts for area career and technical education centers for the~~
24 ~~purpose of integrating the Michigan merit curriculum content~~
25 ~~standards under sections 1278a and 1278b of the revised school~~
26 ~~code, MCL 380.1278a and 380.1278b, into state approved career and~~
27 ~~technical education instructional programs for the purpose of~~



1 ~~awarding academic credit. The department shall determine the~~
2 ~~allocation to each career and technical education center in a~~
3 ~~manner that provides for maximum integration of Michigan merit~~
4 ~~curriculum content standards statewide.~~

5 Sec. 62. (1) For the purposes of this section:

6 (a) "Membership" means for a particular fiscal year the total
7 membership for the immediately preceding fiscal year of the
8 intermediate district and the districts constituent to the
9 intermediate district or the total membership for the immediately
10 preceding fiscal year of the area vocational-technical program.

11 (b) "Millage levied" means the millage levied for area
12 vocational-technical education pursuant to sections 681 to 690 of
13 the revised school code, MCL 380.681 to 380.690, including a levy
14 for debt service obligations incurred as the result of borrowing
15 for capital outlay projects and in meeting capital projects fund
16 requirements of area vocational-technical education.

17 (c) "Taxable value" means the total taxable value of the
18 districts constituent to an intermediate district or area
19 vocational-technical education program, except that if a district
20 has elected not to come under sections 681 to 690 of the revised
21 school code, MCL 380.681 to 380.690, the membership and taxable
22 value of that district shall not be included in the membership and
23 taxable value of the intermediate district. However, the membership
24 and taxable value of a district that has elected not to come under
25 sections 681 to 690 of the revised school code, MCL 380.681 to
26 380.690, shall be included in the membership and taxable value of
27 the intermediate district if the district meets both of the



1 following:

2 (i) The district operates the area vocational-technical
3 education program pursuant to a contract with the intermediate
4 district.

5 (ii) The district contributes an annual amount to the
6 operation of the program that is commensurate with the revenue that
7 would have been raised for operation of the program if millage were
8 levied in the district for the program under sections 681 to 690 of
9 the revised school code, MCL 380.681 to 380.690.

10 (2) From the appropriation in section 11, there is allocated
11 an amount not to exceed \$9,190,000.00 for ~~2014-2015-2015-2016~~ to
12 reimburse intermediate districts and area vocational-technical
13 education programs established under section 690(3) of the revised
14 school code, MCL 380.690, levying millages for area vocational-
15 technical education pursuant to sections 681 to 690 of the revised
16 school code, MCL 380.681 to 380.690. The purpose, use, and
17 expenditure of the reimbursement shall be limited as if the funds
18 were generated by those millages.

19 (3) Reimbursement for the millages levied in ~~2013-2014-2014-~~
20 ~~2015~~ shall be made in ~~2014-2015-2015-2016~~ at an amount per ~~2013-~~
21 ~~2014-2014-2015~~ membership pupil computed by subtracting from
22 ~~\$188,100.00~~ **\$189,400.00** the ~~2013-2014-2014-2015~~ taxable value
23 behind each membership pupil and multiplying the resulting
24 difference by the ~~2013-2014-2014-2015~~ millage levied.

25 (4) The amount paid to a single intermediate district under
26 this section shall not exceed 38.4% of the total amount allocated
27 under subsection (2).



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

5 Sec. 74. (1) From the amount appropriated in section 11, there
6 is allocated an amount not to exceed ~~\$3,316,500.00 for 2014-2015~~
7 **\$3,315,700.00 FOR 2015-2016** for the purposes of this section.

8 (2) From the allocation in subsection (1), there is allocated
9 for each fiscal year the amount necessary for payments to state
10 supported colleges or universities and intermediate districts
11 providing school bus driver safety instruction pursuant to section
12 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
13 payments shall be in an amount determined by the department not to
14 exceed the actual cost of instruction and driver compensation for
15 each public or nonpublic school bus driver attending a course of
16 instruction. For the purpose of computing compensation, the hourly
17 rate allowed each school bus driver shall not exceed the hourly
18 rate received for driving a school bus. Reimbursement compensating
19 the driver during the course of instruction shall be made by the
20 department to the college or university or intermediate district
21 providing the course of instruction.

22 (3) From the allocation in subsection (1), there is allocated
23 for ~~2014-2015~~**2015-2016** the amount necessary to pay the reasonable
24 costs of nonspecial education auxiliary services transportation
25 provided pursuant to section 1323 of the revised school code, MCL
26 380.1323. Districts funded under this subsection shall not receive
27 funding under any other section of this article for nonspecial



1 education auxiliary services transportation.

2 (4) From the funds allocated in subsection (1), there is
3 allocated an amount not to exceed ~~\$1,691,500.00 for 2014-2015~~
4 **\$1,690,700.00 FOR 2015-2016** for reimbursement to districts and
5 intermediate districts for costs associated with the inspection of
6 school buses and pupil transportation vehicles by the department of
7 state police as required under section 715a of the Michigan vehicle
8 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
9 transportation act, 1990 PA 187, MCL 257.1839. The department of
10 state police shall prepare a statement of costs attributable to
11 each district for which bus inspections are provided and submit it
12 to the department and to an intermediate district serving as
13 fiduciary in a time and manner determined jointly by the department
14 and the department of state police. Upon review and approval of the
15 statement of cost, the department shall forward to the designated
16 intermediate district serving as fiduciary the amount of the
17 reimbursement on behalf of each district and intermediate district
18 for costs detailed on the statement within 45 days after receipt of
19 the statement. The designated intermediate district shall make
20 payment in the amount specified on the statement to the department
21 of state police within 45 days after receipt of the statement. The
22 total reimbursement of costs under this subsection shall not exceed
23 the amount allocated under this subsection. Notwithstanding section
24 17b, payments to eligible entities under this subsection shall be
25 paid on a schedule prescribed by the department.

26 Sec. 81. (1) Except as otherwise provided in this section,
27 from the appropriation in section 11, there is allocated for ~~2014-~~



1 ~~2015-2015-2016~~ to the intermediate districts the sum necessary, but
2 not to exceed ~~\$67,115,000.00~~ **\$67,108,000.00** to provide state aid to
3 intermediate districts under this section.

4 (2) From the allocation in subsection (1), there is allocated
5 for ~~2014-2015-2015-2016~~ an amount not to exceed ~~\$65,108,000.00~~
6 **\$67,108,000.00** for allocations to each intermediate district in an
7 amount equal to ~~104.8%~~ **103.1%** of the amount allocated to the
8 intermediate district under this subsection for ~~2013-2014.~~ **2014-**
9 **2015**. Funding provided under this section shall be used to comply
10 with requirements of this article and the revised school code that
11 are applicable to intermediate districts, and for which funding is
12 not provided elsewhere in this article, and to provide technical
13 assistance to districts as authorized by the intermediate school
14 board.

15 (3) Intermediate districts receiving funds under subsection
16 (2) shall collaborate with the department to develop expanded
17 professional development opportunities for teachers to update and
18 expand their knowledge and skills needed to support the Michigan
19 merit curriculum.

20 (4) From the allocation in subsection (1), there is allocated
21 to an intermediate district, formed by the consolidation or
22 annexation of 2 or more intermediate districts or the attachment of
23 a total intermediate district to another intermediate school
24 district or the annexation of all of the constituent K-12 districts
25 of a previously existing intermediate school district which has
26 disorganized, an additional allotment of \$3,500.00 each fiscal year
27 for each intermediate district included in the new intermediate



1 district for 3 years following consolidation, annexation, or
2 attachment. ~~From the allocation in subsection (1), there is~~
3 ~~allocated \$7,000.00 for purposes of this subsection for 2012-2013,~~
4 ~~for 2013-2014, and for 2014-2015, after which the payment under~~
5 ~~this subsection will cease.~~

6 (5) In order to receive funding under subsection (2), an
7 intermediate district shall do all of the following:

8 (a) Demonstrate to the satisfaction of the department that the
9 intermediate district employs at least 1 person who is trained in
10 pupil accounting and auditing procedures, rules, and regulations.

11 (b) Demonstrate to the satisfaction of the department that the
12 intermediate district employs at least 1 person who is trained in
13 rules, regulations, and district reporting procedures for the
14 individual-level student data that serves as the basis for the
15 calculation of the district and high school graduation and dropout
16 rates.

17 (c) Comply with sections 1278a and 1278b of the revised school
18 code, MCL 380.1278a and 380.1278b.

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

22 (e) Comply with section 1230g of the revised school code, MCL
23 380.1230g.

24 (f) Comply with section 761 of the revised school code, MCL
25 380.761.

26 ~~From the allocation in subsection (1), there is allocated~~
27 ~~an amount not to exceed \$2,000,000.00 for 2014-2015 for an~~



~~1 incentive payment to each intermediate district that meets best
2 practices as determined by the department under this subsection.
3 The amount of the incentive payment is an amount equal to 3.1% of
4 the amount allocated to the intermediate district under subsection
5 (2). An intermediate district is eligible for an incentive payment
6 under this subsection if the intermediate district satisfies at
7 least 5 of the following requirements not later than June 1, 2015:
8 — (a) The intermediate district enters into an agreement with
9 the department to comply with all of the following:
10 — (i) If the intermediate district developed a service
11 consolidation plan in 2013-2014, implement the service
12 consolidation plan in 2014-2015 and report to the department not
13 later than February 1, 2015 on the intermediate district's progress
14 in implementing the service consolidation plan.
15 — (ii) If the intermediate district did not develop a service
16 consolidation plan in 2012-2013 or 2013-2014, develop a service
17 consolidation plan in 2014-2015 to reduce operating costs that is
18 in compliance with guidelines that were developed by the department
19 for former section 11d as that section was in effect for 2010-2011.
20 — (iii) Make the intermediate district's service consolidation
21 plan publicly available on the intermediate district's website.
22 — (b) The intermediate district has obtained competitive bids on
23 the provision of 1 or more noninstructional services for the
24 intermediate district or its constituent districts with a value of
25 at least \$50,000.00. The unfunded accrued liability costs for
26 retirement and other benefits shall be excluded from the
27 intermediate district's current costs for the purpose of comparing~~



1 ~~competitive bids to the current costs of providing services.~~

2 ~~—— (c) The intermediate district develops a technology plan in~~
3 ~~accordance with department policy on behalf of all constituent~~
4 ~~districts within the intermediate district that integrates~~
5 ~~technology into the classroom and prepares teachers to use digital~~
6 ~~technologies as part of the instructional program of each of its~~
7 ~~constituent districts. An intermediate district that developed a~~
8 ~~technology plan in 2012-2013 or 2013-2014 shall continue to~~
9 ~~implement that technology plan in 2014-2015.~~

10 ~~—— (d) The intermediate district provides to parents and~~
11 ~~community members a dashboard or report card demonstrating the~~
12 ~~intermediate district's efforts to manage its finances responsibly.~~
13 ~~The dashboard or report card shall include revenue and expenditure~~
14 ~~projections for the intermediate district for 2014-2015 and 2015-~~
15 ~~2016, a listing of all debt service obligations, detailed by~~
16 ~~project, including anticipated 2014-2015 payment for each project,~~
17 ~~a listing of total outstanding debt, and at least all of the~~
18 ~~following for the 3 most recent school years for which the data are~~
19 ~~available:~~

20 ~~—— (i) A list of services offered by the intermediate district~~
21 ~~that are shared by other local or intermediate districts and a list~~
22 ~~of the districts or intermediate districts that participate.~~

23 ~~—— (ii) The total cost savings to local or other intermediate~~
24 ~~districts that share services with the intermediate district.~~

25 ~~—— (iii) The number and percentage of teachers in the~~
26 ~~intermediate district service area that are trained to integrate~~
27 ~~technology into the classroom.~~



1 ~~—— (iv) The total funds received from levying special education~~
2 ~~and vocational education millages, and the number of special~~
3 ~~education and vocational education pupils served with those~~
4 ~~dollars.~~

5 ~~—— (v) The number and percentage of individualized education~~
6 ~~programs developed for special education pupils that contain~~
7 ~~academic goals.~~

8 ~~—— (e) The intermediate district works in a consortium with 1 or~~
9 ~~more other intermediate districts and the center to develop local~~
10 ~~information management system requirements and bid specifications~~
11 ~~that result in a recommended model information system that supports~~
12 ~~interoperability to ensure linkage and connectivity in a manner~~
13 ~~that facilitates the efficient exchange of data among districts,~~
14 ~~intermediate districts, and the center. At a minimum, these~~
15 ~~specifications shall include pupil management systems for both~~
16 ~~general and special education, learning management tools, and~~
17 ~~business services.~~

18 ~~—— (f) If an intermediate district provides medical, pharmacy,~~
19 ~~dental, vision, disability, long-term care, or any other type of~~
20 ~~benefit that would constitute a health care services benefit, to~~
21 ~~employees and their dependents, the intermediate district is the~~
22 ~~policyholder for each of its insurance policies that covers 1 or~~
23 ~~more of these benefits. An intermediate district that does not~~
24 ~~directly employ its staff or an intermediate district with a~~
25 ~~voluntary employee beneficiary association that pays no more than~~
26 ~~the maximum per employee contribution amount and that contributes~~
27 ~~no more than the maximum employer contribution percentage of total~~



1 ~~annual costs for the medical benefit plans as described in sections~~
2 ~~3 and 4 of the publicly funded health insurance contribution act,~~
3 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied~~
4 ~~this requirement.~~

5 Sec. 94. (1) From the general fund appropriation in section
6 11, there is allocated to the department for ~~2014-2015~~**2015-2016** an
7 amount not to exceed \$250,000.00 for efforts to increase the number
8 of pupils who participate and succeed in advanced placement and
9 international baccalaureate programs.

10 (2) From the funds allocated under this section, the
11 department shall award funds to cover all or part of the costs of
12 advanced placement test fees or international baccalaureate test
13 fees for low-income pupils who take an advanced placement or an
14 international baccalaureate test. Payments shall not exceed \$20.00
15 per test completed.

16 (3) The department shall only award funds under this section
17 if the department determines that all of the following criteria are
18 met:

19 (a) Each pupil for whom payment is made meets eligibility
20 requirements of the federal advanced placement test fee program
21 under section 1701 of the no child left behind act of 2001, Public
22 Law 107-110.

23 (b) The tests are administered by the college board, the
24 international baccalaureate organization, or another test provider
25 approved by the department.

26 (c) The pupil for whom payment is made pays at least \$5.00
27 toward the cost of each test for which payment is made.



1 (4) The department shall establish procedures for awarding
2 funds under this section.

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

5 Sec. 94a. (1) There is created within the state budget office
6 in the department of technology, management, and budget the center
7 for educational performance and information. The center shall do
8 all of the following:

9 (a) Coordinate the collection of all data required by state
10 and federal law from districts, intermediate districts, and
11 postsecondary institutions.

12 (b) Create, maintain, and enhance this state's P-20
13 longitudinal data system and ensure that it meets the requirements
14 of subsection (4).

15 (c) Collect data in the most efficient manner possible in
16 order to reduce the administrative burden on reporting entities,
17 including, but not limited to, electronic transcript services.

18 (d) Create, maintain, and enhance this state's web-based
19 educational portal to provide information to school leaders,
20 teachers, researchers, and the public in compliance with all
21 federal and state privacy laws. Data shall include, but are not
22 limited to, all of the following:

23 (i) Data sets that link teachers to student information,
24 allowing districts to assess individual teacher impact on student
25 performance and consider student growth factors in teacher and
26 principal evaluation systems.

27 (ii) Data access or, if practical, data sets, provided for



1 regional data warehouses that, in combination with local data, can
2 improve teaching and learning in the classroom.

3 (iii) Research-ready data sets for researchers to perform
4 research that advances this state's educational performance.

5 (e) Provide data in a useful manner to allow state and local
6 policymakers to make informed policy decisions.

7 (f) Provide public reports to the citizens of this state to
8 allow them to assess allocation of resources and the return on
9 their investment in the education system of this state.

10 (g) Other functions as assigned by the state budget director.

11 (2) Each state department, officer, or agency that collects
12 information from districts, intermediate districts, or
13 postsecondary institutions as required under state or federal law
14 shall make arrangements with the center to ensure that the state
15 department, officer, or agency is in compliance with subsection
16 (1). This subsection does not apply to information collected by the
17 department of treasury under the uniform budgeting and accounting
18 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
19 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
20 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
21 388.1939; or section 1351a of the revised school code, MCL
22 380.1351a.

23 (3) The center may enter into any interlocal agreements
24 necessary to fulfill its functions.

25 (4) The center shall ensure that the P-20 longitudinal data
26 system required under subsection (1)(b) meets all of the following:

27 (a) Includes data at the individual student level from



1 preschool through postsecondary education and into the workforce.

2 (b) Supports interoperability by using standard data
3 structures, data formats, and data definitions to ensure linkage
4 and connectivity in a manner that facilitates the exchange of data
5 among agencies and institutions within the state and between
6 states.

7 (c) Enables the matching of individual teacher and student
8 records so that an individual student may be matched with those
9 teachers providing instruction to that student.

10 (d) Enables the matching of individual teachers with
11 information about their certification and the institutions that
12 prepared and recommended those teachers for state certification.

13 (e) Enables data to be easily generated for continuous
14 improvement and decision-making, including timely reporting to
15 parents, teachers, and school leaders on student achievement.

16 (f) Ensures the reasonable quality, validity, and reliability
17 of data contained in the system.

18 (g) Provides this state with the ability to meet federal and
19 state reporting requirements.

20 (h) For data elements related to preschool through grade 12
21 and postsecondary, meets all of the following:

22 (i) Contains a unique statewide student identifier that does
23 not permit a student to be individually identified by users of the
24 system, except as allowed by federal and state law.

25 (ii) Contains student-level enrollment, demographic, and
26 program participation information.

27 (iii) Contains student-level information about the points at



1 which students exit, transfer in, transfer out, drop out, or
2 complete education programs.

3 (iv) Has the capacity to communicate with higher education
4 data systems.

5 (i) For data elements related to preschool through grade 12
6 only, meets all of the following:

7 (i) Contains yearly test records of individual students for
8 assessments approved by DED-OESE for accountability purposes under
9 section 1111(b) of the elementary and secondary education act of
10 1965, 20 USC 6311, including information on individual students not
11 tested, by grade and subject.

12 (ii) Contains student-level transcript information, including
13 information on courses completed and grades earned.

14 (iii) Contains student-level college readiness test scores.

15 (j) For data elements related to postsecondary education only:

16 (i) Contains data that provide information regarding the
17 extent to which individual students transition successfully from
18 secondary school to postsecondary education, including, but not
19 limited to, all of the following:

20 (A) Enrollment in remedial coursework.

21 (B) Completion of 1 year's worth of college credit applicable
22 to a degree within 2 years of enrollment.

23 (ii) Contains data that provide other information determined
24 necessary to address alignment and adequate preparation for success
25 in postsecondary education.

26 (5) From the general fund appropriation in section 11, there
27 is allocated an amount not to exceed ~~\$12,022,800.00 for 2014-2015~~



1 **\$11,967,000.00 FOR 2015-2016** to the department of technology,
2 management, and budget to support the operations of the center. In
3 addition, from the federal funds appropriated in section 11 there
4 is allocated for ~~2014-2015~~**2015-2016** the amount necessary,
5 estimated at \$193,500.00, to support the operations of the center
6 and to establish a P-20 longitudinal data system ~~as provided under~~
7 ~~this section in compliance with the assurance provided to the~~
8 ~~United States department of education in order to receive state~~
9 ~~fiscal stabilization funds.~~ **NECESSARY FOR STATE AND FEDERAL**
10 **REPORTING PURPOSES.** The center shall cooperate with the department
11 to ensure that this state is in compliance with federal law and is
12 maximizing opportunities for increased federal funding to improve
13 education in this state.

14 (6) From the funds allocated in subsection (5), there is
15 allocated for ~~2014-2015~~**2015-2016** an amount ~~not to exceed~~
16 ~~\$850,000.00~~ **DETERMINED BY THE CENTER** for competitive grants to
17 support collaborative efforts on the P-20 longitudinal data system.
18 All of the following apply to grants awarded under this subsection:

19 (a) The center shall award competitive grants to eligible
20 intermediate districts or a consortium of intermediate districts
21 based on criteria established by the center.

22 (b) Activities funded under the grant shall support the P-20
23 longitudinal data system portal and may include portal hosting,
24 hardware and software acquisition, maintenance, enhancements, user
25 support and related materials, and professional learning tools and
26 activities aimed at improving the utility of the P-20 longitudinal
27 data system.



1 (c) An applicant that received a grant under this subsection
 2 for the immediately preceding fiscal year shall receive priority
 3 for funding under this section. However, after 3 fiscal years of
 4 continuous funding, an applicant is required to compete openly with
 5 new applicants.

6 (7) Funds allocated under this section that are not expended
 7 in the fiscal year in which they were allocated may be carried
 8 forward to a subsequent fiscal year and are appropriated for the
 9 purposes for which the funds were originally allocated.

10 (8) The center may bill departments as necessary in order to
 11 fulfill reporting requirements of state and federal law. The center
 12 may also enter into agreements to supply custom data, analysis, and
 13 reporting to other principal executive departments, state agencies,
 14 local units of government, and other individuals and organizations.
 15 The center may receive and expend funds in addition to those
 16 authorized in subsection (5) to cover the costs associated with
 17 salaries, benefits, supplies, materials, and equipment necessary to
 18 provide such data, analysis, and reporting services.

19 (9) As used in this section:

20 (a) "DED-OESE" means the United States ~~department of education~~
 21 ~~office of elementary and secondary education.~~ **DEPARTMENT OF**

22 **EDUCATION OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

23 (b) "State education agency" means the department.

24 Sec. 95a. (1) The educator evaluation reserve fund is created
 25 as a separate account within the state school aid fund.

26 (2) The state treasurer may receive money or other assets from
 27 any source for deposit into the educator evaluation reserve fund.



1 The state treasurer shall direct the investment of the educator
 2 evaluation reserve fund. The state treasurer shall credit to the
 3 educator evaluation reserve fund interest and earnings from the
 4 educator evaluation reserve fund.

5 (3) Money in the educator evaluation reserve fund at the close
 6 of the fiscal year shall remain in the educator evaluation reserve
 7 fund and shall not lapse to the state school aid fund or to the
 8 general fund. The department of treasury shall be the administrator
 9 of the educator evaluation reserve fund for auditing purposes.

10 (4) From the appropriations in section 11, there is allocated
 11 to the educator evaluation reserve fund for 2014-2015 an amount not
 12 to exceed \$12,100,000.00 from the state school aid fund and an
 13 amount not to exceed \$2,700,000.00 from the general fund. Subject
 14 to subsections (5) and (6), the department shall expend the money
 15 in the educator evaluation reserve fund for implementing evaluation
 16 systems for public school teachers and school administrators.

17 ~~—— (5) Funds in the educator evaluation reserve fund shall not be~~
 18 ~~expended unless House Bill Nos. 5223 and 5224 of the 97th~~
 19 ~~Legislature are enacted into law.~~

20 (5) ~~(6)~~ Funds in the educator evaluation reserve fund shall
 21 not be expended unless the state budget office has approved the
 22 department's spending plan.

23 Sec. 98. (1) From the general fund money appropriated in
 24 section 11, there is allocated an amount not to exceed
 25 ~~\$7,387,500.00 for 2014-2015~~ **\$7,987,500.00 FOR 2015-2016** for the
 26 purposes described in this section.

27 (2) The Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall



1 operate the Michigan ~~virtual learning research institute.~~ **VIRTUAL**
 2 **LEARNING RESEARCH INSTITUTE.** The Michigan ~~virtual learning research~~
 3 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall do all of the
 4 following:

5 (a) Support and accelerate innovation in education through the
 6 following activities:

7 (i) Test, evaluate, and recommend as appropriate new
 8 technology-based instructional tools and resources.

9 (ii) Research, design, and recommend digital education
 10 delivery models for use by pupils and teachers that include age-
 11 appropriate multimedia instructional content.

12 (iii) Research, develop, and recommend annually to the
 13 department criteria by which cyber schools and online course
 14 providers should be monitored and evaluated to ensure a quality
 15 education for their pupils.

16 (iv) Based on pupil completion and performance data reported
 17 to the department or the center for educational performance and
 18 information from cyber schools and other online course providers
 19 operating in this state, analyze the effectiveness of online
 20 learning delivery models in preparing pupils to be college- and
 21 career-ready and publish a report that highlights enrollment
 22 totals, completion rates, and the overall impact on pupils. The
 23 report shall be submitted to the house and senate appropriations
 24 subcommittees on state school aid, the state budget director, the
 25 house and senate fiscal agencies, and the department not later than
 26 ~~December 1, 2015.~~ **MARCH 31, 2016.**

27 (v) Before August 31, ~~2015,~~ **2016**, provide an extensive



1 professional development program to at least 500 educational
 2 personnel, including teachers, school administrators, and school
 3 board members, that focuses on the effective integration of digital
 4 learning into curricula and instruction. Not later than December 1,
 5 ~~2015, 2016~~, the Michigan ~~virtual learning research institute~~
 6 **VIRTUAL LEARNING RESEARCH INSTITUTE** shall submit a report to the
 7 house and senate appropriations subcommittees on state school aid,
 8 the state budget director, the house and senate fiscal agencies,
 9 and the department on the number and percentage of teachers, school
 10 administrators, and school board members who have received
 11 professional development services from the Michigan ~~virtual~~
 12 ~~university.~~ **VIRTUAL UNIVERSITY**. The report shall also identify
 13 barriers and other opportunities to encourage the adoption of
 14 digital learning in the public education system.

15 (vi) Identify and share best practices for planning,
 16 implementing, and evaluating online and blended education delivery
 17 models with intermediate districts, districts, and public school
 18 academies to accelerate the adoption of innovative education
 19 delivery models statewide.

20 (b) Provide leadership for this state's system of digital
 21 learning education by doing the following activities:

22 (i) Develop and report policy recommendations to the governor
 23 and the legislature that accelerate the expansion of effective
 24 online learning in this state's schools.

25 (ii) Provide a clearinghouse for research reports, academic
 26 studies, evaluations, and other information related to online
 27 learning.



1 (iii) Promote and distribute the most current instructional
2 design standards and guidelines for online teaching.

3 (iv) In collaboration with the department and interested
4 colleges and universities in this state, support implementation and
5 improvements related to effective digital learning instruction.

6 ~~(v) Pursue public/private partnerships that include districts
7 to study and implement competency-based technology-rich online~~

8 ~~learning models.~~ **CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS**
9 **SERVING AS LIAISONS BETWEEN PUPILS, ONLINE INSTRUCTORS, PARENTS,**
10 **AND SCHOOL STAFF AND PROVIDE MENTORS WITH RESEARCH-BASED TRAINING**
11 **AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE PUPILS BE SUCCESSFUL**
12 **ONLINE LEARNERS.**

13 (vi) Convene focus groups and conduct annual surveys of
14 teachers, administrators, pupils, parents, and others to identify
15 barriers and opportunities related to online learning.

16 (vii) Produce an annual consumer awareness report for schools
17 and parents about effective online education providers and
18 education delivery models, performance data, cost structures, and
19 research trends.

20 (viii) Research and establish an internet-based platform that
21 educators can use to create student-centric learning tools and
22 resources and facilitate a user network that assists educators in
23 using the platform. As part of this initiative, the Michigan
24 virtual university shall work collaboratively with districts and
25 intermediate districts to establish a plan to make available online
26 resources that align to Michigan's K-12 curriculum standards for
27 use by students, educators, and parents.



1 (ix) Create and maintain a public statewide catalog of online
2 learning courses being offered by all public schools **AND COMMUNITY**
3 **COLLEGES** in this state. The Michigan ~~virtual learning research~~
4 ~~institute~~**VIRTUAL LEARNING RESEARCH INSTITUTE** shall identify and
5 develop a list of nationally recognized best practices for online
6 learning and use this list to support reviews of online course
7 vendors, courses, and instructional practices. The Michigan ~~virtual~~
8 ~~learning research institute~~**VIRTUAL LEARNING RESEARCH INSTITUTE**
9 shall also provide a mechanism for intermediate districts to use
10 the identified best practices to review content offered by
11 constituent districts. The Michigan ~~virtual learning research~~
12 ~~institute~~**VIRTUAL LEARNING RESEARCH INSTITUTE** shall review the
13 online course offerings of the Michigan ~~virtual university,~~**VIRTUAL**
14 **UNIVERSITY**, and make the results from these reviews available to
15 the public as part of the statewide catalog. The Michigan ~~virtual~~
16 ~~learning research institute~~**VIRTUAL LEARNING RESEARCH INSTITUTE**
17 shall ensure that the statewide catalog is made available to the
18 public on the Michigan ~~virtual university~~**VIRTUAL UNIVERSITY**
19 website and shall allow the ability to link it to each district's
20 website as provided for in section 21f. ~~Beginning in 2014-2015, the~~
21 **THE** statewide catalog shall also contain all of the following:

22 (A) The number of enrollments in each online course in the
23 immediately preceding school year.

24 (B) The number of enrollments that earned 60% or more of the
25 total course points for each online course in the immediately
26 preceding school year.

27 (C) The completion rate for each online course.



1 ~~(x) Collaborate with key stakeholders to examine the need and~~
 2 ~~process for incorporating~~ **DEVELOP PROTOTYPE AND PILOT** registration,
 3 payment services, and transcript functionality to the statewide
 4 catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE NEW FEATURES.**

5 ~~(xi) Collaborate with key stakeholders to examine district~~
 6 ~~level accountability and teacher effectiveness issues related to~~
 7 ~~online learning under section 21f and make findings and~~
 8 ~~recommendations publicly available.~~

9 ~~(3) In order for the Michigan virtual university to receive~~
 10 ~~any funds allocated under this section, the~~ **TO FURTHER ENHANCE ITS**
 11 **EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE MICHIGAN VIRTUAL**
 12 **UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS**
 13 **A STATEWIDE LABORATORY AND QUALITY MODEL OF INSTRUCTION BY**
 14 **IMPLEMENTING ONLINE AND BLENDED LEARNING SOLUTIONS FOR MICHIGAN**
 15 **SCHOOLS IN ACCORDANCE WITH THE FOLLOWING PARAMETERS:**

16 **(A) THE** ~~Michigan virtual school~~ **VIRTUAL SCHOOL** must maintain
 17 its accreditation status from recognized national and international
 18 accrediting entities.

19 **(B) THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN**
 20 **\$1,000,000.00 OF THE AMOUNT ALLOCATED UNDER THIS SECTION TO**
 21 **SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE COURSES.**

22 **(C) IN THE COURSE OF PROVIDING EDUCATORS RESPONSIBLE FOR THE**
 23 **TEACHING OF ONLINE COURSES AS PROVIDED FOR IN THIS SECTION, THE**
 24 **MICHIGAN VIRTUAL SCHOOL SHALL FOLLOW THE REQUIREMENTS TO REQUEST**
 25 **AND ASSESS, AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE, A**
 26 **CRIMINAL HISTORY CHECK AND CRIMINAL RECORDS CHECK UNDER SECTIONS**
 27 **1230 AND 1230A OF THE REVISED SCHOOL CODE, MCL 380.1230 AND**



1 380.1230A, IN THE SAME MANNER AS IF THE MICHIGAN VIRTUAL SCHOOL
2 WERE A DISTRICT.

3 (4) If the course offerings are included in the statewide
4 catalog of online courses under subsection (2) (b) (ix), the Michigan
5 ~~virtual school~~**VIRTUAL SCHOOL** operated by the Michigan ~~virtual~~
6 ~~university~~**VIRTUAL UNIVERSITY** may offer online course offerings,
7 including, but not limited to, all of the following:

8 (a) Information technology courses.

9 (b) College level equivalent courses, as defined in section
10 1471 of the revised school code, MCL 380.1471.

11 (c) Courses and dual enrollment opportunities.

12 (d) Programs and services for at-risk pupils.

13 (e) General education development test preparation courses for
14 adjudicated youth.

15 (f) Special interest courses.

16 (g) Professional development programs for teachers, school
17 administrators, other school employees, and school board members.

18 (5) If a home-schooled or nonpublic school student is a
19 resident of a district that subscribes to services provided by the
20 Michigan ~~virtual school~~**VIRTUAL SCHOOL**, the student may use the
21 services provided by the Michigan ~~virtual school~~**VIRTUAL SCHOOL** to
22 the district without charge to the student beyond what is charged
23 to a district pupil using the same services.

24 (6) Not later than December 1 of each fiscal year, the
25 Michigan ~~virtual university~~**VIRTUAL UNIVERSITY** shall provide a
26 report to the house and senate appropriations subcommittees on
27 state school aid, the state budget director, the house and senate



1 fiscal agencies, and the department that includes at least all of
 2 the following information related to the Michigan ~~virtual school~~
 3 **VIRTUAL SCHOOL** for the preceding state fiscal year:

4 (a) A list of the districts served by the Michigan ~~virtual~~
 5 ~~school~~-**VIRTUAL SCHOOL**.

6 (b) A list of online course titles available to districts.

7 (c) The total number of online course enrollments and
 8 information on registrations and completions by course.

9 (d) The overall course completion rate percentage.

10 (7) The governor may appoint an advisory group for the
 11 Michigan ~~virtual learning research institute~~-**VIRTUAL LEARNING**
 12 **RESEARCH INSTITUTE** established under subsection (2). The members of
 13 the advisory group shall serve at the pleasure of the governor and
 14 shall serve without compensation. The purpose of the advisory group
 15 is to make recommendations to the governor, the legislature, and
 16 the president and board of the Michigan ~~virtual university~~-**VIRTUAL**
 17 **UNIVERSITY** that will accelerate innovation in this state's
 18 education system in a manner that will prepare elementary and
 19 secondary students to be career and college ready and that will
 20 promote the goal of increasing the percentage of citizens of this
 21 state with high-quality degrees and credentials to at least 60% by
 22 2025.

23 (8) Not later than November 1, ~~2014,~~**2015**, the Michigan
 24 ~~virtual university~~-**VIRTUAL UNIVERSITY** shall submit to the house and
 25 senate appropriations subcommittees on state school aid, the state
 26 budget director, and the house and senate fiscal agencies a
 27 detailed budget for the ~~2014-2015~~-**2015-2016** fiscal year that



1 includes a breakdown on its projected costs to deliver online
2 educational services to districts and a summary of the anticipated
3 fees to be paid by districts for those services. ~~Beginning in 2013-~~
4 ~~2014, not~~ **NOT** later than ~~February 1,~~ **MARCH 1 EACH YEAR,** the
5 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the
6 house and senate appropriations subcommittees on state school aid,
7 the state budget director, and the house and senate fiscal agencies
8 a breakdown on its actual costs to deliver online educational
9 services to districts and a summary of the actual fees paid by
10 districts for those services based on audited financial statements
11 for the immediately preceding fiscal year.

12 (9) As used in this section:

13 (a) "Blended learning" means a hybrid instructional delivery
14 model where pupils are provided content, instruction, and
15 assessment, in part at a supervised educational facility away from
16 home where the pupil and a teacher with a valid Michigan teaching
17 certificate are in the same physical location and in part through
18 ~~internet-connected~~ **INTERNET-CONNECTED** learning environments with
19 some degree of pupil control over time, location, and pace of
20 instruction.

21 (b) "Cyber school" means a full-time instructional program of
22 online courses for pupils that may or may not require attendance at
23 a physical school location.

24 (c) "Digital learning" means instruction delivered via a web-
25 based educational delivery system that uses various information
26 technologies to provide a structured learning environment,
27 including online and blended learning instructional methods.



1 (d) "Online course" means a course of study that is capable of
 2 generating a credit or a grade, that is provided in an interactive
 3 internet-connected learning environment, in which pupils are
 4 separated from their teachers by time or location, or both, and in
 5 which a teacher who holds a valid Michigan teaching certificate is
 6 responsible for **PROVIDING INSTRUCTION**, determining appropriate
 7 instructional methods for each pupil, diagnosing learning needs,
 8 assessing pupil learning, prescribing intervention strategies,
 9 reporting outcomes, and evaluating the effects of instruction and
 10 support strategies.

11 Sec. 99. (1) ~~From the funds appropriated in section 11, there~~
 12 ~~is allocated for 2014-2015 an amount not to exceed \$2,750,000.00~~
 13 ~~from the state school aid fund and an amount not to exceed~~
 14 ~~\$475,000.00 from the general fund to support the activities and~~
 15 ~~programs of mathematics and science centers and for other purposes~~
 16 ~~as described in this section. In addition, from **FROM** the federal~~
 17 ~~funds appropriated in section 11, there is allocated for 2014-2015~~
 18 **2015-2016** an amount estimated at \$5,249,300.00 from DED-OESE, title
 19 II, mathematics and science partnership grants **TO SUPPORT**
 20 **MATHEMATICS AND SCIENCE CENTERS.**

21 (2) Within a service area designated locally, approved by the
 22 department, and consistent with the comprehensive master plan for
 23 mathematics and science centers developed by the department and
 24 approved by the state board, an established mathematics and science
 25 center shall provide 2 or more of the following 6 basic services,
 26 as described in the master plan, to constituent districts and
 27 communities: leadership, pupil services, curriculum support,



1 community involvement, professional development, and resource
2 clearinghouse services.

3 ~~—— (3) The department shall not award a state grant under this
4 section to more than 1 mathematics and science center located in a
5 designated region as prescribed in the 2007 master plan unless each
6 of the grants serves a distinct target population or provides a
7 service that does not duplicate another program in the designated
8 region.~~

9 **(3)** ~~(4)~~—As part of the technical assistance process, the
10 department shall provide minimum standard guidelines that may be
11 used by the mathematics and science center for providing fair
12 access for qualified pupils and professional staff as prescribed in
13 this section.

14 **(4)** ~~(5)~~—Allocations under this section to support the
15 activities and programs of mathematics and science centers shall be
16 continuing support grants to all 33 established mathematics and
17 science centers. ~~Each established mathematics and science center
18 that was funded in the immediately preceding fiscal year shall
19 receive state funding in an amount equal to 100% of the amount it
20 was allocated under this subsection for the immediately preceding
21 fiscal year. If a center declines state funding or a center closes,
22 the remaining money available under this section shall be
23 distributed to the remaining centers, as determined by the
24 department.~~

25 ~~—— (6) From the funds allocated in subsection (1), there is
26 allocated for 2014-2015 an amount not to exceed \$750,000.00 in a
27 form and manner determined by the department to those centers able~~



1 ~~to provide curriculum and professional development support to~~
 2 ~~assist districts in implementing the Michigan merit curriculum~~
 3 ~~components for mathematics and science. Funding under this~~
 4 ~~subsection is in addition to funding allocated under subsection~~
 5 ~~(5).~~

6 ~~—— (7) From the general fund money allocated in subsection (1),~~
 7 ~~there is allocated for 2014-2015 an amount not to exceed~~
 8 ~~\$100,000.00 to the Michigan STEM partnership, to be used to~~
 9 ~~administer the grant process under this subsection. From the~~
 10 ~~general fund money allocated in subsection (1), there is allocated~~
 11 ~~for 2014-2015 an amount not to exceed \$375,000.00 to the Michigan~~
 12 ~~STEM partnership to be used for a competitive grant process to~~
 13 ~~award competitive grants to organizations conducting student-~~
 14 ~~focused, project-based programs and competitions, either in the~~
 15 ~~classroom or extracurricular, in science, technology, engineering,~~
 16 ~~and mathematics subjects such as, but not limited to, robotics,~~
 17 ~~coding, and design-build-test projects, from pre-kindergarten~~
 18 ~~through college level. Funding under this subsection is in addition~~
 19 ~~to funding allocated under subsection (5) and shall be used for~~
 20 ~~connecting mathematics and science centers for science, technology,~~
 21 ~~engineering, and mathematics purposes and to support the goals of~~
 22 ~~the Michigan STEM partnership. A program receiving funds under~~
 23 ~~section 99h may not receive funds under this subsection.~~

24 ~~(5) (8)~~—In order to receive state or federal funds under this
 25 section, a grant recipient shall allow access for the department or
 26 the department's designee to audit all records related to the
 27 program for which it receives such funds. The grant recipient shall



1 reimburse the state for all disallowances found in the audit.

2 (6) ~~(9)~~—Not later than September 30, 2018, the department
3 shall reevaluate and update the comprehensive master plan described
4 in subsection ~~(1)~~. **(2)**.

5 (7) ~~(10)~~—The department shall give preference in awarding the
6 federal grants allocated in subsection (1) to eligible existing
7 mathematics and science centers.

8 ~~——(11) In order to receive state funds under this section, a~~
9 ~~grant recipient shall provide at least a 10% local match from local~~
10 ~~public or private resources for the funds received under this~~
11 ~~section.~~

12 (8) ~~(12)~~—Not later than July 1 of each year, a mathematics and
13 science center that receives funds under this section shall report
14 to the department in a form and manner prescribed by the department
15 on the following performance measures:

16 (a) Statistical change in pre- and post-assessment scores for
17 students who enrolled in mathematics and science activities
18 provided to districts by the mathematics and science center.

19 (b) Statistical change in pre- and post-assessment scores for
20 teachers who enrolled in professional development activities
21 provided by the mathematics and science center.

22 (9) ~~(13)~~—As used in this section:

23 (a) "DED" means the United States ~~department of~~
24 ~~education.~~ **DEPARTMENT OF EDUCATION.**

25 (b) "DED-OESE" means the DED ~~office of elementary and~~
26 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

27 Sec. 99b. (1) From the funds appropriated in section 11, there



1 is allocated an amount not to exceed \$330,000.00 for ~~2014-2015~~
2 **2015-2016** for grants to districts to support professional
3 development for teachers in a department-approved training program
4 for science, technology, engineering, and mathematics (STEM)
5 instruction.

6 (2) Any district may apply for funding under this section for
7 ~~2014-2015-2015-2016~~ by a date determined by the department.
8 ~~Beginning in 2014-2015, in~~ **IN** awarding grants, the department shall
9 give priority, in a form and manner determined by the department,
10 to applicant districts with teachers who have not previously
11 received training in programs funded under this section.

12 (3) For a training program to be approved by the department
13 for the purposes of this section, the program shall meet all of the
14 following criteria:

15 (a) Utilizes an integrative STEM approach to content
16 organization and delivery. The integrative STEM approach shall
17 include content derived from science, technology, engineering, and
18 mathematics.

19 (b) Offers evidence that the program outcomes address
20 mathematics, science, and technological literacy standards in an
21 exploratory middle school or high school offering.

22 (c) Offers evidence that the program positively influences
23 student career choices along STEM career paths and increases
24 student engagement through peer-reviewed research.

25 (d) Presents evidence of the periodic improvement of the
26 curriculum.

27 (e) Utilizes outcome measures for teacher professional



1 development.

2 (f) Provides peer-reviewed evidence that the program is
3 effective with disadvantaged students and those with language
4 barriers.

5 (4) The department shall award grants to districts in an
6 amount determined by the department, but not to exceed \$3,200.00
7 per participant.

8 (5) A district receiving funds under this section shall use
9 the funds only for department-approved training programs under this
10 section.

11 Sec. 99h. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed ~~\$2,000,000.00 for 2014-2015~~
13 **\$3,000,000.00 FOR 2015-2016** for competitive grants to districts
14 that provide pupils in grades ~~7-K~~ to 12 with expanded opportunities
15 to improve mathematics, science, and technology skills by
16 participating in events hosted by a science and technology
17 development program known as FIRST (for inspiration and recognition
18 of science and technology) robotics, **INCLUDING JR. FIRST LEGO**
19 **LEAGUE, FIRST LEGO LEAGUE, FIRST TECH CHALLENGE, AND FIRST ROBOTICS**
20 **COMPETITION.**

21 (2) A district applying for a ~~FIRST tech challenge or FIRST~~
22 ~~robotics competition program grant~~ **UNDER THIS SECTION** shall submit
23 an application in a form and manner determined by the department.
24 To be eligible for a grant, a district shall demonstrate in its
25 application that the district has established a partnership for the
26 purposes of the FIRST program with at least 1 sponsor, business
27 entity, higher education institution, or technical school, shall



1 submit a spending plan, and shall pay at least 25% of the cost of
2 the FIRST robotics program.

3 (3) The department shall distribute the grant funding under
4 this section for the following purposes:

5 (a) Grants to districts to pay for stipends of \$1,500.00 for 1
6 coach per team. ~~, distributed as follows:~~

7 ~~—— (i) Not more than 500 stipends for coaches of high school
8 teams, including existing teams.~~

9 ~~—— (ii) Not more than 100 stipends for coaches of middle school
10 or junior high teams, including existing teams.~~

11 ~~—— (iii) If the requests for stipends exceed the numbers of
12 stipends allowed, under subparagraphs (i) and (ii), and if there is
13 funding remaining unspent under subdivisions (b) and (c), the
14 department shall use that remaining unspent funding for grants to
15 districts to pay for additional stipends in a manner that expands
16 the geographical distribution of teams.~~

17 (b) Grants to districts for event registrations, materials,
18 travel costs, and other expenses associated with the preparation
19 for and attendance at ~~FIRST tech challenge and FIRST robotics~~
20 **EVENTS AND** competitions. Each grant recipient shall provide a local
21 match from other private or local funds for the funds received
22 under this subdivision equal to at least 50% of the costs of
23 participating in an event. The department shall set maximum grant
24 amounts under this subdivision in a manner that maximizes the
25 number of teams that will be able to receive funding.

26 (c) Grants to districts for awards to teams that advance to
27 the state and world championship competitions. The department shall



1 determine an equal amount per team for those teams that advance to
2 the state championship and a second equal award amount to those
3 teams that advance to the world championship.

4 (4) The funds allocated under this section are a work project
5 appropriation, and any unexpended funds for ~~2014-2015-2015-2016~~ are
6 carried forward into ~~2015-2016-2016-2017~~. The purpose of the work
7 project is to continue to implement the projects described under
8 subsection (1). The estimated completion date of the work project
9 is September 30, ~~2017-2018~~.

10 **SEC. 99Q. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**
11 **ALLOCATED AN AMOUNT NOT TO EXCEED \$900,000.00 FOR 2015-2016 FOR**
12 **COMPETITIVE GRANTS TO DISTRICTS FOR EDUCATION PROGRAMS IN SCIENCE,**
13 **TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM).**

14 **(2) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS**
15 **ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2015-2016 FOR**
16 **COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS IN GRADES**
17 **KINDERGARTEN TO 12 WITH EXPANDED OPPORTUNITIES IN SCIENCE EDUCATION**
18 **AND SKILLS BY PARTICIPATING IN EVENTS AND COMPETITIONS HOSTED BY**
19 **SCIENCE OLYMPIAD.**

20 **(3) A DISTRICT APPLYING FOR A GRANT UNDER SUBSECTION (2) SHALL**
21 **SUBMIT AN APPLICATION IN THE FORM AND MANNER DETERMINED BY THE**
22 **DEPARTMENT NOT LATER THAN NOVEMBER 15, 2015. THE DEPARTMENT SHALL**
23 **SELECT DISTRICTS FOR GRANTS AND MAKE NOTIFICATION NOT LATER THAN**
24 **DECEMBER 15, 2015. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL PAY**
25 **AT LEAST 25% OF THE COST OF PARTICIPATING IN THE SCIENCE OLYMPIAD**
26 **PROGRAM.**

27 **(4) THE DEPARTMENT SHALL DISTRIBUTE THE GRANT FUNDING**



1 ALLOCATED UNDER SUBSECTION (2) FOR THE FOLLOWING PURPOSES:

2 (A) GRANTS TO DISTRICTS OF UP TO \$800.00 FOR NEW ELEMENTARY
3 TEAMS.

4 (B) GRANTS TO DISTRICTS OF UP TO \$400.00 FOR ESTABLISHED
5 ELEMENTARY TEAMS.

6 (C) GRANTS TO DISTRICTS OF UP TO \$1,600.00 FOR NEW SECONDARY
7 TEAMS.

8 (D) GRANTS TO DISTRICTS OF UP TO \$800.00 FOR ESTABLISHED
9 SECONDARY TEAMS.

10 (5) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS
11 ALLOCATED AN AMOUNT NOT TO EXCEED \$400,000.00 FOR 2015-2016 FOR
12 COMPETITIVE GRANTS TO DISTRICTS FOR STUDENT-PARTICIPATORY
13 EXPERIENTIAL LEARNING STEM PROGRAMS INCLUDING CURRICULA AND
14 PROFESSIONAL DEVELOPMENT TO HELP TEACHERS INTEGRATE EXPERIENTIAL
15 LEARNING OPTIONS INTO THE CLASSROOM. TO BE ELIGIBLE FOR A GRANT, A
16 DISTRICT SHALL PAY AT LEAST 25% OF THE COST OF THE PROGRAM.

17 SEC. 99R. FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION
18 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR
19 2015-2016 FOR A GRANT TO THE VAN ANDEL EDUCATION INSTITUTE FOR THE
20 PURPOSES OF ADVANCING AND PROMOTING SCIENCE EDUCATION AND
21 INCREASING THE NUMBER OF STUDENTS WHO CHOOSE TO PURSUE CAREERS IN
22 SCIENCE OR SCIENCE-RELATED FIELDS. FUNDS ALLOCATED UNDER THIS
23 SECTION SHALL BE USED TO PROVIDE PROFESSIONAL DEVELOPMENT FOR
24 SCIENCE TEACHERS IN USING STUDENT-DRIVEN, INQUIRY-BASED
25 INSTRUCTION.

26 Sec. 101. (1) To be eligible to receive state aid under this
27 article, not later than the fifth Wednesday after the pupil



1 membership count day and not later than the fifth Wednesday after
2 the supplemental count day, each district superintendent shall
3 submit to the center and the intermediate superintendent, in the
4 form and manner prescribed by the center, the number of pupils
5 enrolled and in regular daily attendance in the district as of the
6 pupil membership count day and as of the supplemental count day, as
7 applicable, for the current school year. In addition, a district
8 maintaining school during the entire year, as provided under
9 section 1561 of the revised school code, MCL 380.1561, shall submit
10 to the center and the intermediate superintendent, in the form and
11 manner prescribed by the center, the number of pupils enrolled and
12 in regular daily attendance in the district for the current school
13 year pursuant to rules promulgated by the superintendent. Not later
14 than the sixth Wednesday after the pupil membership count day and
15 not later than the sixth Wednesday after the supplemental count
16 day, the district shall certify the data in a form and manner
17 prescribed by the center and file the certified data with the
18 intermediate superintendent. If a district fails to submit and
19 certify the attendance data, as required under this subsection, the
20 center shall notify the department and state aid due to be
21 distributed under this article shall be withheld from the
22 defaulting district immediately, beginning with the next payment
23 after the failure and continuing with each payment until the
24 district complies with this subsection. If a district does not
25 comply with this subsection by the end of the fiscal year, the
26 district forfeits the amount withheld. A person who willfully
27 falsifies a figure or statement in the certified and sworn copy of



1 enrollment shall be punished in the manner prescribed by section
2 161.

3 (2) To be eligible to receive state aid under this article,
4 not later than the twenty-fourth Wednesday after the pupil
5 membership count day and not later than the twenty-fourth Wednesday
6 after the supplemental count day, an intermediate district shall
7 submit to the center, in a form and manner prescribed by the
8 center, the audited enrollment and attendance data for the pupils
9 of its constituent districts and of the intermediate district. If
10 an intermediate district fails to submit the audited data as
11 required under this subsection, state aid due to be distributed
12 under this article shall be withheld from the defaulting
13 intermediate district immediately, beginning with the next payment
14 after the failure and continuing with each payment until the
15 intermediate district complies with this subsection. If an
16 intermediate district does not comply with this subsection by the
17 end of the fiscal year, the intermediate district forfeits the
18 amount withheld.

19 (3) Except as otherwise provided in subsections (11) and (12),
20 all of the following apply to the provision of pupil instruction:

21 (a) Except as otherwise provided in this section, each
22 district shall provide at least 1,098 hours and, beginning in 2010-
23 2011, the required minimum number of days of pupil instruction.
24 Beginning in 2014-2015, the required minimum number of days of
25 pupil instruction is 175. However, all of the following apply to
26 these requirements:

27 (i) If a collective bargaining agreement that provides a



1 complete school calendar was in effect for employees of a district
2 as of July 1, 2013, and if that school calendar is not in
3 compliance with this subsection, then this subsection does not
4 apply to that district until after the expiration of that
5 collective bargaining agreement. If a district entered into a
6 collective bargaining agreement on or after July 1, 2013 and if
7 that collective bargaining agreement did not provide for at least
8 175 days of pupil instruction beginning in 2014-2015, then the
9 department shall withhold from the district's total state school
10 aid an amount equal to 5% of the funding the district receives in
11 2014-2015 under sections 22a and 22b.

12 (ii) A district may apply for a waiver under subsection (9)
13 from the requirements of this subdivision.

14 (b) Beginning in 2016-2017, the required minimum number of
15 days of pupil instruction is 180. If a collective bargaining
16 agreement that provides a complete school calendar was in effect
17 for employees of a district as of the effective date of the
18 amendatory act that added this subdivision, and if that school
19 calendar is not in compliance with this subdivision, then this
20 subdivision does not apply to that district until after the
21 expiration of that collective bargaining agreement. A district may
22 apply for a waiver under subsection (9) from the requirements of
23 this subdivision.

24 (c) Except as otherwise provided in this article, a district
25 failing to comply with the required minimum hours and days of pupil
26 instruction under this subsection shall forfeit from its total
27 state aid allocation an amount determined by applying a ratio of



1 the number of hours or days the district was in noncompliance in
2 relation to the required minimum number of hours and days under
3 this subsection. Not later than August 1, the board of each
4 district shall certify to the department the number of hours and
5 days of pupil instruction in the previous school year. If the
6 district did not provide at least the required minimum number of
7 hours and days of pupil instruction under this subsection, the
8 deduction of state aid shall be made in the following fiscal year
9 from the first payment of state school aid. A district is not
10 subject to forfeiture of funds under this subsection for a fiscal
11 year in which a forfeiture was already imposed under subsection
12 (6).

13 (d) Hours or days lost because of strikes or teachers'
14 conferences shall not be counted as hours or days of pupil
15 instruction.

16 (e) If a collective bargaining agreement that provides a
17 complete school calendar is in effect for employees of a district
18 as of October 19, 2009, and if that school calendar is not in
19 compliance with this subsection, then this subsection does not
20 apply to that district until after the expiration of that
21 collective bargaining agreement.

22 (f) Except as otherwise provided in subdivisions (g) and (h),
23 a district not having at least 75% of the district's membership in
24 attendance on any day of pupil instruction shall receive state aid
25 in that proportion of 1/180 that the actual percent of attendance
26 bears to the specified percentage.

27 (g) If a district adds 1 or more days of pupil instruction to



1 the end of its instructional calendar for a school year to comply
2 with subdivision (a) because the district otherwise would fail to
3 provide the required minimum number of days of pupil instruction
4 even after the operation of subsection (4) due to conditions not
5 within the control of school authorities, then subdivision (f) does
6 not apply for any day of pupil instruction that is added to the end
7 of the instructional calendar. Instead, for any of those days, if
8 the district does not have at least 60% of the district's
9 membership in attendance on that day, the district shall receive
10 state aid in that proportion of 1/180 that the actual percentage of
11 attendance bears to the specified percentage. For any day of pupil
12 instruction added to the instructional calendar as described in
13 this subdivision, the district shall report to the department the
14 percentage of the district's membership that is in attendance, in
15 the form and manner prescribed by the department.

16 (h) At the request of a district that operates a department-
17 approved alternative education program and that does not provide
18 instruction for pupils in all of grades K to 12, the superintendent
19 ~~may~~**SHALL** grant a waiver from the requirements of subdivision (f).
20 The waiver shall indicate that an eligible district is subject to
21 the proration provisions of subdivision (f) only if the district
22 does not have at least 50% of the district's membership in
23 attendance on any day of pupil instruction. In order to be eligible
24 for this waiver, a district must maintain records to substantiate
25 its compliance with the following requirements:

26 (i) The district offers the minimum hours of pupil instruction
27 as required under this section.



1 (ii) For each enrolled pupil, the district uses appropriate
2 academic assessments to develop an individual education plan that
3 leads to a high school diploma.

4 (iii) The district tests each pupil to determine academic
5 progress at regular intervals and records the results of those
6 tests in that pupil's individual education plan.

7 (i) All of the following apply to a waiver granted under
8 subdivision (h):

9 (i) If the waiver is for a blended model of delivery, a waiver
10 that is granted for the 2011-2012 fiscal year or a subsequent
11 fiscal year remains in effect unless it is revoked by the
12 superintendent.

13 (ii) If the waiver is for a 100% online model of delivery and
14 the educational program for which the waiver is granted makes
15 educational services available to pupils for a minimum of at least
16 1,098 hours during a school year and ensures that each pupil
17 participates in the educational program for at least 1,098 hours
18 during a school year, a waiver that is granted for the 2011-2012
19 fiscal year or a subsequent fiscal year remains in effect unless it
20 is revoked by the superintendent.

21 (iii) A waiver that is not a waiver described in subparagraph
22 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
23 to remain in effect.

24 (j) The superintendent shall promulgate rules for the
25 implementation of this subsection.

26 (4) Except as otherwise provided in this subsection, the first
27 6 days or the equivalent number of hours for which pupil



1 instruction is not provided because of conditions not within the
2 control of school authorities, such as severe storms, fires,
3 epidemics, utility power unavailability, water or sewer failure, or
4 health conditions as defined by the city, county, or state health
5 authorities, shall be counted as hours and days of pupil
6 instruction. With the approval of the superintendent of public
7 instruction, the department shall count as hours and days of pupil
8 instruction for a fiscal year not more than ~~6-3~~ additional days or
9 the equivalent number of additional hours for which pupil
10 instruction is not provided in a district ~~after April 1 of the~~
11 ~~applicable school year~~ due to unusual and extenuating occurrences
12 resulting from conditions not within the control of school
13 authorities such as those conditions described in this subsection.
14 Subsequent such hours or days shall not be counted as hours or days
15 of pupil instruction.

16 (5) A district shall not forfeit part of its state aid
17 appropriation because it adopts or has in existence an alternative
18 scheduling program for pupils in kindergarten if the program
19 provides at least the number of hours required under subsection (3)
20 for a full-time equated membership for a pupil in kindergarten as
21 provided under section 6(4).

22 (6) In addition to any other penalty or forfeiture under this
23 section, if at any time the department determines that 1 or more of
24 the following have occurred in a district, the district shall
25 forfeit in the current fiscal year beginning in the next payment to
26 be calculated by the department a proportion of the funds due to
27 the district under this article that is equal to the proportion



1 below the required minimum number of hours and days of pupil
2 instruction under subsection (3), as specified in the following:

3 (a) The district fails to operate its schools for at least the
4 required minimum number of hours and days of pupil instruction
5 under subsection (3) in a school year, including hours and days
6 counted under subsection (4).

7 (b) The board of the district takes formal action not to
8 operate its schools for at least the required minimum number of
9 hours and days of pupil instruction under subsection (3) in a
10 school year, including hours and days counted under subsection (4).

11 (7) In providing the minimum number of hours and days of pupil
12 instruction required under subsection (3), a district shall use the
13 following guidelines, and a district shall maintain records to
14 substantiate its compliance with the following guidelines:

15 (a) Except as otherwise provided in this subsection, a pupil
16 must be scheduled for at least the required minimum number of hours
17 of instruction, excluding study halls, or at least the sum of 90
18 hours plus the required minimum number of hours of instruction,
19 including up to 2 study halls.

20 (b) The time a pupil is assigned to any tutorial activity in a
21 block schedule may be considered instructional time, unless that
22 time is determined in an audit to be a study hall period.

23 (c) Except as otherwise provided in this subdivision, a pupil
24 in grades 9 to 12 for whom a reduced schedule is determined to be
25 in the individual pupil's best educational interest must be
26 scheduled for a number of hours equal to at least 80% of the
27 required minimum number of hours of pupil instruction to be



1 considered a full-time equivalent pupil. A pupil in grades 9 to 12
2 who is scheduled in a 4-block schedule may receive a reduced
3 schedule under this subsection if the pupil is scheduled for a
4 number of hours equal to at least 75% of the required minimum
5 number of hours of pupil instruction to be considered a full-time
6 equivalent pupil.

7 (d) If a pupil in grades 9 to 12 who is enrolled in a
8 cooperative education program or a special education pupil cannot
9 receive the required minimum number of hours of pupil instruction
10 solely because of travel time between instructional sites during
11 the school day, that travel time, up to a maximum of 3 hours per
12 school week, shall be considered to be pupil instruction time for
13 the purpose of determining whether the pupil is receiving the
14 required minimum number of hours of pupil instruction. However, if
15 a district demonstrates to the satisfaction of the department that
16 the travel time limitation under this subdivision would create
17 undue costs or hardship to the district, the department may
18 consider more travel time to be pupil instruction time for this
19 purpose.

20 (e) In grades 7 through 12, instructional time that is part of
21 a junior reserve officer training corps (JROTC) program shall be
22 considered to be pupil instruction time regardless of whether the
23 instructor is a certificated teacher if all of the following are
24 met:

25 (i) The instructor has met all of the requirements established
26 by the United States ~~department of defense~~ **DEPARTMENT OF DEFENSE**
27 and the applicable branch of the armed services for serving as an



1 instructor in the junior reserve officer training corps program.

2 (ii) The board of the district or intermediate district
3 employing or assigning the instructor complies with the
4 requirements of sections 1230 and 1230a of the revised school code,
5 MCL 380.1230 and 380.1230a, with respect to the instructor to the
6 same extent as if employing the instructor as a regular classroom
7 teacher.

8 (8) Except as otherwise provided in subsections (11) and (12),
9 the department shall apply the guidelines under subsection (7) in
10 calculating the full-time equivalency of pupils.

11 (9) Upon application by the district for a particular fiscal
12 year, the superintendent ~~may~~**SHALL** waive for a district the minimum
13 number of hours and days of pupil instruction requirement of
14 subsection (3) for a department-approved alternative education
15 program or another innovative program approved by the department,
16 including a 4-day school week. If a district applies for and
17 receives a waiver under this subsection and complies with the terms
18 of the waiver, the district is not subject to forfeiture under this
19 section for the specific program covered by the waiver. If the
20 district does not comply with the terms of the waiver, the amount
21 of the forfeiture shall be calculated based upon a comparison of
22 the number of hours and days of pupil instruction actually provided
23 to the minimum number of hours and days of pupil instruction
24 required under subsection (3). Pupils enrolled in a department-
25 approved alternative education program under this subsection shall
26 be reported to the center in a form and manner determined by the
27 center. All of the following apply to a waiver granted under this



1 subsection:

2 (a) If the waiver is for a blended model of delivery, a waiver
3 that is granted for the 2011-2012 fiscal year or a subsequent
4 fiscal year remains in effect unless it is revoked by the
5 superintendent.

6 (b) If the waiver is for a 100% online model of delivery and
7 the educational program for which the waiver is granted makes
8 educational services available to pupils for a minimum of at least
9 1,098 hours during a school year and ensures that each pupil
10 ~~participates in the educational program for at least 1,098 hours~~
11 ~~during a school year,~~ **IS ON TRACK FOR COURSE COMPLETION AT**
12 **PROFICIENCY LEVEL**, a waiver that is granted for the 2011-2012
13 fiscal year or a subsequent fiscal year remains in effect unless it
14 is revoked by the superintendent.

15 (c) A waiver that is not a waiver described in subdivision (a)
16 or (b) is valid for 1 fiscal year and must be renewed annually to
17 remain in effect.

18 (10) Until 2014-2015, a district may count up to 38 hours of
19 qualifying professional development for teachers as hours of pupil
20 instruction. However, if a collective bargaining agreement that
21 provides for the counting of up to 38 hours of qualifying
22 professional development for teachers as pupil instruction is in
23 effect for employees of a district as of July 1, 2013, then until
24 the school year that begins after the expiration of that collective
25 bargaining agreement a district may count up to the contractually
26 specified number of hours of qualifying professional development
27 for teachers as hours of pupil instruction. Professional



1 development provided online is allowable and encouraged, as long as
2 the instruction has been approved by the district. The department
3 shall issue a list of approved online professional development
4 providers, which shall include the Michigan ~~virtual school.~~ **VIRTUAL**
5 **SCHOOL.** As used in this subsection, "qualifying professional
6 development" means professional development that is focused on 1 or
7 more of the following:

8 (a) Achieving or improving adequate yearly progress as defined
9 under the no child left behind act of 2001, Public Law 107-110.

10 (b) Achieving accreditation or improving a school's
11 accreditation status under section 1280 of the revised school code,
12 MCL 380.1280.

13 (c) Achieving highly qualified teacher status as defined under
14 the no child left behind act of 2001, Public Law 107-110.

15 (d) Integrating technology into classroom instruction.

16 (e) Maintaining teacher certification.

17 (11) Subsections (3) and (8) do not apply to a school of
18 excellence that is a cyber school, as defined in section 551 of the
19 revised school code, MCL 380.551, and is in compliance with section
20 553a of the revised school code, MCL 380.553a.

21 (12) Subsections (3) and (8) do not apply to eligible pupils
22 enrolled in a dropout recovery program that meets the requirements
23 of section 23a. As used in this subsection, "eligible pupil" means
24 that term as defined in section 23a.

25 (13) Beginning in 2013, at least every 2 years the
26 superintendent shall review the waiver standards set forth in the
27 pupil accounting and auditing manuals to ensure that the waiver



1 standards and waiver process continue to be appropriate and
 2 responsive to changing trends in online learning. The
 3 superintendent shall solicit and consider input from stakeholders
 4 as part of this review.

5 Sec. 104. (1) In order to receive state aid under this
 6 article, a district shall comply with sections 1249, 1278a, 1278b,
 7 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
 8 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
 9 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
 10 the state school aid fund money appropriated in section 11, there
 11 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
 12 \$41,394,400.00 for payments on behalf of districts for costs
 13 associated with complying with those provisions of law. In
 14 addition, from the federal funds appropriated in section 11, there
 15 is allocated for ~~2014-2015-2015-2016~~ an amount estimated at
 16 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
 17 funds, and from DED-OSERS, section 504 of part B of the individuals
 18 with disabilities education act, Public Law 94-142, plus any
 19 carryover federal funds from previous year appropriations, for the
 20 purposes of complying with the federal no child left behind act of
 21 2001, Public Law 107-110.

22 (2) The results of each test administered as part of the
 23 Michigan ~~educational assessment program,~~ **STUDENT TEST OF**
 24 **EDUCATIONAL PROGRESS (M-STEP)**, including tests administered to high
 25 school students, shall include an item analysis that lists all
 26 items that are counted for individual pupil scores and the
 27 percentage of pupils choosing each possible response.



1 (3) All federal funds allocated under this section shall be
2 distributed in accordance with federal law and with flexibility
3 provisions outlined in Public Law 107-116, and in the education
4 flexibility partnership act of 1999, Public Law 106-25.

5 (4) Notwithstanding section 17b, payments on behalf of
6 districts, intermediate districts, and other eligible entities
7 under this section shall be paid on a schedule determined by the
8 department.

9 (5) From the allocation in subsection (1), there is allocated
10 an amount not to exceed \$8,500,000.00 for the following purposes:

11 (a) Converting existing student assessments to online
12 assessments.

13 (b) Providing paper and pencil test versions to districts not
14 prepared to implement online assessments.

15 (c) Expanding writing assessments to additional grade levels.

16 (d) Providing an increased number of constructed response test
17 questions so that pupils can demonstrate higher-order skills such
18 as problem solving and communicating reasoning.

19 (6) From the allocation in subsection (1), there is allocated
20 an amount not to exceed \$3,200,000.00 for the development or
21 selection of an online reporting tool to provide student-level
22 assessment data in a secure environment to educators, parents, and
23 pupils immediately after assessments are scored. The department and
24 the center shall ensure that any data collected by the online
25 reporting tool do not provide individually identifiable student
26 data to the federal government.

27 (7) From the allocation in subsection (1), there is allocated



1 an amount not to exceed \$3,000,000.00 for the purpose of
 2 implementing a summative assessment system pursuant to section
 3 104c.

4 (8) As used in this section:

5 (a) "DED" means the United States ~~department of~~
 6 ~~education.~~**DEPARTMENT OF EDUCATION.**

7 (b) "DED-OESE" means the DED ~~office of elementary and~~
 8 ~~secondary education.~~**OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

9 (c) "DED-OSERS" means the DED ~~office of special education and~~
 10 ~~rehabilitative services.~~**OFFICE OF SPECIAL EDUCATION AND**
 11 **REHABILITATIVE SERVICES.**

12 Sec. 104b. (1) In order to receive state aid under this
 13 article, a district shall comply with this section and shall
 14 administer the Michigan merit examination to pupils in grade 11,
 15 and to pupils in grade 12 who did not take the complete Michigan
 16 merit examination in grade 11, as provided in this section. **THE**
 17 **MICHIGAN MERIT EXAMINATION CONSISTS OF A COLLEGE ENTRANCE TEST,**
 18 **WORK SKILLS TEST, AND THE SUMMATIVE ASSESSMENT KNOWN AS THE**
 19 **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP) .**

20 (2) For the purposes of this section, the department of
 21 technology, management, and budget shall contract with 1 or more
 22 providers to develop, supply, and score the Michigan merit
 23 examination. The Michigan merit examination shall consist of all of
 24 the following:

25 (a) Assessment instruments that **ARE ALIGNED TO THIS STATE'S**
 26 **CONTENT STANDARDS, THAT** measure English language arts, mathematics,
 27 reading, and science, and **THAT** are used by colleges and



1 universities in this state for entrance or placement purposes. This
2 ~~shall~~**MAY** include 1 or more writing components.

3 (b) One or more tests from 1 or more test developers that
4 assess a pupil's ability to apply at least reading and mathematics
5 skills in a manner that is intended to allow employers to use the
6 results in making employment decisions. The department of
7 technology, management, and budget and the superintendent shall
8 ensure that any test or tests selected under this subdivision have
9 all the components necessary to allow a pupil to be eligible to
10 receive the results of a nationally recognized evaluation of
11 workforce readiness if the pupil's test performance is adequate.

12 (c) A social studies component.

13 (d) Any other component that is necessary to obtain the
14 approval of the United States ~~department of education~~**DEPARTMENT OF**
15 **EDUCATION** to use the Michigan merit examination for the purposes of
16 the no child left behind act of 2001, Public Law 107-110.

17 (3) In addition to all other requirements of this section, all
18 of the following apply to the Michigan merit examination:

19 (a) The department of technology, management, and budget and
20 the superintendent shall ensure that any contractor used for
21 scoring the Michigan merit examination supplies an individual
22 report for each pupil that will identify for the pupil's parents
23 and teachers whether the pupil met expectations or failed to meet
24 expectations for each standard, to allow the pupil's parents and
25 teachers to assess and remedy problems before the pupil moves to
26 the next grade.

27 (b) The department of technology, management, and budget and



1 the superintendent shall ensure that any contractor used for
 2 scoring, developing, or processing the Michigan merit examination
 3 meets quality management standards commonly used in the assessment
 4 industry, including at least meeting level 2 of the capability
 5 maturity model developed by the software engineering institute of
 6 Carnegie Mellon university for the first year the Michigan merit
 7 examination is offered to all grade 11 pupils and at least meeting
 8 level 3 of the capability maturity model for subsequent years.

9 (c) The department of technology, management, and budget and
 10 the superintendent shall ensure that any contract for scoring,
 11 administering, or developing the Michigan merit examination
 12 includes specific deadlines for all steps of the assessment
 13 process, including, but not limited to, deadlines for the correct
 14 testing materials to be supplied to schools and for the correct
 15 results to be returned to schools, and includes penalties for
 16 noncompliance with these deadlines.

17 (d) The superintendent shall ensure that the Michigan merit
 18 examination meets all of the following:

19 (i) Is designed to test pupils on ~~grade level content~~
 20 ~~expectations or course content expectations, as appropriate, THIS~~
 21 **STATE'S CONTENT STANDARDS** in all subjects tested.

22 (ii) Complies with requirements of the no child left behind
 23 act of 2001, Public Law 107-110.

24 (iii) Is consistent with the code of fair testing practices in
 25 education prepared by the ~~joint committee on testing practices of~~
 26 ~~the American psychological association. JOINT COMMITTEE ON TESTING~~
 27 **PRACTICES OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION.**



1 (iv) Is factually accurate. If the superintendent determines
2 that a question is not factually accurate and should be excluded
3 from scoring, the state board and the superintendent shall ensure
4 that the question is excluded from scoring.

5 (4) A district shall include on each pupil's high school
6 transcript all of the following:

7 (a) For each high school graduate who has completed the
8 Michigan merit examination under this section, the pupil's scaled
9 score on each subject area component of the Michigan merit
10 examination.

11 (b) The number of school days the pupil was in attendance at
12 school each school year during high school and the total number of
13 school days in session for each of those school years.

14 (5) The superintendent shall work with the provider or
15 providers of the Michigan merit examination to produce Michigan
16 merit examination subject area scores for each pupil participating
17 in the Michigan merit examination ~~, including scaling and merging~~
18 ~~of test items~~ for the different subject area components. The
19 superintendent shall design and distribute to districts,
20 intermediate districts, and nonpublic schools a simple and concise
21 document that describes the scoring for each subject area and
22 indicates the scaled score ranges for each subject area.

23 (6) The Michigan merit examination shall be administered in
24 each district during the last 12 weeks of the district's school
25 year. The superintendent shall ensure that the Michigan merit
26 examination is scored and the scores are returned to pupils, their
27 parents or legal guardians, and districts not later than the



1 beginning of the pupil's first semester of grade 12. The returned
2 scores shall indicate at least the pupil's scaled score for each
3 subject area component and the range of scaled scores for each
4 subject area. In reporting the scores to pupils, parents, and
5 schools, the superintendent shall provide standards-specific,
6 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
9 examination to a pupil only once and shall not administer the
10 complete Michigan merit examination to the same pupil more than
11 once. If a pupil does not take the complete Michigan merit
12 examination in grade 11, the district shall administer the complete
13 Michigan merit examination to the pupil in grade 12. If a pupil
14 chooses to retake the college entrance examination component of the
15 Michigan merit examination, as described in subsection (2)(a), the
16 pupil may do so through the provider of the college entrance
17 examination component and the cost of the retake is the
18 responsibility of the pupil unless all of the following are met:

19 (a) The pupil has taken the complete Michigan merit
20 examination.

21 (b) The pupil did not qualify for a Michigan promise grant
22 under section 6 of the Michigan promise grant act, 2006 PA 479, MCL
23 390.1626, based on the pupil's performance on the complete Michigan
24 merit examination.

25 (c) The pupil meets the income eligibility criteria for free
26 breakfast, lunch, or milk, as determined under the Richard B.
27 Russell national school lunch act, 42 USC 1751 to 1769i.



1 (d) The pupil has applied to the provider of the college
2 entrance examination component for a scholarship or fee waiver to
3 cover the cost of the retake and that application has been denied.

4 (e) After taking the complete Michigan merit examination, the
5 pupil has not already received a free retake of the college
6 entrance examination component paid for either by this state or
7 through a scholarship or fee waiver by the provider.

8 (8) The superintendent shall ensure that the length of the
9 Michigan merit examination and the combined total time necessary to
10 administer all of the components of the Michigan merit examination
11 are the shortest possible that will still maintain the degree of
12 reliability and validity of the Michigan merit examination results
13 determined necessary by the superintendent. The superintendent
14 shall ensure that the maximum total combined length of time that
15 schools are required to set aside for pupils to answer all test
16 questions on the Michigan merit examination does not exceed 8
17 hours. ~~if the superintendent determines that sufficient alignment~~
18 ~~to applicable Michigan merit curriculum content standards can be~~
19 ~~achieved within that time limit.~~

20 (9) A district shall provide accommodations to a pupil with
21 disabilities for the Michigan merit examination, as provided under
22 section 504 of title V of the rehabilitation act of 1973, 29 USC
23 794; subtitle A of title II of the Americans with disabilities act
24 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
25 education act amendments of 1997, Public Law 105-17; and the
26 implementing regulations for those statutes. The provider or
27 providers of the Michigan merit examination and the superintendent



1 shall mutually agree upon the accommodations to be provided under
2 this subsection.

3 (10) To the greatest extent possible, the Michigan merit
4 examination shall be based on ~~grade level content expectations or~~
5 ~~course content expectations, as appropriate. Not later than July 1,~~
6 ~~2008, the department shall identify specific grade level content~~
7 ~~expectations to be taught before and after the middle of grade 11,~~
8 ~~so that teachers will know what content will be covered within the~~
9 ~~Michigan merit examination.~~**THIS STATE'S CONTENT STANDARDS. THE**
10 **DEPARTMENT MAY AUGMENT THE COLLEGE ENTRANCE AND WORK SKILLS**
11 **COMPONENTS OF THE MICHIGAN MERIT EXAM TO DEVELOP THE ASSESSMENT,**
12 **DEPENDING ON THE ALIGNMENT OF THOSE COMPONENTS TO THIS STATE'S**
13 **CONTENT STANDARDS. IF THESE COMPONENTS DO NOT ALIGN TO THESE**
14 **STANDARDS, THE DEPARTMENT SHALL PRODUCE ADDITIONAL COMPONENTS AS**
15 **REQUIRED BY LAW, WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR**
16 **ASSESSMENTS.**

17 (11) A child who is a student in a nonpublic school or home
18 school may take the Michigan merit examination under this section.
19 To take the Michigan merit examination, a child who is a student in
20 a home school shall contact the district in which the child
21 resides, and that district shall administer the Michigan merit
22 examination, or the child may take the Michigan merit examination
23 at a nonpublic school if allowed by the nonpublic school. Upon
24 request from a nonpublic school, the superintendent shall direct
25 the provider or providers to supply the Michigan merit examination
26 to the nonpublic school and the nonpublic school may administer the
27 Michigan merit examination. If a district administers the Michigan



1 merit examination under this subsection to a child who is not
2 enrolled in the district, the scores for that child are not
3 considered for any purpose to be scores of a pupil of the district.

4 (12) In contracting under subsection (2), the department of
5 **TECHNOLOGY**, management, and budget shall consider a contractor that
6 provides electronically-scored essays with the ability to score
7 constructed response feedback in multiple languages and provide
8 ongoing instruction and feedback.

9 (13) The purpose of the Michigan merit examination is to
10 assess pupil performance in mathematics, science, social studies,
11 and English language arts for the purpose of improving academic
12 achievement and establishing a statewide standard of competency.
13 The assessment under this section provides a common measure of data
14 that will contribute to the improvement of Michigan schools'
15 curriculum and instruction by encouraging alignment with Michigan's
16 curriculum framework standards and promotes pupil participation in
17 higher level mathematics, science, social studies, and English
18 language arts courses. These standards are based upon the
19 expectations of what pupils should learn through high school and
20 are aligned with national standards.

21 (14) For a pupil enrolled in a middle college program, other
22 than a middle college operated as a shared educational entity or a
23 specialized shared educational entity, if the pupil receives at
24 least 50% of his or her instruction at the high school while in
25 grade 11, the Michigan merit examination shall be administered to
26 the pupil at the high school at which the pupil receives high
27 school instruction, and the department shall include the pupil's



1 scores on the Michigan merit examination in the scores for that
 2 high school for all purposes for which a school's or district's
 3 results are reported. The department shall allow the middle college
 4 program to use a 5-year graduation rate for determining adequate
 5 yearly progress. As used in this subsection, "middle college" means
 6 a program consisting of a series of courses and other requirements
 7 and conditions, including an early college or other program created
 8 under a memorandum of understanding, that allows a pupil to
 9 graduate from high school with both a high school diploma and a
 10 certificate or degree from a community college or state public
 11 university.

12 (15) As used in this section:

13 (a) "English language arts" means reading and writing.

14 (b) "Social studies" means United States history, world
 15 history, world geography, economics, and American government.

16 Sec. 104c. (1) In order to receive state aid under this
 17 article, a district shall administer the state assessments
 18 described in this section.

19 (2) For the purposes of this section, the department shall
 20 develop for use in the spring of ~~2014-2015 new Michigan education~~
 21 ~~assessment program (MEAP)~~ **2015-2016 THE MICHIGAN STUDENT TEST OF**
 22 **EDUCATIONAL PROGRESS (M-STEP)** assessments in English language arts
 23 and mathematics. These assessments shall be aligned to state
 24 standards.

25 (3) For the purposes of this section, the department shall
 26 implement ~~beginning in the 2015-2016 school year~~ a summative
 27 assessment system that is proven to be valid and reliable for



1 administration to pupils as provided under this subsection. The
2 summative assessment system shall meet all of the following
3 requirements:

4 (a) The summative assessment system shall measure student
5 proficiency on the current state standards, shall measure student
6 growth for consecutive grade levels in which students are assessed
7 in the same subject area in both grade levels, and shall be capable
8 of measuring individual student performance.

9 (b) The summative assessments for English language arts and
10 mathematics shall be administered to all public school pupils in
11 grades 3 to ~~10~~, **11**, including those pupils as required by the
12 federal individuals with disabilities education act, Public Law
13 108-446, and by title I of the federal elementary and secondary
14 education act.

15 (c) The summative assessments for science shall be
16 administered to all public school pupils in at least grades 4 and
17 7, including those pupils as required by the federal individuals
18 with disabilities education act, Public Law 108-446, and by title I
19 of the federal elementary and secondary education act.

20 (d) The summative assessments for social studies shall be
21 administered to all public school pupils in at least grades 5 and
22 8, including those pupils as required by the federal individuals
23 with disabilities education act, Public Law 108-446, and by title I
24 of the federal elementary and secondary education act.

25 (e) The content of the summative assessments shall be aligned
26 to state standards.

27 (f) The pool of questions for the summative assessments shall



1 be subject to a transparent review process for quality, bias, and
2 sensitive issues involving educator review and comment. The
3 department shall post samples from tests or retired tests featuring
4 questions from this pool for review by the public.

5 (g) The summative assessment system shall ensure that
6 students, parents, and teachers are provided with reports that
7 convey individual student proficiency and growth on the assessment
8 and that convey individual student domain-level performance in each
9 subject area, including representative questions, and individual
10 student performance in meeting state standards.

11 (h) The summative assessment system shall be capable of
12 providing, and the department shall ensure that students, parents,
13 teachers, administrators, and community members are provided with,
14 reports that convey aggregate student proficiency and growth data
15 by teacher, grade, school, and district.

16 (i) The summative assessment system shall ensure the
17 capability of reporting the available data to support educator
18 evaluations.

19 (j) The summative assessment system shall ensure that the
20 reports provided to districts containing individual student data
21 are available within 60 days after completion of the assessments.

22 ~~(k) The assessments shall be capable of being implemented~~
23 ~~statewide in a fully operational manner no later than the 2015-2016~~
24 ~~school year.~~

25 **(K)** ~~(l)~~ The summative assessment system shall ensure that
26 access to individually identifiable student data meets all of the
27 following:



1 (i) Is in compliance with 20 USC 1232g, commonly referred to
2 as the family educational rights and privacy act of 1974.

3 (ii) Except as may be provided for in an agreement with a
4 vendor to provide assessment services, as necessary to support
5 educator evaluations pursuant to subdivision (i), or for research
6 or program evaluation purposes, is available only to the student;
7 to the student's parent or legal guardian; and to a school
8 administrator or teacher, to the extent that he or she has a
9 legitimate educational interest.

10 (l) ~~(m)~~—The summative assessment system shall ensure that the
11 assessments are pilot tested before statewide implementation.

12 (M) ~~(n)~~—The summative assessment system shall ensure that
13 assessments are designed so that the maximum total combined length
14 of time that schools are required to set aside for a pupil to
15 answer all test questions on all assessments that are part of the
16 system for the pupil's grade level does not exceed that maximum
17 total combined length of time for the previous statewide assessment
18 system or 9 hours, whichever is less. This subdivision does not
19 limit the amount of time a district may allow a pupil to complete a
20 test.

21 (N) ~~(o)~~—The total cost of executing the summative assessment
22 system statewide each year, including, but not limited to, the cost
23 of contracts for administration, scoring, and reporting, shall not
24 exceed an amount equal to 2 times the cost of executing the
25 previous statewide assessment after adjustment for inflation.

26 ~~—— (4) To begin the process required under subsection (3), not~~
27 ~~later than September 1, 2014, the department shall issue a request~~



1 ~~for proposals for the summative assessment system described in that~~
 2 ~~subsection.~~

3 (4) ~~(5)~~—This section does not prohibit districts from adopting
 4 interim assessments.

5 ~~—(6) The department shall seek a waiver or amendment to an~~
 6 ~~existing waiver for federal approval of the assessment framework~~
 7 ~~under this section and shall notify the United States department of~~
 8 ~~education about the provisions of this section and take necessary~~
 9 ~~steps to assure the United States department of education that this~~
 10 ~~state is on track to develop and implement a summative assessment~~
 11 ~~system as required by federal law.~~

12 (5) ~~(7)~~—As used in this section, "English language arts" means
 13 that term as defined in section 104b.

14 Sec. 147. (1) The allocation for ~~2014-2015~~ **2015-2016** for the
 15 public school employees' retirement system pursuant to the public
 16 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
 17 to 38.1408, shall be made using the individual projected benefit
 18 entry age normal cost method of valuation and risk assumptions
 19 adopted by the public school employees retirement board and the
 20 department of technology, management, and budget.

21 (2) The annual level percentage of payroll contribution rates
 22 for the ~~2014-2015~~ **2015-2016** fiscal year, as determined by the
 23 retirement system, are estimated as follows:

24 (a) For public school employees who first worked for a public
 25 school reporting unit before July 1, 2010 and who are enrolled in
 26 the health premium subsidy, the annual level percentage of payroll
 27 contribution rate is estimated at ~~33.41%~~ **36.31%**, with 25.78% paid



1 directly by the employer.

2 (b) For public school employees who first worked for a public
3 school reporting unit on or after July 1, 2010 and who are enrolled
4 in the health premium subsidy, the annual level percentage of
5 payroll contribution rate is estimated at ~~32.33%~~, **35.09%**, with
6 ~~24.70%~~ **24.56%** paid directly by the employer.

7 (c) For public school employees who first worked for a public
8 school reporting unit on or after July 1, 2010 and who participate
9 in the personal healthcare fund, the annual level percentage of
10 payroll contribution rate is estimated at ~~31.82%~~, **34.66%**, with
11 ~~24.19%~~ **24.13%** paid directly by the employer.

12 (d) For public school employees who first worked for a public
13 school reporting unit on or after September 4, 2012, who elect
14 defined contribution, and who participate in the personal
15 healthcare fund, the annual level percentage of payroll
16 contribution rate is estimated at ~~28.59%~~, **31.49%**, with 20.96% paid
17 directly by the employer.

18 (e) For public school employees who first worked for a public
19 school reporting unit before July 1, 2010, who elect defined
20 contribution, and who are enrolled in the health premium subsidy,
21 the annual level percentage of payroll contribution rate is
22 estimated at ~~29.10%~~, **31.92%**, with ~~21.47%~~ **21.39%** paid directly by
23 the employer.

24 (f) For public school employees who first worked for a public
25 school reporting unit before July 1, 2010, who elect defined
26 contribution, and who participate in the personal healthcare fund,
27 the annual level percentage of payroll contribution rate is



1 estimated at ~~28.59%~~, **31.49%**, with 20.96% paid directly by the
2 employer.

3 (g) For public school employees who first worked for a public
4 school reporting unit before July 1, 2010 and who participate in
5 the personal healthcare fund, the annual level percentage of
6 payroll contribution rate is estimated at ~~32.90%~~, **35.88%**, with
7 ~~25.27%~~ **25.35%** paid directly by the employer.

8 (3) In addition to the employer payments described in
9 subsection (2), the employer shall pay the applicable contributions
10 to the Tier 2 plan, as determined by the public school employees
11 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

12 (4) The contribution rates in subsection (2) reflect an
13 amortization period of ~~24-23~~ years for ~~2014-2015~~. **2015-2016**. The
14 public school employees' retirement system board shall notify each
15 district and intermediate district by February 28 of each fiscal
16 year of the estimated contribution rate for the next fiscal year.

17 Sec. 147a. From the appropriation in section 11, there is
18 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed
19 ~~\$100,000,000.00~~ **\$50,000,000.00** for payments to participating
20 districts. A district that receives money under this section shall
21 use that money solely for the purpose of offsetting a portion of
22 the retirement contributions owed by the district for the fiscal
23 year in which it is received. The amount allocated to each
24 participating district under this section shall be based on each
25 participating district's percentage of the total statewide payroll
26 for all participating districts for the immediately preceding
27 fiscal year. As used in this section, "participating district"



1 means a district that is a reporting unit of the Michigan public
 2 school employees' retirement system under the public school
 3 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
 4 38.1408, and that reports employees to the Michigan public school
 5 employees' retirement system for the applicable fiscal year.

6 Sec. 147c. (1) From the appropriation in section 11, there is
 7 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
 8 ~~\$658,400,000.00~~ **\$892,900,000.00** from the state school aid fund ~~r~~
 9 ~~and there is appropriated for 2014-2015 an amount not to exceed~~
 10 ~~\$18,000,000.00 from the MPSEERS retirement obligation reform reserve~~
 11 ~~fund,~~ for payments to districts and intermediate districts that are
 12 participating entities of the Michigan public school employees'
 13 retirement system. In addition, from the general fund money
 14 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~
 15 **2016** an amount not to exceed ~~\$500,000.00~~ **\$600,000.00** for payments
 16 to district libraries that are participating entities of the
 17 Michigan public school employees' retirement system.

18 (2) For ~~2014-2015,~~ **2015-2016**, the amounts allocated under
 19 subsection (1) are estimated to provide an average MPSEERS rate cap
 20 per-pupil amount of \$449.00 and are estimated to provide a rate cap
 21 per pupil for districts ranging between \$4.00 and \$2,056.00.

22 (3) Payments made under this section for ~~2014-2015-2015-2016~~
 23 shall be equal to the difference between the unfunded actuarial
 24 accrued liability contribution rate as calculated pursuant to
 25 section 41 of the public school employees retirement act of 1979,
 26 1980 PA 300, MCL 38.1341, as calculated without taking into account
 27 the maximum employer rate of 20.96% included in section 41 of the



1 public school employees retirement act of 1979, 1980 PA 300, MCL
2 38.1341, and the maximum employer rate of 20.96% included in
3 section 41 of the public school employees retirement act of 1979,
4 1980 PA 300, MCL 38.1341.

5 (4) The amount allocated to each participating entity under
6 this section shall be based on each participating entity's
7 proportion of the total covered payroll for the immediately
8 preceding fiscal year for the same type of participating entities.
9 A participating entity that receives funds under this section shall
10 use the funds solely for the purpose of retirement contributions as
11 specified in subsection (5).

12 (5) Each participating entity receiving funds under this
13 section shall forward an amount equal to the amount allocated under
14 subsection (4) to the retirement system in a form, manner, and time
15 frame determined by the retirement system.

16 (6) Funds allocated under this section should be considered
17 when comparing a district's growth in total state aid funding from
18 1 fiscal year to the next.

19 (7) Not later than ~~October 20, 2014,~~ **DECEMBER 20, 2015**, the
20 department shall publish and post on its website an estimated
21 MPSERS rate cap per pupil for each district.

22 (8) As used in this section:

23 (a) "MPSERS rate cap per pupil" means an amount equal to the
24 quotient of the district's payment under this section divided by
25 the district's pupils in membership.

26 (b) "Participating entity" means a district, intermediate
27 district, or district library that is a reporting unit of the



1 Michigan public school employees' retirement system under the
2 public school employees retirement act of 1979, 1980 PA 300, MCL
3 38.1301 to 38.1437, and that reports employees to the Michigan
4 public school employees' retirement system for the applicable
5 fiscal year.

6 (c) "Retirement board" means the board that administers the
7 retirement system under the public school employees retirement act
8 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

9 (d) "Retirement system" means the Michigan public school
10 employees' retirement system under the public school employees
11 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

12 Sec. 152a. (1) As required by the court in the consolidated
13 cases known as Adair v State of Michigan, Michigan supreme court
14 docket nos. 137424 and 137453, from the state school aid fund money
15 appropriated in section 11 there is allocated for ~~2014-2015~~**2015-**
16 **2016** an amount not to exceed \$38,000,500.00 to be used solely for
17 the purpose of paying necessary costs related to the state-mandated
18 collection, maintenance, and reporting of data to this state.

19 (2) From the allocation in subsection (1), the department
20 shall make payments to districts and intermediate districts in an
21 equal amount per-pupil based on the total number of pupils in
22 membership in each district and intermediate district. The
23 department shall not make any adjustment to these payments after
24 the final installment payment under section 17b is made.

25 **SEC. 152B. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN**
26 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
27 **\$5,000,000.00 FOR 2015-2016 TO REIMBURSE NONPUBLIC SCHOOLS FOR THE**



1 COSTS IDENTIFIED IN THE NONPUBLIC MANDATE REPORT PUBLISHED BY THE
2 DEPARTMENT ON NOVEMBER 25, 2014 TO ENSURE THE HEALTH AND SAFETY OF
3 ALL SCHOOLCHILDREN IN THE STATE.

4 (2) THE DEPARTMENT SHALL DISTRIBUTE FUNDS ALLOCATED UNDER
5 SUBSECTION (1) TO NONPUBLIC SCHOOL APPLICANTS IN AN AMOUNT EQUAL TO
6 \$50.00 PER ENROLLED STUDENT IN A FORM AND MANNER DETERMINED BY THE
7 DEPARTMENT.

8 (3) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
9 TO FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION,
10 THE DEPARTMENT SHALL PRORATE PAYMENTS ON AN EQUAL PER-STUDENT
11 BASIS.

12 Sec. 163. (1) Except as provided in the revised school code,
13 the board of a district or intermediate district shall not permit
14 any of the following:

15 (a) A noncertificated ~~teacher~~**EDUCATOR** to teach in an
16 elementary or secondary school or in an adult basic education or
17 high school completion program.

18 (b) A noncertificated ~~counselor~~**EDUCATOR** to provide counseling
19 services to pupils in an elementary or secondary school or in an
20 adult basic education or high school completion program.

21 (C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL
22 PROGRAMS IN AN ELEMENTARY OR SECONDARY SCHOOL, OR IN AN ADULT BASIC
23 EDUCATION OR HIGH SCHOOL COMPLETION PROGRAM, UNLESS THAT EDUCATOR
24 IS FULFILLING APPLICABLE CONTINUING EDUCATION REQUIREMENTS.

25 (2) Except as provided in the revised school code, a district
26 or intermediate district employing ~~teachers or counselors~~**EDUCATORS**
27 not legally certificated **OR LICENSED** shall have deducted the sum



1 equal to the amount paid the ~~teachers or counselors~~ **EDUCATORS** for
 2 the period of noncertificated, **UNLICENSED**, or illegal employment.
 3 Each intermediate superintendent shall notify the department of the
 4 name of the noncertificated ~~teacher or counselor,~~ **OR UNLICENSED**
 5 **EDUCATOR**, and the district employing that individual and the amount
 6 of salary the noncertificated ~~teacher or counselor~~ **OR UNLICENSED**
 7 **EDUCATOR** was paid within a constituent district.

8 (3) If a school official is notified by the department that he
 9 or she is employing a nonapproved, noncertificated, ~~teacher or~~
 10 ~~counselor~~ **OR UNLICENSED EDUCATOR** in violation of this section and
 11 knowingly continues to employ that ~~teacher or counselor,~~ **EDUCATOR**,
 12 the school official is guilty of a misdemeanor, punishable by a
 13 fine of \$1,500.00 for each incidence. This penalty is in addition
 14 to all other financial penalties otherwise specified in this
 15 article.

16 Sec. 201. (1) Subject to the conditions set forth in this
 17 article, the amounts listed in this section are appropriated for
 18 community colleges for the fiscal year ending September 30, ~~2015,~~
 19 **2016**, from the funds indicated in this section. The following is a
 20 summary of the appropriations in this section:

21 (a) The gross appropriation is ~~\$364,724,900.00.~~
 22 **\$392,596,800.00**. After deducting total interdepartmental grants and
 23 intradepartmental transfers in the amount of \$0.00, the adjusted
 24 gross appropriation is ~~\$364,724,900.00.~~ **\$392,596,800.00.**

25 (b) The sources of the adjusted gross appropriation described
 26 in subdivision (a) are as follows:

27 (i) Total federal revenues, \$0.00.



1 (ii) Total local revenues, \$0.00.

2 (iii) Total private revenues, \$0.00.

3 (iv) Total other state restricted revenues,

4 ~~\$364,724,900.00.~~ **\$256,714,800.00.**

5 (v) State general fund/general purpose money,

6 ~~\$0.00.~~ **\$135,882,000.00.**

7 (2) Subject to subsection (3), the amount appropriated for
8 community college operations is ~~\$307,191,300.00,~~ **\$313,335,100.00,**
9 allocated as follows:

10 (a) The appropriation for Alpena Community College is
11 ~~\$5,390,700.00, \$5,236,500.00 for operations and \$154,200.00 for~~
12 ~~performance funding.~~ **\$5,496,100.00, \$5,390,700.00 FOR OPERATIONS AND**
13 **\$105,400.00 FOR PERFORMANCE FUNDING.**

14 (b) The appropriation for Bay de Noc Community College is
15 ~~\$5,419,500.00, \$5,279,300.00 for operations and \$140,200.00 for~~
16 ~~performance funding.~~ **\$5,520,500.00, \$5,419,500.00 FOR OPERATIONS AND**
17 **\$101,000.00 FOR PERFORMANCE FUNDING.**

18 (c) The appropriation for Delta College is ~~\$14,498,900.00,~~
19 ~~\$14,063,500.00 for operations and \$435,400.00 for performance~~
20 ~~funding.~~ **\$14,791,800.00, \$14,498,900.00 FOR OPERATIONS AND**
21 **\$292,900.00 FOR PERFORMANCE FUNDING.**

22 (d) The appropriation for Glen Oaks Community College is
23 ~~\$2,516,100.00, \$2,441,500.00 for operations and \$74,600.00 for~~
24 ~~performance funding.~~ **\$2,566,100.00, \$2,516,100.00 FOR OPERATIONS AND**
25 **\$50,000.00 FOR PERFORMANCE FUNDING.**

26 (e) The appropriation for Gogebic Community College is
27 ~~\$4,451,400.00, \$4,330,300.00 for operations and \$121,100.00 for~~



1 ~~performance funding.~~ **\$4,535,000.00, \$4,451,400.00 FOR OPERATIONS AND**
2 **\$83,600.00 FOR PERFORMANCE FUNDING.**

3 (f) The appropriation for Grand Rapids Community College is
4 ~~\$17,947,500.00, \$17,454,900.00 for operations and \$492,600.00 for~~
5 ~~performance funding.~~ **\$18,290,000.00, \$17,947,500.00 FOR OPERATIONS**
6 **AND \$342,500.00 FOR PERFORMANCE FUNDING.**

7 (g) The appropriation for Henry Ford Community College is
8 ~~\$21,623,800.00, \$21,060,000.00 for operations and \$563,800.00 for~~
9 ~~performance funding.~~ **\$22,008,800.00, \$21,623,800.00 FOR OPERATIONS**
10 **AND \$385,000.00 FOR PERFORMANCE FUNDING.**

11 (h) The appropriation for Jackson College is ~~\$12,087,300.00,~~
12 ~~\$11,758,200.00 for operations and \$329,100.00 for performance~~
13 ~~funding.~~ **\$12,313,100.00, \$12,087,300.00 FOR OPERATIONS AND**
14 **\$225,800.00 FOR PERFORMANCE FUNDING.**

15 (i) The appropriation for Kalamazoo Valley Community College
16 is ~~\$12,503,100.00, \$12,122,500.00 for operations and \$380,600.00~~
17 ~~for performance funding.~~ **\$12,769,200.00, \$12,503,100.00 FOR**
18 **OPERATIONS AND \$266,100.00 FOR PERFORMANCE FUNDING.**

19 (j) The appropriation for Kellogg Community College is
20 ~~\$9,813,500.00, \$9,522,000.00 for operations and \$291,500.00 for~~
21 ~~performance funding.~~ **\$10,008,700.00, \$9,813,500.00 FOR OPERATIONS**
22 **AND \$195,200.00 FOR PERFORMANCE FUNDING.**

23 (k) The appropriation for Kirtland Community College is
24 ~~\$3,167,700.00, \$3,055,700.00 for operations and \$112,000.00 for~~
25 ~~performance funding.~~ **\$3,244,600.00, \$3,167,700.00 FOR OPERATIONS AND**
26 **\$76,900.00 FOR PERFORMANCE FUNDING.**

27 (l) The appropriation for Lake Michigan College is



1 ~~\$5,342,900.00, \$5,178,100.00 for operations and \$164,800.00 for~~
2 ~~performance funding.~~ **\$5,449,800.00, \$5,342,900.00 FOR OPERATIONS AND**
3 **\$106,900.00 FOR PERFORMANCE FUNDING.**

4 (m) The appropriation for Lansing Community College is
5 ~~\$30,877,600.00, \$30,023,700.00 for operations and \$853,900.00 for~~
6 ~~performance funding.~~ **\$31,464,100.00, \$30,877,600.00 FOR OPERATIONS**
7 **AND \$586,500.00 FOR PERFORMANCE FUNDING.**

8 (n) The appropriation for Macomb Community College is
9 ~~\$32,816,600.00, \$31,931,200.00 for operations and \$885,400.00 for~~
10 ~~performance funding.~~ **\$33,420,600.00, \$32,816,600.00 FOR OPERATIONS**
11 **AND \$604,000.00 FOR PERFORMANCE FUNDING.**

12 (o) The appropriation for Mid Michigan Community College is
13 ~~\$4,682,000.00, \$4,517,900.00 for operations and \$164,100.00 for~~
14 ~~performance funding.~~ **\$4,790,100.00, \$4,682,000.00 FOR OPERATIONS AND**
15 **\$108,100.00 FOR PERFORMANCE FUNDING.**

16 (p) The appropriation for Monroe County Community College is
17 ~~\$4,492,900.00, \$4,342,600.00 for operations and \$150,300.00 for~~
18 ~~performance funding.~~ **\$4,596,800.00, \$4,492,900.00 FOR OPERATIONS AND**
19 **\$103,900.00 FOR PERFORMANCE FUNDING.**

20 (q) The appropriation for Montcalm Community College is
21 ~~\$3,226,700.00, \$3,121,200.00 for operations and \$105,500.00 for~~
22 ~~performance funding.~~ **\$3,303,700.00, \$3,226,700.00 FOR OPERATIONS AND**
23 **\$77,000.00 FOR PERFORMANCE FUNDING.**

24 (r) The appropriation for C.S. Mott Community College is
25 ~~\$15,686,100.00, \$15,247,100.00 for operations and \$439,000.00 for~~
26 ~~performance funding.~~ **\$15,994,200.00, \$15,686,100.00 FOR OPERATIONS**
27 **AND \$308,100.00 FOR PERFORMANCE FUNDING.**



1 (s) The appropriation for Muskegon Community College is
2 ~~\$8,901,000.00, \$8,653,500.00 for operations and \$247,500.00 for~~
3 ~~performance funding.~~**\$9,072,000.00, \$8,901,000.00 FOR OPERATIONS AND**
4 **\$171,000.00 FOR PERFORMANCE FUNDING.**

5 (t) The appropriation for North Central Michigan College is
6 ~~\$3,172,400.00, \$3,064,400.00 for operations and \$108,000.00 for~~
7 ~~performance funding.~~**\$3,247,300.00, \$3,172,400.00 FOR OPERATIONS AND**
8 **\$74,900.00 FOR PERFORMANCE FUNDING.**

9 (u) The appropriation for Northwestern Michigan College is
10 ~~\$9,078,800.00, \$8,825,300.00 for operations and \$253,500.00 for~~
11 ~~performance funding.~~**\$9,252,600.00, \$9,078,800.00 FOR OPERATIONS AND**
12 **\$173,800.00 FOR PERFORMANCE FUNDING.**

13 (v) The appropriation for Oakland Community College is
14 ~~\$21,123,300.00, \$20,483,100.00 for operations and \$640,200.00 for~~
15 ~~performance funding.~~**\$21,560,600.00, \$21,123,300.00 FOR OPERATIONS**
16 **AND \$437,300.00 FOR PERFORMANCE FUNDING.**

17 (w) The appropriation for St. Clair County Community College
18 is ~~\$7,061,600.00, \$6,860,100.00 for operations and \$201,500.00 for~~
19 ~~performance funding.~~**\$7,199,300.00, \$7,061,600.00 FOR OPERATIONS AND**
20 **\$137,700.00 FOR PERFORMANCE FUNDING.**

21 (x) The appropriation for Schoolcraft College is
22 ~~\$12,513,700.00, \$12,112,200.00 for operations and \$401,500.00 for~~
23 ~~performance funding.~~**\$12,788,900.00, \$12,513,700.00 FOR OPERATIONS**
24 **AND \$275,200.00 FOR PERFORMANCE FUNDING.**

25 (y) The appropriation for Southwestern Michigan College is
26 ~~\$6,576,400.00, \$6,404,300.00 for operations and \$172,100.00 for~~
27 ~~performance funding.~~**\$6,692,400.00, \$6,576,400.00 FOR OPERATIONS AND**



1 **\$116,000.00 FOR PERFORMANCE FUNDING.**

2 (z) The appropriation for Washtenaw Community College is
 3 ~~\$13,077,300.00, \$12,610,800.00 for operations and \$466,500.00 for~~
 4 ~~performance funding.~~**\$13,397,000.00, \$13,077,300.00 FOR OPERATIONS**
 5 **AND \$319,700.00 FOR PERFORMANCE FUNDING.**

6 (aa) The appropriation for Wayne County Community College is
 7 ~~\$16,727,600.00, \$16,194,300.00 for operations and \$533,300.00 for~~
 8 ~~performance funding.~~**\$17,102,200.00, \$16,727,600.00 FOR OPERATIONS**
 9 **AND \$374,600.00 FOR PERFORMANCE FUNDING.**

10 (bb) The appropriation for West Shore Community College is
 11 ~~\$2,414,900.00, \$2,349,800.00 for operations and \$65,100.00 for~~
 12 ~~performance funding.~~**\$2,459,600.00, \$2,414,900.00 FOR OPERATIONS AND**
 13 **\$44,700.00 FOR PERFORMANCE FUNDING.**

14 (3) The amount appropriated in subsection (2) for community
 15 college operations is ~~\$307,191,300.00, appropriated from the state~~
 16 ~~school aid fund.~~**APPROPRIATED FROM THE FOLLOWING:**

17 **(A) STATE SCHOOL AID FUND, \$233,253,100.00.**

18 **(B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$80,082,000.00.**

19 (4) From the appropriations described in subsection (1),
 20 subject to section 207a, the amount appropriated for fiscal year
 21 ~~2014-2015-2015-2016~~ to offset certain fiscal year ~~2014-2015-2015-~~
 22 **2016** retirement contributions is \$1,733,600.00, appropriated from
 23 the state school aid fund.

24 (5) From the appropriations described in subsection (1),
 25 subject to section 207b, the amount appropriated for payments to
 26 community colleges that are participating entities of the
 27 retirement system is ~~\$52,300,000.00,~~**\$69,500,000.00, \$17,200,000.00**



1 appropriated from the state school aid fund, **AND \$52,300,000.00**
 2 **APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.**

3 (6) From the appropriations described in subsection (1),
 4 subject to section 207c, the amount appropriated for renaissance
 5 zone tax reimbursements is ~~\$3,500,000.00~~, **\$5,100,000.00,**
 6 **\$1,600,000.00** appropriated from the state school aid fund, **AND**
 7 **\$3,500,000.00 APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.**

8 (7) **FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1),**
 9 **SUBJECT TO 1986 PA 102, MCL 390.1281 TO 390.1288, THE AMOUNT**
 10 **APPROPRIATED FOR PART-TIME, INDEPENDENT STUDENT GRANTS IS**
 11 **\$2,928,100.00, APPROPRIATED FROM THE STATE SCHOOL AID FUND.**

12 Sec. 201a. It is the intent of the legislature to provide
 13 appropriations for the fiscal year ending on September 30, 2016
 14 2017 for the items listed in section 201. The fiscal year ~~2015-2016~~
 15 **2016-2017** appropriations are anticipated to be the same as those
 16 for fiscal year ~~2014-2015~~, **2015-2016**, except that the amounts will
 17 be adjusted for changes in retirement costs, caseload and related
 18 costs, federal fund match rates, economic factors, and available
 19 revenue. These adjustments will be determined after the January
 20 ~~2015-2016~~ consensus revenue estimating conference.

21 Sec. 206. The funds appropriated in section 201 are
 22 appropriated for community colleges with fiscal years ending June
 23 30, ~~2015-2016~~ and shall be paid out of the state treasury and
 24 distributed by the state treasurer to the respective community
 25 colleges in 11 monthly installments on the sixteenth of each month,
 26 or the next succeeding business day, beginning with October 16,
 27 ~~2014-2015~~. Each community college shall accrue its July and August



1 ~~2015-2016~~ payments to its institutional fiscal year ending June 30,
 2 ~~2015-2016~~. However, if the state budget director determines that a
 3 community college failed to submit all verified Michigan community
 4 colleges activities classification structure data for school year
 5 ~~2013-2014-2014-2015~~ to the workforce development agency by November
 6 1, ~~2014, 2015~~, or failed to submit its longitudinal data system
 7 data set for school year ~~2013-2014-2014-2015~~ to the center for
 8 educational performance and information under section 219, the
 9 state treasurer shall withhold the monthly installments from that
 10 community college until those data are submitted. The state budget
 11 director shall notify the chairs of the house and senate
 12 appropriations subcommittees on community colleges at least 10 days
 13 before withholding funds from any community college.

14 Sec. 207a. All of the following apply to the allocation of the
 15 **FISCAL YEAR 2015-2016** appropriations described in section 201(4):

16 (a) A community college that receives money under section
 17 201(4) shall use that money solely for the purpose of offsetting a
 18 portion of the retirement contributions owed by the college for ~~the~~
 19 **THAT** fiscal year. ~~ending September 30, 2015.~~

20 (b) The amount allocated to each participating community
 21 college under section 201(4) shall be based on each ~~participating~~
 22 college's **PERCENTAGE OF THE** total **COVERED** payroll ~~covered by the~~
 23 ~~retirement system-covered payroll~~ for all **COMMUNITY COLLEGES THAT**
 24 **ARE** participating colleges ~~for fiscal year 2013-2014.~~ **IN THE**
 25 **IMMEDIATELY PRECEDING FISCAL YEAR.**

26 Sec. 207b. All of the following apply to the allocation of the
 27 **FISCAL YEAR 2015-2016** appropriations described in section 201(5)



1 for payments to community colleges that are participating entities
2 of the retirement system:

3 (a) The amount of a payment under section 201(5) shall be the
4 difference between the unfunded actuarial accrued liability
5 contribution rate as calculated under section 41 of the public
6 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
7 and the maximum employer rate of 20.96% under section 41 of the
8 public school employees retirement act of 1979, 1980 PA 300, MCL
9 38.1341.

10 (b) The amount allocated to each community college under
11 section 201(5) shall be based on each community college's
12 percentage of the total covered payroll for all community colleges
13 that are participating colleges in the immediately preceding fiscal
14 year. A community college that receives funds under this
15 subdivision shall use the funds solely for the purpose of
16 retirement contributions under section 201(5).

17 (c) Each participating college that receives funds under
18 section 201(5) shall forward an amount equal to the amount
19 allocated under subdivision (b) to the retirement system in a form
20 and manner determined by the retirement system.

21 Sec. 207c. All of the following apply to the allocation of the
22 appropriations described in section 201(6) to community colleges
23 described in section 12(3) of the Michigan renaissance zone act,
24 **1996 PA 376**, MCL 125.2692:

25 (a) The amount allocated to each community college under
26 section 201(6) **FOR FISCAL YEAR 2015-2016** shall be based on that
27 community college's proportion of total revenue lost by community



1 colleges ~~in fiscal year 2013-2014~~ as a result of the exemption of
2 property **TAXES LEVIED IN 2015** under the Michigan renaissance zone
3 act, **1996 PA 376, MCL 125.2681 TO 125.2696.**

4 (b) The appropriations described in section 201(6) shall be
5 made to each eligible community college within 60 days after the
6 department of treasury certifies to the state budget director that
7 it has received all necessary information to properly determine the
8 amounts ~~of tax revenue lost by~~ **PAYABLE TO** each eligible community
9 college ~~in fiscal year 2013-2014~~ under section 12 of the Michigan
10 renaissance zone act, **1996 PA 376, MCL 125.2692.**

11 Sec. 209. (1) Within 30 days after the board of a community
12 college adopts its annual operating budget for the following ~~school~~
13 fiscal year, or after the board adopts a subsequent revision to
14 that budget, the community college shall make all of the following
15 available through a link on its website homepage:

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

18 (b) A link to the most recent "Activities Classification
19 Structure Data Book and Companion".

20 (c) General fund revenue and expenditure projections for
21 fiscal year ~~2014-2015-2015-2016~~ and fiscal year ~~2015-2016-2016-~~
22 **2017.**

23 (d) A listing of all debt service obligations, detailed by
24 project, anticipated fiscal year ~~2014-2015-2015-2016~~ payment of
25 each project, and total outstanding debt.

26 (e) The estimated cost to the community college resulting from
27 the patient protection and affordable care act, Public Law 111-148,



1 as amended by the health care and education reconciliation act of
2 2010, Public Law 111-152.

3 (f) Links to all of the following for the community college:

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

6 (ii) Each health care benefits plan, including, but not
7 limited to, medical, dental, vision, disability, long-term care, or
8 any other type of benefits that would constitute health care
9 services, offered to any bargaining unit or employee of the
10 community college.

11 (iii) Audits and financial reports for the most recent fiscal
12 year for which they are available.

13 (iv) A copy of the board of trustees resolution regarding
14 compliance with best practices for the local strategic value
15 component described in section 230(2).

16 (2) For statewide consistency and public visibility, community
17 colleges must use the icon badge provided by the department of
18 technology, management, and budget consistent with the icon badge
19 developed by the department of education for K-12 school districts.
20 It must appear on the front of each community college's homepage.
21 The size of the icon may be reduced to 150 x 150 pixels.

22 (3) The state budget director shall determine whether a
23 community college has complied with this section. The state budget
24 director may withhold a community college's monthly installments
25 described in section 206 until the community college complies with
26 this section. The state budget director shall notify the chairs of
27 the house and senate appropriations subcommittee on community



1 colleges at least 10 days before withholding funds from any
2 community college.

3 (4) Each community college shall report the following
4 information to the senate and house appropriations subcommittees on
5 community colleges, the senate and house fiscal agencies, and the
6 state budget office by November 15 of each fiscal year and post
7 that information on ~~the internet~~ **ITS** website **AS** required under
8 subsection (1):

9 (a) Budgeted fiscal year ~~2014-2015~~ **2015-2016** general fund
10 revenue from tuition and fees.

11 (b) Budgeted fiscal year ~~2014-2015~~ **2015-2016** general fund
12 revenue from state appropriations.

13 (c) Budgeted fiscal year ~~2014-2015~~ **2015-2016** general fund
14 revenue from property taxes.

15 (d) Budgeted fiscal year ~~2014-2015~~ **2015-2016** total general
16 fund revenue.

17 (e) Budgeted fiscal year ~~2014-2015~~ **2015-2016** total general
18 fund expenditures.

19 (5) By November 15 of each year, a community college shall
20 report the following information to the center for educational
21 performance and information and post the information on its website
22 under the budget transparency icon badge:

23 (a) Opportunities for earning college credit through the
24 following programs:

25 (i) State approved career and technical education or a tech
26 prep articulated program of study.

27 (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
4 community college offers, all of the following information:

5 (i) The number of high school students participating in the
6 program.

7 (ii) The number of school districts that participate in the
8 program with the community college.

9 (iii) Whether a college professor, qualified local school
10 district employee, or other individual teaches the course or
11 courses in the program.

12 (iv) The total cost to the community college to operate the
13 program.

14 (v) The cost per credit hour for the course or courses in the
15 program.

16 (vi) The location where the course or courses in the program
17 are held.

18 (vii) Instructional resources offered to the program
19 instructors.

20 (viii) Resources offered to the student in the program.

21 (ix) Transportation services provided to students in the
22 program.

23 Sec. 210. (1) Recognizing the critical importance of education
24 in strengthening Michigan's workforce, ~~the legislature encourages~~
25 each community college **IS ENCOURAGED** to explore ways of increasing
26 collaboration and cooperation with 4-year universities,
27 particularly in the areas related to training, instruction, and



1 program articulation.

2 (2) Recognizing the central role of community colleges in
3 responding to local employment needs and challenges, community
4 colleges shall develop and continue efforts to collaborate with
5 local employers and students to identify local employment needs and
6 strategies to meet them.

7 (3) Community colleges are encouraged to collaborate with each
8 other on innovations to identify and meet local employment needs.

9 (4) Community colleges are encouraged to work with
10 universities to develop equivalency standards of core college
11 courses and identify equivalent courses offered by postsecondary
12 institutions.

13 Sec. 210b. (1) It is the intent of the legislature that the
14 Michigan ~~association of collegiate registrars and admissions~~
15 ~~officers~~ **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS**
16 **OFFICERS** implement any agreement or agreements among the community
17 colleges and universities concerning the transferability of college
18 courses resulting from the recommendations of the committee created
19 under former section 210a.

20 (2) It is the intent of the legislature that the Michigan
21 ~~association of collegiate registrars and admissions officers,~~
22 **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS**, the
23 Michigan ~~community college association,~~ **COMMUNITY COLLEGE**
24 **ASSOCIATION**, and the ~~presidents council, state universities~~
25 **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan shall together
26 submit an implementation update report to the senate and house
27 appropriations subcommittees on community colleges and higher



1 education, the senate and house fiscal agencies, and the state
2 budget director by March 1, ~~2015~~-2016.

3 SEC. 210C. (1) A STUDY COMMITTEE SHALL BE CREATED TO DEVELOP A
4 PROCESS TO IMPROVE THE TRANSFERABILITY AND APPLICABILITY OF
5 ASSOCIATE OF ARTS AND ASSOCIATE OF SCIENCE DEGREES AS A BLOCK OF
6 CREDITS BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES ON A
7 STATEWIDE BASIS. BUILDING ON THE MICHIGAN TRANSFER NETWORK
8 SPONSORED BY THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND
9 ADMISSIONS OFFICERS AND, WHERE POSSIBLE, EXISTING LOCAL
10 ARTICULATION AGREEMENTS BETWEEN INDIVIDUAL INSTITUTIONS, THE
11 COMMITTEE SHALL WORK TO EXPLORE STANDARDS FOR PROGRAM ARTICULATION
12 BETWEEN INSTITUTIONS SO THAT AN ASSOCIATE OF ARTS OR ASSOCIATE OF
13 SCIENCE DEGREE EARNED AT A COMMUNITY COLLEGE IS CONSIDERED THE
14 EQUIVALENT OF THE FIRST 60 CREDITS OF A BACCALAUREATE DEGREE, AND
15 THOSE CREDITS CAN BE SEAMLESSLY TRANSFERRED AND APPLIED TO THE
16 PROGRAM OF STUDY AT THE RECEIVING UNIVERSITY.

17 (2) IT IS THE INTENT OF THE LEGISLATURE THAT THE STUDY
18 COMMITTEE CREATED UNDER SUBSECTION (1) EXPLORE ISSUES RELEVANT TO
19 BLOCK TRANSFER AGREEMENTS, INCLUDING, BUT NOT LIMITED TO, THE
20 SATISFACTION OF ALL LOWER DIVISION GENERAL EDUCATION REQUIREMENTS,
21 THE APPLICABILITY OF EQUIVALENT COURSES TO THE MAJOR PROGRAM OF
22 STUDY, JUNIOR-LEVEL STANDING AT THE UNIVERSITY FOR TRANSFER
23 STUDENTS, AND THE COMPLETION OF THE BACCALAUREATE DEGREE WITH A
24 LIMIT OF 60 POST-TRANSFER CREDIT HOURS. BECAUSE OF THE
25 LEGISLATURE'S INTEREST IN PROMOTING DEGREE COMPLETION, THE STUDY
26 COMMITTEE SHOULD ALSO CONSIDER INCENTIVES FOR STUDENTS TO COMPLETE
27 BOTH AN ASSOCIATE DEGREE AND A BACCALAUREATE DEGREE.



1 (3) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL
2 CONSIST OF THE FOLLOWING MEMBERS:

3 (A) TEN REPRESENTATIVES FROM COMMUNITY COLLEGES SELECTED BY
4 THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.

5 (B) TEN REPRESENTATIVES FROM PUBLIC UNIVERSITIES SELECTED BY
6 THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

7 (C) FOUR MEMBERS OF THE MICHIGAN ASSOCIATION OF COLLEGIATE
8 REGISTRARS AND ADMISSIONS OFFICERS.

9 (D) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES
10 SELECTED BY THE SPEAKER OF THE HOUSE.

11 (E) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES
12 SELECTED BY THE MINORITY LEADER OF THE HOUSE.

13 (F) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE
14 MAJORITY LEADER.

15 (G) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE
16 MINORITY LEADER.

17 (4) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL
18 SUBMIT A PROJECT STATUS REPORT AND INITIAL RECOMMENDATIONS TO THE
19 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES
20 AND HIGHER EDUCATION, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE
21 STATE BUDGET DIRECTOR BY MARCH 1, 2016.

22 ~~Sec. 213. It is the intent of the legislature that community~~
23 **COMMUNITY** colleges **ARE ENCOURAGED TO** work with public universities
24 in the state to implement statewide reverse transfer agreements to
25 increase the number of students that are awarded credentials of
26 value upon completion of the necessary credits. These statewide
27 agreements shall enable students who have earned a significant



1 number of credits at a community college and transferred to a
2 baccalaureate-granting institution before completing a degree to
3 transfer the credits earned at the baccalaureate institution back
4 to the community college in order to be awarded a credential of
5 value.

6 **SEC. 215. ALL OF THE FOLLOWING APPLY TO THE MONEY APPROPRIATED**
7 **FOR PART-TIME, INDEPENDENT STUDENT GRANTS UNDER SECTION 201:**

8 (A) PAYMENTS OF THE AMOUNTS INCLUDED IN SECTION 201 FOR PART-
9 TIME, INDEPENDENT STUDENT GRANTS SHALL BE DISTRIBUTED AS PROVIDED
10 IN THIS ARTICLE AND 1986 PA 102, MCL 390.1281 TO 390.1288.

11 (B) IN ORDER TO INCREASE THE NUMBER OF RESIDENTS IN THIS STATE
12 WITH A POSTSECONDARY CREDENTIAL, A COMMUNITY COLLEGE THAT RECEIVES
13 FUNDS FROM THE PART-TIME, INDEPENDENT STUDENT GRANTS UNDER SECTION
14 201 IS ENCOURAGED TO PRIORITIZE THESE FUNDS FOR AID TO STUDENTS WHO
15 HAVE ENROLLED IN AN ACADEMIC PROGRAM AFTER NOT BEING ENROLLED FOR
16 MORE THAN A SEMESTER OR TERM, WHO HAVE PREVIOUSLY EARNED CREDITS IN
17 AN ACADEMIC PROGRAM, AND WHO HAVE NOT YET EARNED A CERTIFICATE OR
18 DEGREE.

19 (C) THE MONEY APPROPRIATED FOR PART-TIME, INDEPENDENT STUDENT
20 GRANTS SHALL BE PAID OUT OF THE STATE TREASURY AND SHALL BE
21 DISTRIBUTED TO THE RESPECTIVE COMMUNITY COLLEGES UNDER A QUARTERLY
22 PAYMENT SYSTEM AS FOLLOWS: 50% SHALL BE PAID AT THE BEGINNING OF
23 THE STATE'S FIRST FISCAL QUARTER, 30% DURING THE STATE'S SECOND
24 FISCAL QUARTER, 10% DURING THE STATE'S THIRD FISCAL QUARTER, AND
25 10% DURING THE STATE'S FOURTH FISCAL QUARTER.

26 (D) THE DEPARTMENT OF TREASURY SHALL DETERMINE THE NEEDS
27 ANALYSIS CRITERIA FOR STUDENTS TO QUALIFY FOR PART-TIME,



1 **INDEPENDENT STUDENT GRANTS. TO BE CONSISTENT WITH FEDERAL**
2 **REQUIREMENTS, THE DEPARTMENT OF TREASURY MAY TAKE STUDENT WAGES**
3 **INTO CONSIDERATION WHEN DETERMINING THE AMOUNT OF THE AWARD.**

4 Sec. 217. (1) The workforce development agency shall do all of
5 the following:

6 (a) Establish, maintain, and coordinate the state community
7 college database commonly known as the "activities classification
8 structure" or "ACS" database.

9 (b) Collect data concerning community colleges and community
10 college programs in this state, including data required by law.

11 (c) Establish procedures to ensure the validity and
12 reliability of the data and the collection process.

13 (d) Develop model data collection policies, including, but not
14 limited to, policies that ensure the privacy of any individual
15 student data. Privacy policies shall ensure that student social
16 security numbers are not released to the public for any purpose.

17 (e) Provide data in a useful manner to allow state
18 policymakers and community college officials to make informed
19 policy decisions.

20 (f) Assist community colleges in complying with audits under
21 this section or federal law.

22 (2) There is created within the workforce development agency
23 the activities classification structure advisory committee. The
24 committee shall provide advice to the director of the workforce
25 development agency regarding the management of the state community
26 college database, including, but not limited to:

27 (a) Determining what data are necessary to collect and



1 maintain to enable state and community college officials to make
2 informed policy decisions.

3 (b) Defining the roles of all stakeholders in the data
4 collection system.

5 (c) Recommending timelines for the implementation and ongoing
6 collection of data.

7 (d) Establishing and maintaining data definitions, data
8 transmission protocols, and system specifications and procedures
9 for the efficient and accurate transmission and collection of data.

10 (e) Establishing and maintaining a process for ensuring the
11 accuracy of the data.

12 (f) Establishing and maintaining policies related to data
13 collection, including, but not limited to, privacy policies related
14 to individual student data.

15 (g) Ensuring that the data are made available to state
16 policymakers and citizens of this state in the most useful format
17 possible.

18 (h) Addressing other matters as determined by the director of
19 the workforce development agency or as required by law.

20 (3) The activities classification structure advisory committee
21 created in subsection (2) shall consist of the following members:

22 (a) One representative from the house fiscal agency, appointed
23 by the director of the house fiscal agency.

24 (b) One representative from the senate fiscal agency,
25 appointed by the director of the senate fiscal agency.

26 (c) One representative from the workforce development agency,
27 appointed by the director of the workforce development agency.



1 (d) One representative from the state budget office, appointed
2 by the state budget director.

3 (e) One representative from the governor's policy office,
4 appointed by that office.

5 (f) Four representatives of the Michigan ~~community colleges~~
6 ~~association,~~ **COMMUNITY COLLEGE ASSOCIATION**, appointed by the
7 president of the association. From the groupings of community
8 colleges given in table 17 of the activities classification
9 structure ~~report~~ **DATABASE** described in subsection ~~(4),~~ **(1)**, the
10 association shall appoint 1 representative each from group 1, group
11 2, and group 3, and 1 representative from either group 3 or 4.

12 ~~— (4) The activities classification structure advisory committee~~
13 ~~shall review the existing activities classification structure~~
14 ~~report, data, definitions, processes, and other items as needed and~~
15 ~~publish an initial report on their findings and recommendations by~~
16 ~~July 30, 2015. This report shall be submitted to the senate and~~
17 ~~house appropriations subcommittees on community colleges, the~~
18 ~~senate and house fiscal agencies, the director of the workforce~~
19 ~~development agency, the state budget director, and the Michigan~~
20 ~~community colleges association.~~

21 Sec. 222. Each community college shall have an annual audit of
22 all income and expenditures performed by an independent auditor and
23 shall furnish the independent auditor's management letter and an
24 annual audited accounting of all general and current funds income
25 and expenditures including audits of college foundations to the
26 members of the senate and house appropriations subcommittees on
27 community colleges, the senate and house fiscal agencies, the



1 auditor general, the workforce development agency, and the state
2 budget director before November 15 of each year. If a community
3 college fails to furnish the audit materials, the monthly state aid
4 installments shall be withheld from that college until the
5 information is submitted. All reporting shall conform to the
6 requirements set forth in the "2001 Manual for Uniform Financial
7 Reporting, Michigan Public Community Colleges". ~~It is the intent of~~
8 ~~the legislature that a~~ **A** community college shall make the
9 information the community college is required to provide under this
10 section available to the public on its ~~internet~~ website.

11 Sec. 225. Each community college shall report to the house and
12 senate fiscal agencies, the state budget director, and the
13 workforce development agency by August 31, ~~2014,~~**2015**, the tuition
14 and mandatory fees paid by a full-time in-district student and a
15 full-time out-of-district student as established by the college
16 governing board for the ~~2014-2015~~**2015-2016** academic year. This
17 report should also include the annual cost of attendance based on a
18 full-time course load of 30 credits. Each community college shall
19 also report any revisions to the reported ~~2014-2015~~**2015-2016**
20 academic year tuition and mandatory fees adopted by the college
21 governing board to the house and senate fiscal agencies, the state
22 budget director, and the workforce development agency within 15
23 days of being adopted.

24 Sec. 226. Each community college shall report to the workforce
25 development agency the numbers and type of associate degrees and
26 other certificates awarded during the previous fiscal year. The
27 report shall be made not later than November 15 of each year.



1 **COMMUNITY COLLEGES SHALL WORK WITH THE WORKFORCE DEVELOPMENT AGENCY**
 2 **AND THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO**
 3 **DEVELOP A SYSTEMATIC APPROACH FOR MEETING THIS REQUIREMENT.**

4 Sec. 229. (1) ~~It is the intent of the legislature that each~~
 5 **EACH** community college that receives an appropriation in section
 6 201 **IS EXPECTED TO** include in its admission application process a
 7 specific question as to whether an applicant for admission has ever
 8 served or is currently serving in the United States armed forces or
 9 is the spouse or dependent of an individual who has served or is
 10 currently serving in the United States armed forces, in order to
 11 more quickly identify potential educational assistance available to
 12 that applicant.

13 (2) It is ~~the intent of the legislature~~ **EXPECTED** that each
 14 public community college that receives an appropriation in section
 15 201 shall work with the house and senate community college
 16 subcommittees, the Michigan ~~community college association,~~
 17 **COMMUNITY COLLEGE ASSOCIATION**, and veterans groups to review the
 18 issue of in-district tuition for veterans of this state when
 19 determining tuition rates and fees.

20 (3) As used in this section, "veteran" means an honorably
 21 discharged veteran entitled to educational assistance under the
 22 provisions of section 5003 of the post-911 veterans educational
 23 assistance act of 2008, 38 USC 3301 to ~~3324.~~ **3325.**

24 Sec. 229a. Included in the fiscal year ~~2014-2015~~ **2015-2016**
 25 appropriations for the department of technology, management, and
 26 budget are appropriations **TOTALING \$29,479,600.00** to provide
 27 funding for the state share of costs for previously constructed



1 capital projects for community colleges. Those appropriations for
 2 state building authority rent represent additional state general
 3 fund support for community colleges, and the following is an
 4 estimate of the amount of that support to each community college:

- 5 (a) Alpena Community College, ~~\$485,400.00~~ **\$652,700.00**.
- 6 (b) Bay de Noc Community College, ~~\$636,600.00~~ **\$685,900.00**.
- 7 (c) Delta College, ~~\$2,842,800.00~~ **\$3,510,900.00**.
- 8 (d) Glen Oaks Community College, ~~\$123,300.00~~ **\$123,100.00**.
- 9 (e) Gogebic Community College, ~~\$16,900.00~~ **\$67,600.00**.
- 10 (f) Grand Rapids Community College,
 11 ~~\$1,792,400.00~~ **\$2,126,000.00**.
- 12 (g) Henry Ford Community College, ~~\$1,030,800.00~~ **\$1,028,500.00**.
- 13 (h) Jackson College, ~~\$1,787,300.00~~ **\$1,677,800.00**.
- 14 (i) Kalamazoo Valley Community College,
 15 ~~\$1,471,000.00~~ **\$1,557,700.00**.
- 16 (j) Kellogg Community College, ~~\$521,400.00~~ **\$520,200.00**.
- 17 (k) Kirtland Community College, ~~\$364,000.00~~ **\$363,200.00**.
- 18 (l) Lake Michigan College, ~~\$340,900.00~~ **\$340,200.00**.
- 19 (m) Lansing Community College, ~~\$610,100.00~~ **\$1,282,200.00**.
- 20 (n) Macomb Community College, ~~\$1,316,600.00~~ **\$1,377,400.00**.
- 21 (o) Mid Michigan Community College,
 22 ~~\$1,117,300.00~~ **\$1,712,600.00**.
- 23 (p) Monroe County Community College,
 24 ~~\$1,266,500.00~~ **\$1,263,600.00**.
- 25 (q) Montcalm Community College, ~~\$973,700.00~~ **\$971,500.00**.
- 26 (r) C.S. Mott Community College, ~~\$1,808,000.00~~ **\$1,803,900.00**.
- 27 (s) Muskegon Community College, ~~\$198,500.00~~ **\$267,800.00**.



1 (t) North Central Michigan College, ~~\$117,600.00~~-\$469,400.00.

2 (u) Northwestern Michigan College,

3 ~~\$1,308,600.00~~-\$1,305,600.00.

4 (v) Oakland Community College, ~~\$466,300.00~~-\$465,200.00.

5 (w) St. Clair County Community College,

6 ~~\$357,000.00~~-\$356,200.00.

7 (x) Schoolcraft College, ~~\$1,550,300.00~~-\$1,546,700.00.

8 (y) Southwestern Michigan College, ~~\$231,100.00~~-\$286,900.00.

9 (z) Washtenaw Community College, ~~\$1,680,600.00~~-\$1,676,800.00.

10 (aa) Wayne County Community College,

11 ~~\$1,466,000.00~~-\$1,462,700.00.

12 (bb) West Shore Community College, ~~\$578,600.00~~-\$577,300.00.

13 Sec. 230. (1) Money included in the appropriations for
14 community college operations under section 201(2) in fiscal year
15 ~~2014-2015~~-2015-2016 for performance funding is distributed based on
16 the following formula:

17 (a) Allocated proportionate to fiscal year ~~2013-2014~~-2014-2015
18 base appropriations, 50%.

19 (b) Based on contact hour equated students, 10%.

20 (c) Based on administrative costs, 7.5%.

21 (d) Based on a weighted degree formula as provided for in the
22 2006 recommendations of the performance indicators task force,
23 17.5%.

24 (e) Based on the local strategic value component, as developed
25 in cooperation with the Michigan ~~community college association~~
26 **COMMUNITY COLLEGE ASSOCIATION** and described in subsection (2), 15%.

27 (2) Money included in the appropriations for community college



1 operations under section 201(2) for local strategic value shall be
2 allocated to each community college that certifies to the state
3 budget director, through a board of trustees resolution on or
4 before October 15, ~~2014~~, **2015**, that the college has met 4 out of 5
5 best practices listed in each category described in subsection (3).
6 The resolution shall provide specifics as to how the community
7 college meets each best practice measure within each category. One-
8 third of funding available under the strategic value component
9 shall be allocated to each category described in subsection (3).
10 Amounts distributed under local strategic value shall be on a
11 proportionate basis to each college's fiscal year ~~2013-2014~~ **2014-**
12 **2015** operations funding. Payments to community colleges that
13 qualify for local strategic value funding shall be distributed with
14 the November installment payment described in section 206.

15 (3) For purposes of subsection (2), the following categories
16 of best practices reflect functional activities of community
17 colleges that have strategic value to the local communities and
18 regional economies:

19 (a) For Category A, economic development and business or
20 industry partnerships, the following:

21 (i) The community college has active partnerships with local
22 employers including hospitals and health care providers.

23 (ii) The community college provides customized on-site
24 training for area companies, employees, or both.

25 (iii) The community college supports entrepreneurship through
26 a small business assistance center or other training or consulting
27 activities targeted toward small businesses.



1 (iv) The community college supports technological advancement
2 through industry partnerships, incubation activities, or operation
3 of a Michigan technical education center or other advanced
4 technology center.

5 (v) The community college has active partnerships with local
6 or regional workforce and economic development agencies.

7 (b) For Category B, educational partnerships, the following:

8 (i) The community college has active partnerships with
9 regional high schools, intermediate school districts, and career-
10 tech centers to provide instruction through dual enrollment,
11 concurrent enrollment, direct credit, middle college, or academy
12 programs.

13 (ii) The community college hosts, sponsors, or participates in
14 enrichment programs for area K-12 students, such as college days,
15 summer or after-school programming, or science Olympiad.

16 (iii) The community college provides, supports, or
17 participates in programming to promote successful transitions to
18 college for traditional age students, including grant programs such
19 as talent search, upward bound, or other activities to promote
20 college readiness in area high schools and community centers.

21 (iv) The community college provides, supports, or participates
22 in programming to promote successful transitions to college for new
23 or reentering adult students, such as adult basic education,
24 general education development certificate preparation and testing,
25 or recruiting, advising, or orientation activities specific to
26 adults.

27 (v) The community college has active partnerships with



1 regional 4-year colleges and universities to promote successful
2 transfer, such as articulation, 2+2, or reverse transfer agreements
3 or operation of a university center.

4 (c) For Category C, community services, the following:

5 (i) The community college provides continuing education
6 programming for leisure, wellness, personal enrichment, or
7 professional development.

8 (ii) The community college operates or sponsors opportunities
9 for community members to engage in activities that promote leisure,
10 wellness, cultural or personal enrichment such as community sports
11 teams, theater or musical ensembles, or artist guilds.

12 (iii) The community college operates public facilities to
13 promote cultural, educational, or personal enrichment for community
14 members, such as libraries, computer labs, performing arts centers,
15 museums, art galleries, or television or radio stations.

16 (iv) The community college operates public facilities to
17 promote leisure or wellness activities for community members,
18 including gymnasiums, athletic fields, tennis courts, fitness
19 centers, hiking or biking trails, or natural areas.

20 (v) The community college promotes, sponsors, or hosts
21 community service activities for students, staff, or community
22 members.

23 **(4) PAYMENTS FOR PERFORMANCE FUNDING UNDER SECTION 201(2)**
24 **SHALL BE MADE TO A COMMUNITY COLLEGE ONLY IF THAT COMMUNITY COLLEGE**
25 **ACTIVELY PARTICIPATES IN AND SUBMITS TIMELY UPDATES TO THE MICHIGAN**
26 **TRANSFER NETWORK SPONSORED BY THE MICHIGAN ASSOCIATION OF**
27 **COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS. THE STATE BUDGET**



1 DIRECTOR SHALL DETERMINE IF A COMMUNITY COLLEGE HAS NOT SATISFIED
 2 THIS REQUIREMENT. THE STATE BUDGET DIRECTOR MAY WITHHOLD PAYMENTS
 3 FOR PERFORMANCE FUNDING UNTIL A COMMUNITY COLLEGE IS IN COMPLIANCE
 4 WITH THIS SECTION.

5 Sec. 236. (1) Subject to the conditions set forth in this
 6 article, the amounts listed in this section are appropriated for
 7 higher education for the fiscal year ending September 30, 2015,
 8 2016, from the funds indicated in this section. The following is a
 9 summary of the appropriations in this section:

10 (a) The gross appropriation is ~~\$1,516,496,300.00.~~
 11 **\$1,526,523,600.00.** After deducting total interdepartmental grants
 12 and intradepartmental transfers in the amount of \$0.00, the
 13 adjusted gross appropriation is
 14 ~~\$1,516,496,300.00.~~ **\$1,526,523,600.00.**

15 (b) The sources of the adjusted gross appropriation described
 16 in subdivision (a) are as follows:

17 (i) Total federal revenues, ~~\$97,026,400.00.~~ **\$97,026,400.00.**

18 (ii) Total local revenues, \$0.00.

19 (iii) Total private revenues, \$0.00.

20 (iv) Total other state restricted revenues,
 21 ~~\$206,567,900.00.~~ **\$205,279,500.00.**

22 (v) State general fund/general purpose money,
 23 ~~\$1,212,902,000.00.~~ **\$1,224,217,700.00.**

24 (2) Amounts appropriated for public universities are as
 25 follows:

26 (a) The appropriation for Central Michigan University is
 27 ~~\$79,115,000.00, \$73,540,100.00 for operations and \$5,574,900.00 for~~



1 ~~performance funding.~~**\$80,297,400.00, \$79,164,800.00 FOR OPERATIONS**
2 **AND \$1,132,600.00 FOR PERFORMANCE FUNDING.**

3 (b) The appropriation for Eastern Michigan University is
4 ~~\$71,771,100.00, \$67,275,400.00 for operations and \$4,495,700.00 for~~
5 ~~performance funding.~~**\$72,467,900.00, \$71,782,500.00 FOR OPERATIONS**
6 **AND \$685,400.00 FOR PERFORMANCE FUNDING.**

7 (c) The appropriation for Ferris State University is
8 ~~\$49,087,000.00, \$45,636,500.00 for operations and \$3,450,500.00 for~~
9 ~~performance funding.~~**\$49,840,900.00, \$49,119,100.00 FOR OPERATIONS**
10 **AND \$721,800.00 FOR PERFORMANCE FUNDING.**

11 (d) The appropriation for Grand Valley State University is
12 ~~\$63,136,000.00, \$57,823,500.00 for operations and \$5,312,500.00 for~~
13 ~~performance funding.~~**\$64,379,600.00, \$63,156,500.00 FOR OPERATIONS**
14 **AND \$1,223,100.00 FOR PERFORMANCE FUNDING.**

15 (e) The appropriation for Lake Superior State University is
16 ~~\$12,782,500.00, \$12,231,000.00 for operations and \$551,500.00 for~~
17 ~~performance funding.~~**\$13,118,700.00, \$12,997,500.00 FOR OPERATIONS**
18 **AND \$121,200.00 FOR PERFORMANCE FUNDING.**

19 (f) The appropriation for Michigan State University is
20 ~~\$324,038,100.00, \$249,597,800.00 for operations, \$14,831,300.00 for~~
21 ~~performance funding, \$32,027,900.00 for MSU [AgBioResearch,] and~~
22 ~~\$27,581,100.00 for MSU extension.~~**\$326,429,800.00, \$264,437,900.00**
23 **FOR OPERATIONS, \$2,500,700.00 FOR PERFORMANCE FUNDING,**
24 **\$31,640,700.00 FOR MSU AGBIORESEARCH, AND \$27,850,500.00 FOR MSU**
25 **EXTENSION.**

26 (g) The appropriation for Michigan Technological University is
27 ~~\$45,923,100.00, \$43,473,800.00 for operations and \$2,449,300.00 for~~



1 ~~performance funding.~~**\$46,409,300.00, \$45,938,000.00 FOR OPERATIONS**
2 **AND 471,300.00 FOR PERFORMANCE FUNDING.**

3 (h) The appropriation for Northern Michigan University is
4 ~~\$44,277,200.00, \$41,741,400.00 for operations and \$2,535,800.00 for~~
5 ~~performance funding.~~**\$44,782,400.00, \$44,338,300.00 FOR OPERATIONS**
6 **AND \$444,100.00 FOR PERFORMANCE FUNDING.**

7 (i) The appropriation for Oakland University is
8 ~~\$48,364,100.00, \$45,651,600.00 for operations and \$2,712,500.00 for~~
9 ~~performance funding.~~**\$49,171,700.00, \$48,371,900.00 FOR OPERATIONS**
10 **AND \$799,800.00 FOR PERFORMANCE FUNDING.**

11 (j) The appropriation for Saginaw Valley State University is
12 ~~\$27,610,200.00, \$25,991,000.00 for operations and \$1,619,200.00 for~~
13 ~~performance funding.~~**\$27,944,600.00, \$27,621,600.00 FOR OPERATIONS**
14 **AND \$323,000.00 FOR PERFORMANCE FUNDING.**

15 (k) The appropriation for University of Michigan - Ann Arbor
16 is ~~\$295,174,100.00, \$279,232,700.00 for operations and~~
17 ~~\$15,941,400.00 for performance funding.~~**\$297,946,900.00,**
18 **\$295,178,500.00 FOR OPERATIONS AND \$2,768,400.00 FOR PERFORMANCE**
19 **FUNDING.**

20 (l) The appropriation for University of Michigan - Dearborn is
21 ~~\$23,689,300.00, \$22,510,400.00 for operations and \$1,178,900.00 for~~
22 ~~performance funding.~~**\$23,892,700.00, \$23,701,000.00 FOR OPERATIONS**
23 **AND \$191,700.00 FOR PERFORMANCE FUNDING.**

24 (m) The appropriation for University of Michigan - Flint is
25 ~~\$21,337,700.00, \$19,938,200.00 for operations and \$1,399,500.00 for~~
26 ~~performance funding.~~**\$21,622,700.00, \$21,359,600.00 FOR OPERATIONS**
27 **AND \$263,100.00 FOR PERFORMANCE FUNDING.**



1 (n) The appropriation for Wayne State University is
 2 ~~\$190,519,800.00, \$183,398,300.00 for operations and \$7,121,500.00~~
 3 ~~for performance funding.~~ **\$191,061,700.00, \$190,529,900.00 FOR**
 4 **OPERATIONS AND \$531,800.00 FOR PERFORMANCE FUNDING.**

5 (o) The appropriation for Western Michigan University is
 6 ~~\$102,742,000.00, \$97,279,000.00 for operations and \$5,463,000.00~~
 7 ~~for performance funding.~~ **\$103,669,100.00, \$102,761,100.00 FOR**
 8 **OPERATIONS AND \$908,000.00 FOR PERFORMANCE FUNDING.**

9 (3) The amount appropriated in subsection (2) for public
 10 universities is appropriated from the following:

11 (a) State school aid fund, ~~\$200,019,500.00.~~ **\$200,019,500.00.**

12 (b) State general fund/general purpose money,
 13 ~~\$1,199,547,700.00.~~ **\$1,213,015,900.00.**

14 (4) The amount appropriated for Michigan public school
 15 employees' retirement system reimbursement is ~~\$2,446,200.00,~~
 16 **\$5,160,000.00**, appropriated from the state school aid fund.

17 ~~—— (5) For fiscal year 2014-2015 only, in addition to the amount~~
 18 ~~appropriated under subsection (4), \$4,002,200.00 is appropriated~~
 19 ~~for Michigan public school employees' retirement system~~
 20 ~~reimbursement, appropriated from the state school aid fund.~~

21 **(5) (6)**—The amount appropriated for state and regional
 22 programs is ~~\$2,295,000.00~~ **\$315,000.00**, appropriated from general
 23 fund/general purpose money and allocated as follows:

24 ~~—— (a) College access program, \$2,000,000.00.~~

25 **(A) (b)**—Higher education database modernization and
 26 conversion, \$200,000.00.

27 **(B) (c)**—Midwestern higher education compact, ~~\$95,000.00.~~



1 **HIGHER EDUCATION COMPACT, \$115,000.00.**

2 (6) ~~(7)~~—The amount appropriated for the Martin Luther King,
3 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,
4 appropriated from general fund/general purpose money and allocated
5 as follows:

6 (a) Select student support services, \$1,956,100.00.

7 (b) Michigan college/university partnership program,
8 \$586,800.00.

9 (c) Morris Hood, Jr. educator development program,
10 \$148,600.00.

11 (7) ~~(8)~~—Subject to subsection ~~(9)~~, ~~(8)~~, the amount
12 appropriated for grants and financial aid is ~~\$105,494,200.00~~,
13 **\$105,321,700.00**, allocated as follows:

14 (a) State competitive scholarships, \$18,361,700.00.

15 (b) Tuition grants, ~~\$33,532,500.00~~. **\$33,860,000.00.**

16 (c) Tuition incentive program, \$48,500,000.00.

17 (d) Children of veterans and officer's survivor tuition grant
18 programs, \$1,400,000.00.

19 (e) Project GEAR-UP, \$3,200,000.00.

20 ~~—(f) North American Indian tuition waivers, \$500,000.00.~~

21 (8) ~~(9)~~—The money appropriated in subsection ~~(8)~~ ~~(7)~~ for
22 grants and financial aid is appropriated from the following:

23 (a) Federal revenues under the United States ~~department of~~
24 ~~education, office of elementary and secondary education,~~ **DEPARTMENT**
25 **OF EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION,** GEAR-UP
26 program, \$3,200,000.00.

27 (b) Federal revenues under the social security act, temporary



1 assistance for needy families, \$93,826,400.00.

2 (c) Contributions to children of veterans tuition grant
3 program, \$100,000.00.

4 (d) State general fund/general purpose money,
5 ~~\$8,367,800.00.~~ **\$8,195,300.00.**

6 Sec. 236a. It is the intent of the legislature to provide
7 appropriations for the fiscal year ending on September 30, ~~2016~~
8 **2017** for the items listed in section 236. The fiscal year ~~2015-2016~~
9 **2016-2017** appropriations are anticipated to be the same as those
10 for fiscal year ~~2014-2015, 2015-2016~~, except that the amounts will
11 be adjusted for changes in caseload and related costs, federal fund
12 match rates, economic factors, and available revenue. These
13 adjustments will be determined after the January ~~2015-2016~~
14 consensus revenue estimating conference.

15 Sec. 236b. In addition to the funds appropriated in section
16 236, there is appropriated for grants and financial aid in fiscal
17 year ~~2014-2015-2015-2016~~ an amount not to exceed \$6,000,000.00 for
18 federal contingency funds. These funds are not available for
19 expenditure until they have been transferred under section 393(2)
20 of the management and budget act, 1984 PA 431, MCL 18.1393, for
21 another purpose under this article.

22 Sec. 236c. In addition to the funds appropriated for fiscal
23 year ~~2014-2015-2015-2016~~ in section 236, appropriations to the
24 department of technology, management, and budget in the act
25 providing general appropriations for fiscal year ~~2014-2015-2015-~~
26 **2016** for state building authority rent, totaling an estimated
27 ~~\$124,825,300.00,~~ **\$135,995,300.00**, provide funding for the state



1 share of costs for previously constructed capital projects for
 2 state universities. These appropriations for state building
 3 authority rent represent additional state general fund support
 4 provided to public universities, and the following is an estimate
 5 of the amount of that support to each university:

6 (a) Central Michigan University, ~~\$9,103,200.00~~ **\$9,551,800.00**.

7 (b) Eastern Michigan University, ~~\$4,861,700.00~~ **\$4,860,900.00**.

8 (c) Ferris State University, ~~\$6,252,200.00~~ **\$6,251,200.00**.

9 (d) Grand Valley State University,

10 ~~\$4,252,500.00~~ **\$6,952,300.00**.

11 (e) Lake Superior State University,

12 ~~\$1,112,900.00~~ **\$1,720,300.00**.

13 (f) Michigan State University, ~~\$16,101,200.00~~ **\$16,549,200.00**.

14 (g) Michigan Technological University,

15 ~~\$7,444,600.00~~ **\$7,443,400.00**.

16 (h) Northern Michigan University, ~~\$8,016,400.00~~ **\$9,706,200.00**.

17 (i) Oakland University, ~~\$10,969,800.00~~ **\$12,993,400.00**.

18 (j) Saginaw Valley State University,

19 ~~\$9,777,400.00~~ **\$9,865,800.00**.

20 (k) University of Michigan - Ann Arbor,

21 ~~\$9,159,200.00~~ **\$9,607,800.00**.

22 (l) University of Michigan - Dearborn,

23 ~~\$6,296,200.00~~ **\$6,745,200.00**.

24 (m) University of Michigan - Flint,

25 ~~\$2,855,000.00~~ **\$3,104,000.00**.

26 (n) Wayne State University, ~~\$13,679,800.00~~ **\$15,703,000.00**.

27 (o) Western Michigan University,



1 ~~\$14,943,200.00~~-\$14,940,800.00.

2 Sec. 241. (1) Subject to ~~section~~**SECTIONS 244 AND** 265a, the
3 funds appropriated in section 236 to public universities shall be
4 paid out of the state treasury and distributed by the state
5 treasurer to the respective institutions in 11 equal monthly
6 installments on the sixteenth of each month, or the next succeeding
7 business day, beginning with October 16, ~~2014~~—**2015**. Except for
8 Wayne State University, each institution shall accrue its July and
9 August ~~2015~~—**2016** payments to its institutional fiscal year ending
10 June 30, ~~2015~~—**2016**.

11 (2) All public universities shall submit higher education
12 institutional data inventory (HEIDI) data and associated financial
13 and program information requested by and in a manner prescribed by
14 the state budget director. For public universities with fiscal
15 years ending June 30, ~~2014~~—**2015**, these data shall be submitted to
16 the state budget director by October 15, ~~2014~~—**2015**. Public
17 universities with a fiscal year ending September 30, ~~2014~~—**2015**
18 shall submit preliminary HEIDI data by November 15, ~~2014~~—**2015** and
19 final data by December 15, ~~2014~~—**2015**. If a public university fails
20 to submit HEIDI data and associated financial aid program
21 information in accordance with this reporting schedule, the state
22 treasurer may withhold the monthly installments under subsection
23 (1) to the public university until those data are submitted.

24 Sec. 244. A public university receiving funds in section 236
25 shall cooperate with all measures taken by the state to develop,
26 operate, and maintain the statewide P-20 longitudinal data system
27 described in section 94a. If the state budget director finds that a



1 university has not complied with this section, the state budget
2 director is authorized to withhold the monthly installments
3 provided to that university under section ~~236~~—241 until he or she
4 finds the university has complied with this section.

5 Sec. 246. (1) **ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF**
6 **THE FISCAL YEAR 2015-2016 APPROPRIATIONS DESCRIBED IN SECTION**
7 **236(4) FOR PAYMENTS TO UNIVERSITIES THAT ARE PARTICIPATING ENTITIES**
8 **OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM:**

9 **(A)** The funds appropriated in section ~~236~~—236(4) for Michigan
10 public school employees' retirement system reimbursement shall be
11 allocated to each participating public university under this
12 section based on each participating public university's percentage
13 of the total combined payrolls of the universities' employees who
14 are members of the retirement system and who were hired before
15 January 1, 1996 and the universities' employees who would have been
16 members of the retirement system on or after January 1, 1996, but
17 for the enactment of 1995 PA 272 for all public universities that
18 are participating public universities for the immediately preceding
19 state fiscal year.

20 **(B) THE AMOUNT OF A PAYMENT UNDER SECTION 236(4) SHALL BE**
21 **EQUAL TO THE DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED**
22 **LIABILITY CONTRIBUTION RATE FOR UNIVERSITY REPORTING UNITS AS**
23 **CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES**
24 **RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AS CALCULATED**
25 **WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 25.73%**
26 **INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT**
27 **ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE MAXIMUM EMPLOYER**



1 **RATE FOR UNIVERSITY REPORTING UNITS OF 25.73% UNDER SECTION 41 OF**
 2 **THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300,**
 3 **MCL 38.1341.** Payments shall be made in a form and manner determined
 4 by the office of retirement services.

5 (C) A public university that receives money under ~~this section~~
 6 **236(4)** shall use that money solely for the purpose of ~~offsetting a~~
 7 ~~portion of the retirement contributions owed by the university.~~
 8 **EACH PARTICIPATING UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION**
 9 **236(4) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT RECEIVED UNDER**
 10 **SECTION 236(4) TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT**
 11 **SYSTEM IN A FORM AND MANNER DETERMINED BY THE OFFICE OF RETIREMENT**
 12 **SERVICES.**

13 (2) As used in this section, "participating public university"
 14 means a public university that is a reporting unit of the Michigan
 15 public school employees' retirement system under the public school
 16 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
 17 ~~38.1408,~~ **38.1437**, and that pays contributions to the Michigan
 18 public school employees' retirement system for the state fiscal
 19 year.

20 Sec. 252. (1) The amounts appropriated in section 236 for the
 21 state tuition grant program shall be distributed pursuant to 1966
 22 PA 313, MCL 390.991 to 390.997a.

23 (2) Tuition grant awards shall be made to all eligible
 24 Michigan residents enrolled in undergraduate degree programs who
 25 are qualified and who apply before July 1 of each year for the next
 26 academic year.

27 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and



1 subject to subsections (7) and (8), the department of treasury
2 shall determine an actual maximum tuition grant award per student,
3 which shall be no less than \$1,512.00, that ensures that the
4 aggregate payments for the tuition grant program do not exceed the
5 appropriation contained in section 236 for the state tuition grant
6 program. If the department determines that insufficient funds are
7 available to establish a maximum award amount equal to at least
8 \$1,512.00, the department shall immediately report to the house and
9 senate appropriations subcommittees on higher education, the house
10 and senate fiscal agencies, and the state budget director regarding
11 the estimated amount of additional funds necessary to establish a
12 \$1,512.00 maximum award amount. If the department determines that
13 sufficient funds are available to establish a maximum award amount
14 equal to at least \$1,512.00, the department shall immediately
15 report to the house and senate appropriations subcommittees on
16 higher education, the house and senate fiscal agencies, and the
17 state budget director regarding the maximum award amount
18 established and the projected amount of any projected year-end
19 appropriation balance based on that maximum award amount. By
20 ~~December 15, and again by~~ February 18 of each fiscal year, the
21 department shall analyze the status of award commitments, shall
22 make any necessary adjustments, and shall confirm that those award
23 commitments will not exceed the appropriation contained in section
24 236 for the tuition grant program. The determination and actions
25 shall be reported to the state budget director and the house and
26 senate fiscal agencies no later than the final day of February of
27 each year. If award adjustments are necessary, the students shall



1 be notified of the adjustment by March 4 of each year.

2 (4) Any unexpended and unencumbered funds remaining on
3 September 30, ~~2015-2016~~ from the amounts appropriated in section
4 236 for the tuition grant program for fiscal year ~~2014-2015-2015-~~
5 ~~2016~~ shall not lapse on September 30, ~~2015,~~~~2016~~, but shall
6 continue to be available for expenditure for tuition grants
7 provided in the ~~2015-2016-2016-2017~~ fiscal year under a work
8 project account. The use of these unexpended fiscal year ~~2014-2015~~
9 ~~2015-2016~~ funds shall terminate at the end of the ~~2015-2016-2016-~~
10 ~~2017~~ fiscal year.

11 (5) The department of treasury shall continue a proportional
12 tuition grant maximum award level for recipients enrolled less than
13 full-time in a given semester or term.

14 (6) If the department of treasury increases the maximum award
15 per eligible student from that provided in the previous fiscal
16 year, it shall not have the effect of reducing the number of
17 eligible students receiving awards in relation to the total number
18 of eligible applicants. Any increase in the maximum grant shall be
19 proportional for all eligible students receiving awards for that
20 fiscal year.

21 (7) Except as provided in subsection (4), the department of
22 treasury shall not award more than ~~\$3,200,000.00~~~~\$3,300,000.00~~ in
23 tuition grants to eligible students enrolled in the same
24 independent nonprofit college or university in this state. Any
25 decrease in the maximum grant shall be proportional for all
26 eligible students enrolled in that college or university, as
27 determined by the department.



1 (8) The department of treasury shall not award tuition grants
2 to otherwise eligible students enrolled in an independent college
3 or university that does not report, in a form and manner directed
4 by and satisfactory to the department of treasury, by ~~August 31~~
5 **SEPTEMBER 30** of each year, ~~beginning with August 31, 2015,~~ all of
6 the following:

7 (a) The number of students in the most recently completed
8 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state
9 tuition grant **AT THE REPORTING INSTITUTION** and successfully
10 completed a program or graduated.

11 (b) The number of students in the most recently completed
12 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state
13 tuition grant **AT THE REPORTING INSTITUTION** and took a remedial
14 education class.

15 (c) The number of students in the most recently completed
16 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a Pell grant
17 **AT THE REPORTING INSTITUTION** and successfully completed a program
18 or graduated.

19 Sec. 256. (1) The funds appropriated in section 236 for the
20 tuition incentive program shall be distributed as provided in this
21 section and pursuant to the administrative procedures for the
22 tuition incentive program of the department of treasury.

23 (2) As used in this section:

24 (a) "Phase I" means the first part of the tuition incentive
25 assistance program defined as the academic period of 80 semester or
26 120 term credits, or less, leading to an associate degree or
27 certificate.



1 (b) "Phase II" means the second part of the tuition incentive
2 assistance program which provides assistance in the third and
3 fourth year of 4-year degree programs.

4 (c) "Department" means the department of treasury.

5 (3) An individual shall meet the following basic criteria and
6 financial thresholds to be eligible for tuition incentive benefits:

7 (a) To be eligible for phase I, an individual shall meet all
8 of the following criteria:

9 (i) Apply for certification to the department any time after
10 he or she begins the sixth grade but before August 31 of the school
11 year in which he or she graduates from high school or before
12 completing a general education development certificate.

13 (ii) Be less than 20 years of age at the time he or she
14 graduates from high school with a diploma or certificate of
15 completion or completes a general education development
16 certificate.

17 (iii) Be a United States citizen and a resident of Michigan
18 according to institutional criteria.

19 (iv) Be at least a half-time student, earning less than 80
20 semester or 120 term credits at a participating educational
21 institution within 4 years of high school graduation or completion
22 of a general education development certificate.

23 (v) Request information on filing a FAFSA.

24 (vi) Must meet the satisfactory academic progress policy of
25 the educational institution he or she attends.

26 (b) To be eligible for phase II, an individual shall meet
27 either of the following criteria in addition to the criteria in



1 subdivision (a):

2 (i) Complete at least 56 transferable semester or 84
3 transferable term credits.

4 (ii) Obtain an associate degree or certificate at a
5 participating institution.

6 (c) To be eligible for phase I or phase II, an individual must
7 not be incarcerated and must be financially eligible as determined
8 by the department. An individual is financially eligible for the
9 tuition incentive program if he or she was eligible for Medicaid
10 from the state of Michigan for 24 months within the 36 months
11 before application. The department shall accept certification of
12 Medicaid eligibility only from the department of human services for
13 the purposes of verifying if a person is Medicaid eligible for 24
14 months within the 36 months before application. Certification of
15 eligibility may begin in the sixth grade. As used in this
16 subdivision, "incarcerated" does not include detention of a
17 juvenile in a state-operated or privately operated juvenile
18 detention facility.

19 (4) For phase I, the department shall provide payment on
20 behalf of a person eligible under subsection (3). The department
21 shall reject billings that are excessive or outside the guidelines
22 for the type of educational institution.

23 (5) For phase I, all of the following apply:

24 (a) Payments for associate degree or certificate programs
25 shall not be made for more than 80 semester or 120 term credits for
26 any individual student at any participating institution.

27 (b) For persons enrolled at a Michigan community college, the



1 department shall pay the current in-district tuition and mandatory
2 fees. For persons residing in an area that is not included in any
3 community college district, the out-of-district tuition rate may be
4 authorized.

5 (c) For persons enrolled at a Michigan public university, the
6 department shall pay lower division resident tuition and mandatory
7 fees for the current year.

8 (d) For persons enrolled at a Michigan independent, nonprofit
9 degree-granting college or university, or a Michigan federal
10 tribally controlled community college, or Focus: HOPE, the
11 department shall pay mandatory fees for the current year and a per-
12 credit payment that does not exceed the average community college
13 in-district per-credit tuition rate as reported on August 1, for
14 the immediately preceding academic year.

15 (6) A person participating in phase II may be eligible for
16 additional funds not to exceed \$500.00 per semester or \$400.00 per
17 term up to a maximum of \$2,000.00 subject to the following
18 conditions:

19 (a) Credits are earned in a 4-year program at a Michigan
20 degree-granting ~~4-year~~ college or university.

21 (b) The tuition reimbursement is for coursework completed
22 within 30 months of completion of the phase I requirements.

23 (7) The department shall work closely with participating
24 institutions to develop an application and eligibility
25 determination process that will provide the highest level of
26 participation and ensure that all requirements of the program are
27 met.



1 (8) Applications for the tuition incentive program may be
2 approved at any time after the student begins the sixth grade. If a
3 determination of financial eligibility is made, that determination
4 is valid as long as the student meets all other program
5 requirements and conditions.

6 (9) Each institution shall ensure that all known available
7 restricted grants for tuition and fees are used prior to billing
8 the tuition incentive program for any portion of a student's
9 tuition and fees.

10 (10) The department shall ensure that the tuition incentive
11 program is well publicized and that eligible Medicaid clients are
12 provided information on the program. The department shall provide
13 the necessary funding and staff to fully operate the program.

14 Sec. 258. By February 15 of each year, the department of
15 treasury shall post to its publicly available website a report for
16 the preceding fiscal year on all student financial aid programs for
17 which funds are appropriated in **SECTION 201 OR** section 236. For
18 each student financial aid program, the report shall include, but
19 is not limited to, the total number of awards paid in the preceding
20 fiscal year, the total dollar amount of those awards, and the
21 number of students receiving awards and the total amount of those
22 awards at each eligible postsecondary institution. To the extent
23 information is available, the report shall also include information
24 on household income and other demographic characteristics of
25 students receiving awards under each program and historical
26 information on the number of awards and total award amounts for
27 each program.



1 **SEC. 260. A PUBLIC UNIVERSITY RECEIVING FUNDS UNDER SECTION**
 2 **236 IS ENCOURAGED TO ADOPT THE COMMON APPLICATION, MANAGED BY THE**
 3 **COMMON APPLICATION, INCORPORATED, TO MAKE POSTSECONDARY EDUCATION**
 4 **MORE ACCESSIBLE TO STUDENTS IN THIS STATE.**

5 Sec. 263. (1) Included in the appropriation in section 236 for
 6 fiscal year ~~2014-2015-2015-2016~~ for MSU AgBioResearch is
 7 \$2,982,900.00 and included in the appropriation in section 236 for
 8 MSU ~~extension-EXTENSION~~ is \$2,645,200.00 for ~~project-PROJECT~~
 9 GREEN. Project GREEN is intended to address critical regulatory,
 10 food safety, economic, and environmental problems faced by this
 11 state's plant-based agriculture, forestry, and processing
 12 industries. "GREEN" is an acronym for ~~generating research and~~
 13 ~~extension to meet environmental and economic needs-GENERATING~~
 14 **RESEARCH AND EXTENSION TO MEET ENVIRONMENTAL AND ECONOMIC NEEDS.**

15 (2) The department of agriculture and rural development and
 16 Michigan State University, in consultation with agricultural
 17 commodity groups and other interested parties, shall develop
 18 ~~project-PROJECT~~ GREEN and its program priorities.

19 Sec. 263a. (1) Not later than September 30 of each year,
 20 Michigan State University shall submit a report on MSU
 21 AgBioResearch and MSU ~~extension-EXTENSION~~ to the house and senate
 22 appropriations subcommittees on agriculture and on higher
 23 education, the house and senate standing committees on agriculture,
 24 the house and senate fiscal agencies, and the state budget director
 25 for the preceding academic fiscal year.

26 (2) The report required under subsection (1) shall include all
 27 of the following:



1 (a) Total funds expended by MSU AgBioResearch and by MSU
 2 ~~extension service~~ **EXTENSION** identified by state, local, private,
 3 federal, and university fund sources.

4 (b) The metric goals that were used to evaluate the impacts of
 5 programs operated by MSU ~~extension~~ **EXTENSION** and MSU AgBioResearch.
 6 ~~It is the intent of the legislature that the~~ **THE** following metric
 7 goals will be used to evaluate the impacts of those programs:

8 (i) Increasing the number of agriculture and food-related
 9 firms collaborating with and using services of research and
 10 extension faculty and staff by 3% per year.

11 (ii) Increasing the number of individuals utilizing MSU
 12 ~~extension's~~ **EXTENSION'S** educational services by 5% per year.

13 (iii) Increasing external funds generated in support of
 14 research and extension, beyond state appropriations, by 10% over
 15 the amounts generated in the past 3 state fiscal years.

16 (iv) Increasing the sector's total economic impact ~~from~~
 17 ~~today's \$71,000,000,000.00~~ to **AT LEAST** \$100,000,000,000.00.

18 (v) ~~Doubling~~ **INCREASING** Michigan's agricultural exports ~~from~~
 19 ~~\$1,750,000,000.00~~ to **AT LEAST** \$3,500,000,000.00.

20 (vi) Increasing jobs in the food and agriculture sector by
 21 10%.

22 (vii) Improving access by Michigan consumers to healthy foods
 23 by 20%.

24 (c) A review of major programs within both MSU AgBioResearch
 25 and MSU ~~extension~~ **EXTENSION** with specific reference to
 26 accomplishments, impacts, and the metrics described in subdivision
 27 (b), including a specific accounting of Project GREEN expenditures



1 and the impact of those expenditures.

2 Sec. 264. Included in the appropriation in section 236 for
3 fiscal year ~~2014-2015-2015-2016~~ for Michigan State University is
4 \$80,000.00 for the Michigan ~~future farmers of America association.~~
5 **FUTURE FARMERS OF AMERICA ASSOCIATION.** This \$80,000.00 allocation
6 shall not supplant any existing support that Michigan State
7 University provides to the Michigan ~~future farmers of America~~
8 ~~association.~~**FUTURE FARMERS OF AMERICA ASSOCIATION.**

9 Sec. 265. (1) Payments under section 265a for performance
10 funding shall only be made to a public university that certifies to
11 the state budget director by August 31, ~~2014-2015~~ that its board
12 did not adopt an increase in tuition and fee rates for resident
13 undergraduate students after September 1, ~~2013-2014~~ for the ~~2013-~~
14 ~~2014-2014-2015~~ academic year and that its board will not adopt an
15 increase in tuition and fee rates for resident undergraduate
16 students for the ~~2014-2015-2015-2016~~ academic year that is greater
17 than ~~3.2%.~~ **4.0% OR \$400.00 PER STUDENT, WHICHEVER IS GREATER.** As
18 used in this subsection:

19 (a) ~~Subject to subdivision (c), "fee"~~ **"FEE"** means any board-
20 authorized fee that will be paid by more than 1/2 of all resident
21 undergraduate students at least once during their enrollment at a
22 public university. A university increasing a fee that applies to a
23 specific subset of students or courses shall provide sufficient
24 information to prove that the increase applied to that subset will
25 not cause the increase in the average amount of board-authorized
26 total tuition and fees paid by resident undergraduate students in
27 the ~~2014-2015-2015-2016~~ academic year to exceed the limit



1 established in this subsection.

2 (b) "Tuition and fee rate" means the average of full-time
 3 rates for all undergraduate classes, based on an average of the
 4 rates authorized by the university board and actually charged to
 5 students, deducting any ~~uniformly-rebated~~ **UNIFORMLY REBATED** or
 6 refunded amounts, for the 2 semesters with the highest levels of
 7 full-time equated resident undergraduate enrollment during the
 8 academic year.

9 ~~— (c) For purposes of subdivision (a), for a public university~~
 10 ~~that compels resident undergraduate students to be covered by~~
 11 ~~health insurance as a condition to enroll at the university, "fee"~~
 12 ~~includes the annual amount a student is charged for coverage by the~~
 13 ~~university-affiliated group health insurance policy if he or she~~
 14 ~~does not provide proof that he or she is otherwise covered by~~
 15 ~~health insurance. This subdivision does not apply to limited~~
 16 ~~subsets of resident undergraduate students to be covered by health~~
 17 ~~insurance for specific reasons other than general enrollment at the~~
 18 ~~university.~~

19 (2) The state budget director shall implement uniform
 20 reporting requirements to ensure that a public university receiving
 21 a payment under section 265a for performance funding has satisfied
 22 the tuition restraint requirements of this section. The state
 23 budget director shall have the sole authority to determine if a
 24 public university has met the requirements of this section.
 25 Information reported by a public university to the state budget
 26 director under this subsection shall also be reported to the house
 27 and senate appropriations subcommittees on higher education and the



1 house and senate fiscal agencies.

2 Sec. 265a. (1) Appropriations to public universities in
3 section 236 for fiscal year ~~2014-2015~~**2015-2016** for performance
4 funding shall be paid only to a public university that complies
5 with section 265 and certifies to the state budget director, the
6 house and senate appropriations subcommittees on higher education,
7 and the house and senate fiscal agencies by August 31, ~~2014~~**2015**
8 that it complies with all of the following requirements:

9 (a) The university participates in reverse transfer agreements
10 described in section 286 with at least 3 Michigan community
11 colleges or has made a good-faith effort to enter into reverse
12 transfer agreements.

13 (b) The university does not and will not consider whether dual
14 enrollment credits earned by an incoming student were utilized
15 towards his or her high school graduation requirements when making
16 a determination as to whether those credits may be used by the
17 student toward completion of a university degree or certificate
18 program.

19 (c) The university participates in the Michigan ~~transfer~~
20 ~~network~~**TRANSFER NETWORK** created as part of the Michigan
21 ~~association of collegiate registrars and admissions officers~~
22 **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS**
23 transfer agreement.

24 (2) Any performance funding amounts under section 236 that are
25 not paid to a public university because it did not comply with 1 or
26 more requirements under subsection (1) are unappropriated and
27 reappropriated for performance funding to those public universities



1 that meet the requirements under subsection (1), distributed in
 2 proportion to their performance funding appropriation amounts under
 3 section 236.

4 (3) The state budget director shall report to the house and
 5 senate appropriations subcommittees on higher education and the
 6 house and senate fiscal agencies by September ~~17, 2014,~~ **30, 2015,**
 7 regarding any performance funding amounts that are not paid to a
 8 public university because it did not comply with 1 or more
 9 requirements under subsection (1) and any reappropriation of funds
 10 under subsection (2).

11 (4) Performance funding amounts described in section 236 are
 12 distributed based on the following formula:

13 ~~—— (a) Proportional to each university's share of total~~
 14 ~~operations funding appropriated in fiscal year 2010-2011, 50.0%.~~

15 **(A)** ~~(b)~~ Based on weighted undergraduate completions in
 16 critical skills areas, ~~11.1%~~ **22.2%**.

17 **(B)** ~~(c)~~ Based on research and development expenditures, for
 18 universities classified in Carnegie classifications as
 19 doctoral/research universities, research universities (high
 20 research activity), or research universities (very high research
 21 activity) only, ~~5.6%~~ **11.1%**.

22 **(C)** ~~(d)~~ Based on 6-year graduation rate, total degree
 23 completions, and institutional support as a percentage of core
 24 expenditures, and **THE PERCENTAGE OF** students receiving Pell grants,
 25 scored against national Carnegie classification peers and weighted
 26 by total undergraduate fiscal year equated students, ~~33.3%~~ **66.7%**.

27 (5) For purposes of determining the score of a university



1 under subsection ~~(4)(d)~~, **(4)(C)**, each university is assigned 1 of
 2 the following scores:

3 (a) A university classified as in the top 20%, a score of 3.

4 (b) A university classified as above national median, a score
 5 of 2.

6 (c) A university classified as improving, a score of 2. ~~It is~~
 7 ~~the intent of the legislature that, beginning in the 2015-2016~~
 8 ~~state fiscal year, a university classified as improving is assigned~~
 9 ~~a score of 1.~~

10 (d) A university that is not included in subdivision (a), (b),
 11 or (c), a score of 0.

12 (6) For purposes of this section, "Carnegie classification"
 13 shall mean the basic classification of the university according to
 14 the most recent version of the Carnegie classification of
 15 institutions of higher education, published by the Carnegie
 16 ~~foundation for the advancement of teaching.~~ **FOUNDATION FOR THE**
 17 **ADVANCEMENT OF TEACHING.**

18 Sec. 267. All public universities shall submit the amount of
 19 tuition and fees actually charged to a full-time resident
 20 undergraduate student for academic year ~~2014-2015~~ **2015-2016** as part
 21 of their higher education institutional data inventory (HEIDI) data
 22 by August 31 of each year. A public university shall report any
 23 revisions for any semester of the reported academic year ~~2014-2015~~
 24 **2015-2016** tuition and fee charges to HEIDI within 15 days of being
 25 adopted.

26 Sec. 268. (1) For the fiscal year ending September 30, ~~2014,~~
 27 **2015**, it is the intent of the legislature that funds be allocated



1 for unfunded North American Indian tuition waiver costs incurred by
 2 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
 3 from the general fund.

4 ~~—— (2) Appropriations in section 236(8)(f) for North American~~
 5 ~~Indian tuition waivers shall be paid to universities under section~~
 6 ~~2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for~~
 7 ~~amounts included in university operations appropriations. If funds~~
 8 ~~are insufficient to support the entire cost of waivers, amounts~~
 9 ~~shall be prorated.~~

10 (2) ~~(3)~~ By February 15 of each year, the department of civil
 11 rights shall annually submit to the state budget director, the
 12 house and senate appropriations subcommittees on higher education,
 13 and the house and senate fiscal agencies a report on North American
 14 Indian tuition waivers for the preceding fiscal year that includes,
 15 but is not limited to, all of the following information for each
 16 postsecondary institution:

17 (a) The total number of waiver applications.

18 (b) The total number of waivers granted and the monetary value
 19 of each waiver.

20 (c) The number of students who withdraw from classes.

21 (d) The number of students who successfully complete a degree
 22 or certificate program and the 6-year graduation rate.

23 **(3) A PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION 236**
 24 **SHALL PROVIDE TO THE DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION**
 25 **NECESSARY FOR PREPARING THE REPORT DETAILED IN SUBSECTION (2).**

26 Sec. 269. For fiscal year ~~2014-2015,~~ **2015-2016**, from the
 27 amount appropriated in section 236 to Central Michigan University



1 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
 2 College for the costs of waiving tuition for North American Indians
 3 under 1976 PA 174, MCL 390.1251 to 390.1253.

4 Sec. 270. For fiscal year ~~2014-2015~~**2015-2016**, from the amount
 5 appropriated in section 236 to Lake Superior State University for
 6 operations, \$100,000.00 shall be paid to Bay Mills Community
 7 College for the costs of waiving tuition for North American Indians
 8 under 1976 PA 174, MCL 390.1251 to 390.1253.

9 Sec. 274. It is the intent of the legislature that public and
 10 private organizations that conduct human embryonic stem cell
 11 derivation subject to section 27 of article I of the state
 12 constitution of 1963 will provide information to the director of
 13 the department of ~~community health~~ **AND HUMAN SERVICES** by December
 14 1, ~~2014-2015~~ that includes all of the following:

15 (a) Documentation that the organization conducting human
 16 embryonic stem cell derivation is conducting its activities in
 17 compliance with the requirements of section 27 of article I of the
 18 state constitution of 1963 and all relevant ~~national institutes of~~
 19 ~~health~~ **NATIONAL INSTITUTES OF HEALTH** guidelines pertaining to
 20 embryonic stem cell derivation.

21 (b) A list of all human embryonic stem cell lines submitted by
 22 the organization to the ~~national institutes of health~~ **NATIONAL**
 23 **INSTITUTES OF HEALTH** for inclusion in the ~~human embryonic stem cell~~
 24 ~~registry~~ **HUMAN EMBRYONIC STEM CELL REGISTRY** before and during
 25 fiscal year ~~2013-2014,~~ **2014-2015**, and the status of each submission
 26 as approved, pending approval, or review completed but not yet
 27 accepted.



1 (c) Number of human embryonic stem cell lines derived and not
2 submitted for inclusion in the ~~human embryonic stem cell registry,~~
3 **HUMAN EMBRYONIC STEM CELL REGISTRY**, before and during fiscal year
4 ~~2013-2014.2014-2015.~~

5 Sec. 276. (1) Included in the appropriation for fiscal year
6 ~~2014-2015-2015-2016~~ for each public university in section 236 is
7 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
8 future faculty program that is intended to increase the pool of
9 academically or economically disadvantaged candidates pursuing
10 faculty teaching careers in postsecondary education. Preference may
11 not be given to applicants on the basis of race, color, ethnicity,
12 gender, or national origin. Institutions should encourage
13 applications from applicants who would otherwise not adequately be
14 represented in the graduate student and faculty populations. Each
15 public university shall apply the percentage change applicable to
16 every public university in the calculation of appropriations in
17 section 236 to the amount of funds allocated to the future faculty
18 program.

19 (2) The program shall be administered by each public
20 university in a manner prescribed by the workforce development
21 agency. The workforce development agency shall use a good faith
22 effort standard to evaluate whether a fellowship is in default.

23 Sec. 277. (1) Included in the appropriation for fiscal year
24 ~~2014-2015-2015-2016~~ for each public university in section 236 is
25 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
26 college day program that is intended to introduce academically or
27 economically disadvantaged schoolchildren to the potential of a



1 college education. Preference may not be given to participants on
2 the basis of race, color, ethnicity, gender, or national origin.
3 Public universities should encourage participation from those who
4 would otherwise not adequately be represented in the student
5 population.

6 (2) Individual program plans of each public university shall
7 include a budget of equal contributions from this program, the
8 participating public university, the participating school district,
9 and the participating independent degree-granting college. College
10 day funds shall not be expended to cover indirect costs. Not more
11 than 20% of the university match shall be attributable to indirect
12 costs. Each public university shall apply the percentage change
13 applicable to every public university in the calculation of
14 appropriations in section 236 to the amount of funds allocated to
15 the college day program.

16 (3) The program described in this section shall be
17 administered by each public university in a manner prescribed by
18 the workforce development agency.

19 Sec. 278. (1) Included in section 236 for fiscal year ~~2014-~~
20 ~~2015-2015-2016~~ is funding for the Martin Luther King, Jr. - Cesar
21 Chavez - Rosa Parks select student support services program for
22 developing academically or economically disadvantaged student
23 retention programs for 4-year public and independent educational
24 institutions in this state. Preference may not be given to
25 participants on the basis of race, color, ethnicity, gender, or
26 national origin. Institutions should encourage participation from
27 those who would otherwise not adequately be represented in the



1 student population.

2 (2) An award made under this program to any 1 institution
3 shall not be greater than \$150,000.00, and the amount awarded shall
4 be matched on a 70% state, 30% college or university basis.

5 (3) The program described in this section shall be
6 administered by the workforce development agency.

7 Sec. 279. (1) Included in section 236 for fiscal year ~~2014-~~
8 ~~2015-~~**2015-2016** is funding for the Martin Luther King, Jr. - Cesar
9 Chavez - Rosa Parks college/university partnership program between
10 4-year public and independent colleges and universities and public
11 community colleges, which is intended to increase the number of
12 academically or economically disadvantaged students who transfer
13 from community colleges into baccalaureate programs. Preference may
14 not be given to participants on the basis of race, color,
15 ethnicity, gender, or national origin. Institutions should
16 encourage participation from those who would otherwise not
17 adequately be represented in the transfer student population.

18 (2) The grants shall be made under the program described in
19 this section to Michigan public and independent colleges and
20 universities. An award to any 1 institution shall not be greater
21 than \$150,000.00, and the amount awarded shall be matched on a 70%
22 state, 30% college or university basis.

23 (3) The program described in this section shall be
24 administered by the workforce development agency.

25 Sec. 280. (1) Included in the appropriation for fiscal year
26 ~~2014-~~~~2015-~~**2015-2016** for each public university in section 236 is
27 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks



1 visiting professors program which is intended to increase the
2 number of instructors in the classroom to provide role models for
3 academically or economically disadvantaged students. Preference may
4 not be given to participants on the basis of race, color,
5 ethnicity, gender, or national origin. Public universities should
6 encourage participation from those who would otherwise not
7 adequately be represented in the student population.

8 (2) The program described in this section shall be
9 administered by the workforce development agency.

10 Sec. 281. (1) Included in the appropriation for fiscal year
11 ~~2014-2015-2015-2016~~ in section 236 is funding under the Martin
12 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
13 Morris Hood, Jr. educator development program which is intended to
14 increase the number of academically or economically disadvantaged
15 students who enroll in and complete K-12 teacher education programs
16 at the baccalaureate level. Preference may not be given to
17 participants on the basis of race, color, ethnicity, gender, or
18 national origin. Institutions should encourage participation from
19 those who would otherwise not adequately be represented in the
20 teacher education student population.

21 (2) The program described in this section shall be
22 administered by each state-approved teacher education institution
23 in a manner prescribed by the workforce development agency.

24 (3) Approved teacher education institutions may and are
25 encouraged to use student support services funding in coordination
26 with the Morris Hood, Jr. funding to achieve the goals of the
27 program described in this section.



1 Sec. 282. Each institution receiving funds **FOR FISCAL YEAR**
 2 **2015-2016** under section 278, 279, or 281 shall notify the workforce
 3 development agency by April 15, ~~of each year 2016~~ as to whether it
 4 will expend by the end of its fiscal year the funds received under
 5 section 278, 279, or 281. Notwithstanding the award limitations in
 6 sections 278 and 279, the amount of funding reported as not being
 7 expended will be reallocated to the institutions that intend to
 8 expend all funding received under section 278, 279, or 281.

9 Sec. 283. (1) From the amount appropriated in section 236, the
 10 public universities shall **USE THE P-20 LONGITUDINAL DATA SYSTEM TO**
 11 systematically inform Michigan high schools regarding the academic
 12 status of students from each high school in a manner prescribed by
 13 ~~the presidents council, state universities~~ **PRESIDENTS COUNCIL,**
 14 **STATE UNIVERSITIES** of Michigan in cooperation with the Michigan
 15 ~~association of secondary school principals.~~ **ASSOCIATION OF**
 16 **SECONDARY SCHOOL PRINCIPALS.** Public universities shall also work
 17 with the center for educational performance and information to
 18 maintain a systematic approach for accomplishing this task.

19 (2) Michigan high schools shall systematically inform the
 20 public universities about the use of information received under
 21 this section in a manner prescribed by the Michigan ~~association of~~
 22 ~~secondary school principals~~ **ASSOCIATION OF SECONDARY SCHOOL**
 23 **PRINCIPALS** in cooperation with the ~~presidents council, state~~
 24 ~~universities~~ **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan.

25 Sec. 284. From the amount appropriated in section 236, the
 26 public universities shall **USE THE P-20 LONGITUDINAL DATA SYSTEM TO**
 27 inform Michigan community colleges regarding the academic status of



1 community college transfer students in a manner prescribed by the
 2 ~~presidents council, state universities~~ **PRESIDENTS COUNCIL, STATE**
 3 **UNIVERSITIES** of Michigan in cooperation with the Michigan ~~community~~
 4 ~~college association.~~ **COMMUNITY COLLEGE ASSOCIATION.** Public
 5 universities shall also work with the center for educational
 6 performance and information to maintain a systematic approach for
 7 accomplishing this task.

8 Sec. 286. ~~It is the intent of the legislature that public~~
 9 **PUBLIC** universities **SHALL** work with community colleges in the state
 10 to implement statewide reverse transfer agreements to increase the
 11 number of students that are awarded credentials of value upon
 12 completion of the necessary credits. ~~It is the intent of the~~
 13 ~~legislature that these~~ **THESE** statewide agreements shall enable
 14 students who have earned a significant number of credits at a
 15 community college and transfer to a baccalaureate granting
 16 institution before completing a degree to transfer the credits
 17 earned at the baccalaureate institution back to the community
 18 college in order to be awarded a credential of value.

19 Enacting section 1. (1) In accordance with section 30 of
 20 article I of the state constitution of 1963, total state spending
 21 on school aid under article I of the state school aid act of 1979,
 22 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory
 23 act, from state sources for fiscal year 2015-2016 is estimated at
 24 \$12,133,699,700.00 and state appropriations for school aid to be
 25 paid to local units of government for fiscal year 2015-2016 are
 26 estimated at \$11,958,745,200.00.

27 (2) In accordance with section 30 of article IX of the state



1 constitution of 1963, total state spending from state sources for
2 community colleges for fiscal year 2015-2016 under article II of
3 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to
4 388.1830, as amended by this amendatory act, is estimated at
5 \$392,596,800.00 and the amount of that state spending from state
6 sources to be paid to local units of government for fiscal year
7 2015-2016 is estimated at \$392,596,800.00.

8 (3) In accordance with section 30 of article IX of the state
9 constitution of 1963, total state spending from state sources for
10 higher education for fiscal year 2015-2016 under article III of the
11 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893,
12 as amended by this amendatory act, is estimated at
13 \$1,429,497,200.00 and the amount of that state spending from state
14 sources to be paid to local units of government for fiscal year
15 2015-2016 is estimated at \$0.00.

16 Enacting section 2. Sections 12, 20g, 22f, 22i, 22j, 31b, 32r,
17 41, 64b, 64c, 64d, 74a, 107, 147d, 259, 262a, 273, 274a, and 293 of
18 the state school aid act of 1979, 1979 PA 94, MCL 388.1612,
19 388.1620g, 388.1622f, 388.1622i, 388.1622j, 388.1631b, 388.1632r,
20 388.1641, 388.1664b, 388.1664c, 388.1664d, 388.1674a, 388.1707,
21 388.1747d, 388.1859, 388.1862a, 388.1873, 388.1874a, and 388.1893,
22 are repealed effective October 1, 2015.

23 Enacting section 3. (1) Except as otherwise provided in
24 subsection (2), this amendatory act takes effect October 1, 2015.

25 (2) Sections 18a and 95a of the state school aid act of 1979,
26 1979 PA 94, MCL 388.1618a and 388.1695a, as amended by this
27 amendatory act, take effect upon enactment of this amendatory act.

