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Fiscal Years 2021 and 2022
Executive Budget Recommendation
Education Budget

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 2, 3, 6, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 20, 20d, 20f, 21h, 22a,
22b, 22d, 22m, 22p, 24, 24a, 26a, 26b, 26c, 28, 31a, 31d, 31f, 31j, 31n, 32d, 32p, 35a, 39,
39a, 41, 51a, 51c, 51d, 51f, 53a, 54, 54b, 54d, 56, 61a, 61b, 61d, 62, 65, 67, 74, 81, 94,
94a, 98, 99h, 99s, 101, 104, 107, 147, 147a, 147c, 147e, 152a, 163, 201, 202a, 203, 204,
205, 206, 207a, 207b, 207c, 209, 209a, 217, 225, 226, 229a, 230, 236, 236b, 236c, 237b,
241, 242, 245, 245a, 252, 256, 263, 264, 265, 265a, 265b, 267, 268, 269, 270, 276, 277,
278, 279, 280, 281, 282, and 289 (MCL 388.1602, 388.1603, 388.1606, 388.1611, 388.1611a,
388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1618, 388.1620, 388.1620d,
388.1620f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622m, 388.1622p, 388.1624,
388.1624a, 388.1626a, 388.1626b, 388.1626c, 388.1628, 388.1631a, 388.1631d, 388.1631f,
388.1631j, 388.1631n, 388.1632d, 388.1632p, 388.1635a, 388.1639, 388.1639a, 388.1641,

1 388.1651a, 388.1651c, 388.1651d, 388.1651f, 388.1653a, 388.1654, 388.1654b, 388.1654d,
2 388.1656, 388.1661a, 388.1661b, 388.1661d, 388.1662, 388.1665, 388.1667, 388.1674,
3 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1701, 388.1704,
4 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1752a, 388.1763, 388.1801,
5 388.1802a, 388.1803, 388.1804, 388.1805, 388.1806, 388.1807a, 388.1807b, 388.1807c,
6 388.1809, 388.1809a, 388.1817, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836,
7 388.1836b, 388.1836c, 388.1837b, 388.1841, 388.1842, 388.1845, 388.1845a, 388.1852,
8 388.1856, 388.1863, 388.1864, 388.1865, 388.1865a, 388.1865b, 388.1867, 388.1868, 388.1869,
9 388.1870, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, and
10 388.1889), section 2 as amended by PA 227 of 2018, sections 3, 203, and 237b as amended by
11 PA 108 of 2017, sections 6, 11a, 11j, 11k, 11m, 11s, 15, 18, 20d, 20f, 21h, 22a, 22m, 22p,
12 24, 24a, 26a, 26b, 26c, 31d, 31f, 31n, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b,
13 54d, 56, 61a, 61b, 61d, 62, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 101, 104, 107, 147,
14 147a, 147c, 147e, and 152a as amended and sections 28 and 51f as added by PA 58 of 2019,
15 sections 11, 20, 22b, 22d, 31a, 35a, 236 and 252 as amended by PA 162 of 2019, section 31j
16 as amended by PA 586 of 2018, section 163 as amended by PA 266 of 2018, sections 201, 206,
17 207a, 207b, 207c, 209, 209a, 217, 225, 229a, and 230 as amended by PA 52 of 2019, section
18 202a as amended by PA 249 of 2016, sections 204, 205, and 242 as amended by PA 201 of 2012,
19 section 226 as amended by PA 265 of 2018, sections 236b, 236c, 241, 245, 245a, 256, 263,
20 264, 265, 265a, 265b, 267, 268, 269, 270, 276, 277, 278, 279, 280, 281, 282, and 289 as
21 amended by PA 62 of 2019, and by adding sections 20m, 22q, 31k, 32s, 97a, 98a, 98b, 98c,
22 231, 248, and 248a; and to repeal acts and parts of acts.

23
24 The People of the State of Michigan Enact:

25 Article I
26 State Aid to Public Schools, Early Childhood, and Adult Education

27
28 Sec. 2. As used in this article, ~~and article IV, and article V,~~ the words and phrases
29 defined in sections 3 to 6 have the meanings ascribed to them in those sections.

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

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

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

4 (4) "Community district" means a school district organized under part 5b of the
5 revised school code.

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

11 (6) "Department", ~~except in section 107,~~ **as otherwise provided in this article**, means
12 the department of education.

13 (7) "District" means a local school district established under the revised school
14 code or, except in sections 6(4), 6(6), 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a
15 public school academy. Except in section 20, district also includes a community district.

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

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

27 Sec. 6. (1) "Center program" means a program operated by a district or by an
28 intermediate district for special education pupils from several districts in programs for
29 pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with
30 moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing
31 impairment, pupils with visual impairment, and pupils with physical impairment or other
32 health impairment. Programs for pupils with emotional impairment housed in buildings that

1 do not serve regular education pupils also qualify. Unless otherwise approved by the
2 department, a center program either serves all constituent districts within an intermediate
3 district or serves several districts with less than 50% of the pupils residing in the
4 operating district. In addition, special education center program pupils placed part-time
5 in noncenter programs to comply with the least restrictive environment provisions of
6 section 1412 of the individuals with disabilities education act, 20 USC 1412, may be
7 considered center program pupils for pupil accounting purposes for the time scheduled in
8 either a center program or a noncenter program.

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

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

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

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

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

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

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

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

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

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

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

31 (h) For the purposes of this section and section 6a, for a cyber school, as defined
32 in section 551 of the revised school code, MCL 380.551, that is in compliance with section

1 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber
2 school's educational program is considered regular daily attendance, and for a district or
3 public school academy, a pupil's participation in a virtual course as defined in section
4 21f is considered regular daily attendance. For the purposes of this subdivision, for a
5 pupil enrolled in a cyber school and utilizing sequential learning, participation means
6 that term as defined in the pupil accounting manual, section 5-o-d: requirements for
7 counting pupils in membership-subsection 10.

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

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

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

24 (j) If a district is the authorizing body for a public school academy, then, in the
25 first school year in which pupils are counted in membership on the pupil membership count
26 day in the public school academy, the determination of the district's membership excludes
27 from the district's pupil count for the immediately preceding supplemental count day any
28 pupils who are counted in the public school academy on that first pupil membership count
29 day who were also counted in the district on the immediately preceding supplemental count
30 day.

31 (k) For an extended school year program approved by the superintendent, a pupil
32 enrolled, but not scheduled to be in regular daily attendance, on a pupil membership count

1 day, is counted in membership.

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

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

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

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

15 (B) Had dropped out of school.

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

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

23 (m) An individual who has achieved a high school diploma is not counted in
24 membership. An individual who has achieved a high school equivalency certificate is not
25 counted in membership unless the individual is a student with a disability as defined in R
26 340.1702 of the Michigan Administrative Code. An individual participating in a job training
27 program funded under former section 107a or a jobs program funded under former section
28 107b, administered by the department of labor and economic opportunity, or participating in
29 any successor of either of those 2 programs, is not counted in membership.

30 (n) If a pupil counted in membership in a public school academy is also educated by a
31 district or intermediate district as part of a cooperative education program, the pupil is
32 counted in membership only in the public school academy unless a written agreement signed

1 by all parties designates the party or parties in which the pupil is counted in membership,
2 and the instructional time scheduled for the pupil in the district or intermediate district
3 is included in the full-time equated membership determination under subdivision (q) and
4 section 101. However, for pupils receiving instruction in both a public school academy and
5 in a district or intermediate district but not as a part of a cooperative education
6 program, the following apply:

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

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

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

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

27 (q) The number of class hours used to calculate full-time equated memberships must be
28 consistent with section 101. In determining full-time equated memberships for pupils who
29 are enrolled in a postsecondary institution or for pupils engaged in an internship or work
30 experience under section 1279h of the revised school code, MCL 380.1279h, a pupil is not
31 considered to be less than a full-time equated pupil solely because of the effect of his or
32 her postsecondary enrollment or engagement in the internship or work experience, including

1 necessary travel time, on the number of class hours provided by the district to the pupil.

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

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

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

27 (u) If, as a result of a disciplinary action, a district determines through the
28 district's alternative or disciplinary education program that the best instructional
29 placement for a pupil is in the pupil's home or otherwise apart from the general school
30 population, if that placement is authorized in writing by the district superintendent and
31 district alternative or disciplinary education supervisor, and if the district provides
32 appropriate instruction as described in this subdivision to the pupil at the pupil's home

1 or otherwise apart from the general school population, the district may count the pupil in
2 membership on a pro rata basis, with the proration based on the number of hours of
3 instruction the district actually provides to the pupil divided by the number of hours
4 required under section 101 for full-time equivalency. For the purposes of this subdivision,
5 a district is considered to be providing appropriate instruction if all of the following
6 are met:

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

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

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

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

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

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

29 (x) If a district's membership for a particular fiscal year, as otherwise calculated
30 under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer
31 pupils per square mile, as determined by the department, and if the district does not
32 receive funding under section 22d(2), the district's membership is considered to be the

1 membership figure calculated under this subdivision. If a district educates and counts in
2 its membership pupils in grades 9 to 12 who reside in a contiguous district that does not
3 operate grades 9 to 12 and if 1 or both of the affected districts request the department to
4 use the determination allowed under this sentence, the department shall include the square
5 mileage of both districts in determining the number of pupils per square mile for each of
6 the districts for the purposes of this subdivision. **If a district has established a**
7 **community engagement advisory committee in partnership with the department of treasury and**
8 **if the district is required to submit a deficit elimination plan or an enhanced deficit**
9 **elimination plan under section 1220 of the revised school code, MCL 380.1220, the**
10 **district's membership is considered to be the membership figure calculated under this**
11 **subdivision.** The membership figure calculated under this subdivision is the greater of the
12 following:

13 (i) The average of the district's membership for the 3-fiscal-year period ending with
14 that fiscal year, calculated by adding the district's actual membership for each of those 3
15 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those
16 3 membership figures by 3.

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

19 (y) Full-time equated memberships for special education pupils who are not enrolled
20 in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan
21 Administrative Code are determined by dividing the number of class hours scheduled and
22 provided per year by 450. Full-time equated memberships for special education pupils who
23 are not enrolled in kindergarten but are receiving early childhood special education
24 services under R 340.1755 or R 340.1862 of the Michigan Administrative Code are determined
25 by dividing the number of hours of service scheduled and provided per year per-pupil by
26 180.

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

31 (aa) For the first year in which a pupil is counted in membership on the pupil
32 membership count day in a middle college program, the membership is the average of the

1 full-time equated membership on the pupil membership count day and on the supplemental
2 count day for the current school year, as determined by the department. If a pupil
3 described in this subdivision was counted in membership by the operating district on the
4 immediately preceding supplemental count day, the pupil is excluded from the district's
5 immediately preceding supplemental count for the purposes of determining the district's
6 membership.

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

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

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

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

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

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

3 (ff) If a public school academy that is not in its first or second year of operation
4 closes at the end of a school year and does not reopen for the next school year, the
5 department shall adjust the membership count of the district or other public school academy
6 in which a former pupil of the closed public school academy enrolls and is in regular daily
7 attendance for the next school year to ensure that the district or other public school
8 academy receives the same amount of membership aid for the pupil as if the pupil were
9 counted in the district or other public school academy on the supplemental count day of the
10 preceding school year.

11 (gg) If a special education pupil is expelled under section 1311 or 1311a of the
12 revised school code, MCL 380.1311 and 380.1311a, and is not in attendance on the pupil
13 membership count day because of the expulsion, and if the pupil remains enrolled in the
14 district and resumes regular daily attendance during that school year, the district's
15 membership is adjusted to count the pupil in membership as if he or she had been in
16 attendance on the pupil membership count day.

17 (hh) A pupil enrolled in a community district is counted in membership in the
18 community district.

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

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

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

29 (ii) The course in which the pupil is enrolled would meet the definition of an
30 eligible course under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
31 388.524, if the course were provided by an eligible postsecondary institution under that
32 act.

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

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

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

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

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

22 (i) If the district's or public school academy's membership for pupils counted under
23 section 166b equals or exceeds 5% of the district's or public school academy's membership
24 for pupils not counted in membership under section 166b in the immediately preceding fiscal
25 year, then the growth in the district's or public school academy's membership for pupils
26 counted under section 166b must not exceed 10%.

27 (ii) If the district's or public school academy's membership for pupils counted under
28 section 166b is less than 5% of the district's or public school academy's membership for
29 pupils not counted in membership under section 166b in the immediately preceding fiscal
30 year, then the district's or public school academy's membership for pupils counted under
31 section 166b must not exceed the greater of the following:

32 (A) 5% of the district's or public school academy's membership for pupils not counted

1 in membership under section 166b.

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

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

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

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

14 (a) A nonpublic part-time pupil enrolled in grades K to 12 in accordance with section
15 166b.

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

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

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

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

25 (f) A pupil who has made an official written complaint or whose parent or legal
26 guardian has made an official written complaint to law enforcement officials and to school
27 officials of the pupil's district of residence that the pupil has been the victim of a
28 criminal sexual assault or other serious assault, if the official complaint either
29 indicates that the assault occurred at school or that the assault was committed by 1 or
30 more other pupils enrolled in the school the pupil would otherwise attend in the district
31 of residence or by an employee of the district of residence. A person who intentionally
32 makes a false report of a crime to law enforcement officials for the purposes of this

1 subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL
2 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

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

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

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

31 (l) A pupil enrolled in a district other than the pupil's district of residence in a
32 middle college program if the pupil's district of residence and the enrolling district are

1 both constituent districts of the same intermediate district.

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

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

6 (o) A pupil who enrolls in a district other than the pupil's district of residence as
7 a result of the pupil's school not making adequate yearly progress under the no child left
8 behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-
9 95.

10 However, if a district educates pupils who reside in another district and if the
11 primary instructional site for those pupils is established by the educating district after
12 2009-2010 and is located within the boundaries of that other district, the educating
13 district must have the approval of that other district to count those pupils in membership.

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

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

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

22 (i) Fourth Wednesday in July.

23 (ii) First Wednesday in October.

24 (iii) Second Wednesday in February.

25 (iv) Fourth Wednesday in April.

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

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

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

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

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

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

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

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

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

1 conducted under section 6a.

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

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

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

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

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

21 Sec. 11. (1) For the fiscal year ending September 30, ~~2020,~~**2021**, there is
22 appropriated for the public schools of this state and certain other state purposes relating
23 to education the sum of ~~\$13,287,765,000.00~~**\$13,957,858,500.00** from the state school aid
24 fund, the sum of ~~\$62,620,000.00~~**\$80,000,000.00** from the general fund, an amount not to
25 exceed ~~\$75,400,000.00~~**\$78,400,000.00** from the community district education trust fund
26 created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, ~~an amount~~
27 ~~not to exceed \$1,900,000.00 from the MPSERS retirement obligation reform reserve fund,~~ and
28 an amount not to exceed \$100.00 from the water emergency reserve fund. In addition, all
29 available federal funds are appropriated for the fiscal year ending September 30, ~~2020-~~
30 **2021.**

31 (2) The appropriations under this section are allocated as provided in this article.
32 Money appropriated under this section from the general fund must be expended to fund the

1 purposes of this article before the expenditure of money appropriated under this section
2 from the state school aid fund.

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

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

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

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

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

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

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

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

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

25 (6) If the maximum amount appropriated under section 11 from the state school aid
26 fund for a fiscal year exceeds the amount available for expenditure from the state school
27 aid fund for that fiscal year, there is appropriated from the school aid stabilization fund
28 to the state school aid fund an amount equal to the projected shortfall as determined by
29 the department of treasury, but not to exceed available money in the school aid
30 stabilization fund. If the money in the school aid stabilization fund is insufficient to
31 fully fund an amount equal to the projected shortfall, the state budget director shall
32 notify the legislature as required under section 296(2) and state payments in an amount

1 equal to the remainder of the projected shortfall must be prorated in the manner provided
2 under section 296(3).

3 (7) For ~~2019-2020, 2020-2021~~, in addition to the appropriations in section 11, there
4 is appropriated from the school aid stabilization fund to the state school aid fund the
5 amount necessary to fully fund the allocations under this article.

6 Sec. 11j. From the appropriation in section 11, there is allocated an amount not to
7 exceed \$111,000,000.00 for ~~2019-2020-2020-2021~~ for payments to the school loan bond
8 redemption fund in the department of treasury on behalf of districts and intermediate
9 districts. Notwithstanding section 296 or any other provision of this act, funds allocated
10 under this section are not subject to proration and must be paid in full.

11 Sec. 11k. For ~~2019-2020, 2020-2021~~, there is appropriated from the general fund to
12 the school loan revolving fund an amount equal to the amount of school bond loans assigned
13 to the Michigan finance authority, not to exceed the total amount of school bond loans held
14 in reserve as long-term assets. As used in this section, "school loan revolving fund" means
15 that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL
16 141.1066c.

17 Sec. 11m. From the appropriation in section 11, there is allocated for ~~2018-2019 an~~
18 ~~amount not to exceed \$57,000,000.00 and there is allocated for 2019-2020-2020-2021 an~~
19 amount not to exceed \$66,000,000.00 for fiscal year cash-flow borrowing costs solely
20 related to the state school aid fund established by section 11 of article IX of the state
21 constitution of 1963.

22 Sec. 11s. (1) From the state school aid fund money appropriated in section 11, there
23 is allocated ~~\$8,075,000.00~~ **\$5,000,000.00 for 2020-2021 and from the general fund money**
24 **appropriated in section 11, there is allocated \$3,075,000.00** for ~~2019-2020-2020-2021~~ for
25 the purpose of providing services and programs to children who reside within the boundaries
26 of a district with the majority of its territory located within the boundaries of a city
27 for which an executive proclamation of emergency is issued in the current or immediately
28 preceding ~~3-5~~ fiscal years under the emergency management act, 1976 PA 390, MCL 30.401 to
29 30.421. From the funding appropriated in section 11, there is allocated for ~~2019-2020-2020-~~
30 **2021** \$100.00 from the water emergency reserve fund for the purposes of this section.

31 (2) From the **general fund** allocation in subsection (1), there is allocated to a
32 district with the majority of its territory located within the boundaries of a city in

1 which an executive proclamation of emergency is issued in the current or immediately
2 preceding ~~4-5~~ fiscal years and that has at least 4,500 pupils in membership for the 2016-
3 2017 fiscal year or has at least ~~4,000-3,000~~ pupils in membership for a fiscal year after
4 2016-2017, an amount not to exceed \$2,425,000.00 for ~~2019-2020-2020-2021~~ for the purpose of
5 employing school nurses, classroom aides, and school social workers. The district shall
6 provide a report to the department in a form, manner, and frequency prescribed by the
7 department. The department shall provide a copy of that report to the governor, the house
8 and senate school aid subcommittees, the house and senate fiscal agencies, and the state
9 budget director within 5 days after receipt. The report must provide at least the following
10 information:

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

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

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

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

16 (3) For ~~2019-2020-2020-2021~~ only, from the **state school aid fund** allocation in
17 subsection (1), there is allocated an amount not to exceed ~~\$4,000,000.00~~ **\$2,400,000.00** to
18 an intermediate district that has a constituent district described in subsection (2) to
19 provide state early intervention services for children described in subsection (1) who are
20 between age 3 and age 5. The intermediate district shall use these funds to provide state
21 early intervention services that are similar to the services described in the early on
22 Michigan state plan, including ensuring that all children described in subsection (1) who
23 are less than 4 years of age as of September 1, 2016 are assessed and evaluated at least
24 twice annually.

25 (4) From the **state school aid fund** allocation in subsection (1), there is allocated
26 an amount not to exceed \$1,000,000.00 for ~~2019-2020-2020-2021~~ to the intermediate district
27 described in subsection (3) to enroll children described in subsection (1) in school-day
28 great start readiness programs, regardless of household income eligibility requirements
29 contained in section 32d. The department shall administer this funding consistent with all
30 other provisions that apply to great start readiness programs under sections 32d and 39.

31 (5) For ~~2019-2020-2020-2021~~, from the **general fund** allocation in subsection (1),
32 there is allocated an amount not to exceed \$650,000.00 for nutritional services to children

1 described in subsection (1).

2 **(6) For 2020-2021, from the state school aid fund allocation in subsection (1), there**
3 **is allocated an amount not to exceed \$1,600,000.00 to the intermediate district described**
4 **in subsection (3) for interventions and supports for students in kindergarten through**
5 **twelfth grade who were impacted by the drinking water proclamation of emergency described**
6 **in subsection (1). Funds must be used for behavioral supports, social workers, counselors,**
7 **psychologists, nursing services including vision and hearing services, transportation**
8 **services, parental engagement, community coordination, and other support services.**

9 **(7) ~~(6)~~**—In addition to other funding allocated and appropriated in this section,
10 there is appropriated an amount not to exceed \$5,000,000.00 for ~~2019-2020~~**2020-2021** for
11 state restricted contingency funds. These contingency funds are not available for
12 expenditure until they have been transferred to a section within this article under section
13 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

14 **(8) ~~(7)~~**—Notwithstanding section 17b, the department shall make payments under this
15 section on a schedule determined by the department.

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

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

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

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

32 (5) The department may conduct audits, or may direct audits by designee of the

1 department, for the current fiscal year and the immediately preceding fiscal year of all
2 records related to a program for which a district or intermediate district has received
3 funds under this article.

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

7 (7) In addition to funds appropriated in section 11 for all programs and services,
8 there is appropriated for ~~2019-2020~~ **2020-2021** for obligations in excess of applicable
9 appropriations an amount equal to the collection of overpayments, but not to exceed amounts
10 available from overpayments.

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

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

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

31 (b) Using data that have already been collected and submitted to the department, a
32 summary of district expenditures for the most recent fiscal year for which they are

1 available, expressed in the following 2 visual displays:

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

3 (A) Salaries and wages.

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

6 (C) Retirement benefit costs.

7 (D) All other personnel costs.

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

9 (A) Instruction.

10 (B) Support services.

11 (C) Business and administration.

12 (D) Operations and maintenance.

13 (c) Links to all of the following:

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

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

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

20 (iv) The bids required under section 5 of the public employees health benefit act,
21 2007 PA 106, MCL 124.75.

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

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

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

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

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

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

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

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

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

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

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

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

29 (b) If a district operates in a single building with fewer than 700 full-time equated
30 pupils, if the district has stable membership, and if the error rate of the immediately
31 preceding 2 pupil accounting field audits of the district is less than 2%, the district may
32 have a pupil accounting field audit conducted biennially but must continue to have desk

1 audits for each pupil count. The auditor must document compliance with the audit cycle in
2 the pupil auditing manual. As used in this subdivision, "stable membership" means that the
3 district's membership for the current fiscal year varies from the district's membership for
4 the immediately preceding fiscal year by less than 5%.

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

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

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

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

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

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

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

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

28 (5) By **the first business day in** November ~~1~~**of** each fiscal year, each district and
29 intermediate district shall submit to the center, in a manner prescribed by the center,
30 annual comprehensive financial data consistent with the district's or intermediate
31 district's audited financial statements and consistent with accounting manuals and charts
32 of accounts approved and published by the department. ~~For an intermediate district, the~~

1 ~~report must also contain the website address where the department can access the report~~
2 ~~required under section 620 of the revised school code, MCL 380.620.~~ The department shall
3 ensure that the prescribed Michigan public school accounting manual chart of accounts
4 includes standard conventions to distinguish expenditures by allowable fund function and
5 object. The functions must include at minimum categories for instruction, pupil support,
6 instructional staff support, general administration, school administration, business
7 administration, transportation, facilities operation and maintenance, facilities
8 acquisition, and debt service; and must include object classifications of salary, benefits,
9 including categories for active employee health expenditures, purchased services, supplies,
10 capital outlay, and other. A district shall report the required level of detail consistent
11 with the manual as part of the comprehensive annual financial report.

12 (6) By **the last business day in** September ~~30~~ of each year, each district and
13 intermediate district shall file with the center the special education actual cost report,
14 known as "SE-4096", on a form and in the manner prescribed by the center. An intermediate
15 district shall certify the audit of a district's report.

16 (7) By ~~October 7~~ **one week after the last business day in September** of each year, each
17 district and intermediate district shall file with the center the audited transportation
18 expenditure report, known as "SE-4094", on a form and in the manner prescribed by the
19 center. An intermediate district shall certify the audit of a district's report.

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

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

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

1 (5), (6), (7), and (12) by the end of the fiscal year, the district or intermediate
2 district forfeits the amount withheld.

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

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

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

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

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

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

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

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

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

3 Sec. 20. (1) For ~~2019-2020~~, **2020-2021**, both of the following apply:

4 (a) The target foundation allowance, formerly known as the basic foundation
5 allowance, is ~~\$8,529.00~~. **\$8,679.00**.

6 (b) The minimum foundation allowance is ~~\$8,111.00~~. **\$8,336.00**.

7 (2) The department shall calculate the amount of each district's foundation allowance
8 as provided in this section, using a target foundation allowance in the amount specified in
9 subsection (1). For the purpose of these calculations, a reference to the target foundation
10 allowance for a preceding fiscal year is equivalent to a reference to the "basic"
11 foundation allowance for that fiscal year.

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

15 (a) Except as otherwise provided in this subdivision, for a district that had a
16 foundation allowance for the immediately preceding fiscal year that was at least equal to
17 the minimum foundation allowance for the immediately preceding fiscal year, but less than
18 the target foundation allowance for the immediately preceding fiscal year, the district
19 receives a foundation allowance in an amount equal to the sum of the district's foundation
20 allowance for the immediately preceding fiscal year plus the difference between ~~twice one~~
21 **and a half times** the dollar amount of the adjustment from the immediately preceding fiscal
22 year to the current fiscal year made in the target foundation allowance and [(the
23 difference between the target foundation allowance for the current fiscal year and target
24 foundation allowance for the immediately preceding fiscal year minus ~~\$40.00~~ **\$50.00**) times
25 (the difference between the district's foundation allowance for the immediately preceding
26 fiscal year and the minimum foundation allowance for the immediately preceding fiscal year)
27 divided by the difference between the target foundation allowance for the current fiscal
28 year and the minimum foundation allowance for the immediately preceding fiscal year.]
29 However, the foundation allowance for a district that had less than the target foundation
30 allowance for the immediately preceding fiscal year must not exceed the target foundation
31 allowance for the current fiscal year.

32 (b) Except as otherwise provided in this subsection, for a district that in the

1 immediately preceding fiscal year had a foundation allowance in an amount equal to the
2 amount of the target foundation allowance for the immediately preceding fiscal year, the
3 district receives a foundation allowance for ~~2019-2020-2020-2021~~ in an amount equal to the
4 target foundation allowance for ~~2019-2020-~~**2020-2021**.

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

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

18 (4) Except as otherwise provided in this subsection, beginning in 2014-2015, the
19 state portion of a district's foundation allowance is an amount equal to the district's
20 foundation allowance or the target foundation allowance for the current fiscal year,
21 whichever is less, minus the local portion of the district's foundation allowance. For a
22 district described in subsection (3)(c), beginning in 2014-2015, the state portion of the
23 district's foundation allowance is an amount equal to \$6,962.00 plus the difference between
24 the district's foundation allowance for the current fiscal year and the district's
25 foundation allowance for 1998-99, minus the local portion of the district's foundation
26 allowance. For a district that has a millage reduction required under section 31 of article
27 IX of the state constitution of 1963, the department shall calculate the state portion of
28 the district's foundation allowance as if that reduction did not occur. For a receiving
29 district, if school operating taxes continue to be levied on behalf of a dissolved district
30 that has been attached in whole or in part to the receiving district to satisfy debt
31 obligations of the dissolved district under section 12 of the revised school code, MCL
32 380.12, the taxable value per membership pupil of property in the receiving district used

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

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

19 (6) Except as otherwise provided in this subsection, for pupils in membership, other
20 than special education pupils, in a public school academy, the allocation calculated under
21 this section is an amount per membership pupil other than special education pupils in the
22 public school academy equal to the foundation allowance of the district in which the public
23 school academy is located or the state maximum public school academy allocation, whichever
24 is less. Except as otherwise provided in this subsection, for pupils in membership, other
25 than special education pupils, in a public school academy that is a cyber school and is
26 authorized by a school district, the allocation calculated under this section is an amount
27 per membership pupil other than special education pupils in the public school academy equal
28 to the foundation allowance of the district that authorized the public school academy or
29 the state maximum public school academy allocation, whichever is less. However, for a
30 public school academy that had an allocation under this subsection before 2009-2010 that
31 was equal to the sum of the local school operating revenue per membership pupil other than
32 special education pupils for the district in which the public school academy is located and

1 the state portion of that district's foundation allowance, that allocation is not reduced
2 as a result of the 2010 amendment to this subsection. Notwithstanding section 101, for a
3 public school academy that begins operations after the pupil membership count day, the
4 amount per membership pupil calculated under this subsection must be adjusted by
5 multiplying that amount per membership pupil by the number of hours of pupil instruction
6 provided by the public school academy after it begins operations, as determined by the
7 department, divided by the minimum number of hours of pupil instruction required under
8 section 101(3). The result of this calculation must not exceed the amount per membership
9 pupil otherwise calculated under this subsection. **Beginning in 2020-2021, for pupils in**
10 **membership in a public school academy that was issued a contract under section 552 of the**
11 **revised school code, MCL 380.552, to operate as a school of excellence that is a cyber**
12 **school, the allocation calculated under this section shall be an amount equal to 80% of the**
13 **amount as would otherwise be calculated under this subsection for a public school academy.**

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

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

31 (9) The department shall round each fraction used in making calculations under this
32 section to the fourth decimal place and shall round the dollar amount of an increase in the

1 target foundation allowance to the nearest whole dollar.

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

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

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

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

30 (c) The index is calculated by multiplying the pupil membership factor by the revenue
31 adjustment factor. If a consensus index is not determined at the revenue estimating
32 conference, the principals of the revenue estimating conference shall report their

1 estimates to the house and senate subcommittees responsible for school aid appropriations
2 not later than 7 days after the conclusion of the revenue conference.

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

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

10 (14) For the purposes of section 1211 of the revised school code, MCL 380.1211, the
11 basic foundation allowance under this section is considered to be the target foundation
12 allowance under this section.

13 (15) As used in this section:

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

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

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

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

24 (e) "Dissolved district" means a district that loses its organization, has its
25 territory attached to 1 or more other districts, and is dissolved as provided under section
26 12 of the revised school code, MCL 380.12.

27 (f) "Immediately preceding fiscal year" means the fiscal year immediately preceding
28 the current fiscal year.

29 (g) "Local portion of the district's foundation allowance" means an amount that is
30 equal to the difference between (the sum of the product of the taxable value per membership
31 pupil of all property in the district that is nonexempt property times the district's
32 certified mills and, for a district with certified mills exceeding 12, the product of the

1 taxable value per membership pupil of property in the district that is commercial personal
2 property times the certified mills minus 12 mills) and (the quotient of the product of the
3 captured assessed valuation under tax increment financing acts times the district's
4 certified mills divided by the district's membership excluding special education pupils).

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

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

15 (j) "Maximum public school academy allocation", except as otherwise provided in this
16 subdivision, means the maximum per-pupil allocation as calculated by adding the highest
17 per-pupil allocation among all public school academies for the immediately preceding fiscal
18 year plus the difference between ~~twice one and a half~~ the amount of the difference between
19 the target foundation allowance for the current fiscal year and the target foundation
20 allowance for the immediately preceding fiscal year and [(the amount of the difference
21 between the target foundation allowance for the current fiscal year and the target
22 foundation allowance for the immediately preceding fiscal year minus ~~\$40.00~~ **\$50.00**) times
23 (the difference between the highest per-pupil allocation among all public school academies
24 for the immediately preceding fiscal year and the minimum foundation allowance for the
25 immediately preceding fiscal year) divided by the difference between the target foundation
26 allowance for the current fiscal year and the minimum foundation allowance for the
27 immediately preceding fiscal year.] For the purposes of this subdivision, for ~~2019-2020,~~
28 **2020-2021** the maximum public school academy allocation is ~~\$8,111.00.~~ **\$8,336.00.**

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

31 (l) "Nonexempt property" means property that is not a principal residence, qualified
32 agricultural property, qualified forest property, supportive housing property, industrial

1 personal property, commercial personal property, or property occupied by a public school
2 academy.

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

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

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

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

15 ~~(q) "Target foundation allowance for the immediately preceding fiscal year" means,~~
16 ~~for 2019-2020 only, the basic foundation allowance in effect for the 2018-2019 fiscal year.~~

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

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

24 Sec. 20d. In making the final determination required under former section 20a of a
25 district's combined state and local revenue per membership pupil in 1993-94 and in making
26 calculations under section 20 for ~~2019-2020, 2020-2021~~, the department and the department
27 of treasury shall comply with all of the following:

28 (a) For a district that had combined state and local revenue per membership pupil in
29 the 1994-95 fiscal year of \$6,500.00 or more and served as a fiscal agent for a state board
30 designated area vocational education center in the 1993-94 school year, total state school
31 aid received by or paid on behalf of the district under this act in 1993-94 excludes
32 payments made under former section 146 and under section 147 on behalf of the district's

1 employees who provided direct services to the area vocational education center. Not later
2 than June 30, 1996, the department shall make an adjustment under this subdivision to the
3 district's combined state and local revenue per membership pupil in the 1994-95 fiscal year
4 and the department of treasury shall make a final certification of the number of mills that
5 may be levied by the district under section 1211 of the revised school code, MCL 380.1211,
6 as a result of the adjustment under this subdivision.

7 (b) If a district had an adjustment made to its 1993-94 total state school aid that
8 excluded payments made under former section 146 and under section 147 on behalf of the
9 district's employees who provided direct services for intermediate district center programs
10 operated by the district under sections 51 to 56, if nonresident pupils attending the
11 center programs were included in the district's membership for purposes of calculating the
12 combined state and local revenue per membership pupil for 1993-94, and if there is a signed
13 agreement by all constituent districts of the intermediate district agreeing to an
14 adjustment under this subdivision, the department shall calculate the foundation allowances
15 for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate
16 district center program operated by the district that had the adjustment as if their
17 combined state and local revenue per membership pupil for 1993-94 included resident pupils
18 attending the center program and excluded nonresident pupils attending the center program.

19 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount
20 not to exceed \$18,000,000.00 for ~~2019-2020~~**2020-2021** for payments to eligible districts
21 under this section.

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

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

28 (b) The district's equity payment per membership pupil under former section 22c for
29 2013-2014.

30 (c) The quotient of the district's allocation under section 147a for 2012-2013
31 divided by the district's membership pupils for 2012-2013 minus the quotient of the
32 district's allocation under section 147a for 2013-2014 divided by the district's membership

1 pupils for 2013-2014.

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

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

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

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

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

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

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

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

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

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

26 (d) The quotient of the district's allocation under section 31a for 2015-2016 divided
27 by the district's membership pupils for 2015-2016 minus the quotient of the district's
28 allocation under section 31a for 2014-2015 divided by the district's membership pupils for
29 2014-2015.

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

1 Sec. 20m. (1) Foundation allowance supplemental payments for 2020-2021 to districts
2 that in the 2019-2020 fiscal year had a foundation allowance greater than \$8,529.00 shall
3 be calculated under this section.

4 (2) The per-pupil allocation to each district under this section shall be the
5 difference between the dollar amount of the adjustment from the 2019-2020 state fiscal year
6 to the current state fiscal year in the target foundation allowance minus the dollar amount
7 of the adjustment from the 2019-2020 fiscal year to the current state fiscal year in a
8 qualifying district's foundation allowance.

9 (3) If a district's local revenue per pupil does not exceed the sum of its foundation
10 allowance under section 20 plus the per-pupil allocation under subsection (2), the total
11 payment to the district calculated under this section shall be the product of the per-pupil
12 allocation under subsection (2) multiplied by the district's membership excluding special
13 education pupils. If a district's local revenue per pupil exceeds the foundation allowance
14 under section 20 but does not exceed the sum of the foundation allowance under section 20
15 plus the per-pupil allocation under subsection (2), the total payment to the district
16 calculated under this section shall be the product of the difference between the sum of the
17 foundation allowance under section 20 plus the per-pupil allocation under subsection (2)
18 minus the local revenue per pupil multiplied by the district's membership excluding special
19 education pupils. If a district's local revenue per pupil exceeds the sum of the foundation
20 allowance under section 20 plus the per-pupil allocation under subsection (2), there is no
21 payment calculated under this section for the district.

22 (4) Payments to districts shall not be made under this section. Rather, the
23 calculations under this section shall be made and used to determine the amount of state
24 payments under section 22b.

25 Sec. 21h. (1) From the appropriation in section 11, there is allocated \$6,000,000.00
26 for ~~2019-2020-2020-2021~~ for assisting districts assigned by the superintendent to
27 participate in a partnership to improve student achievement **and for assisting districts**
28 **demonstrating financial stress, as determined by the state treasurer.** The purpose of the
29 partnership is to identify district needs, develop intervention plans, and partner with
30 public, private, and nonprofit organizations to coordinate resources and improve student
31 achievement **and district financial stability. The superintendent shall collaborate with**
32 **state treasurer to identify any conditions that may be contributing to low academic**

1 **performance within a district being considered for assignment to a partnership.** Assignment
2 of a district to a partnership is ~~at the sole discretion of~~ **made by** the superintendent in
3 **consultation with the state treasurer.**

4 (2) A district assigned to a partnership by the superintendent **or a district that has**
5 **established a community engagement advisory committee in partnership with the department of**
6 **treasury** is eligible for funding under this section if the district includes at least 1
7 school ~~that has been rated with a grade of "F", or comparable performance rating, in the~~
8 ~~most recent state accountability system rating~~ **identified as low performing under the**
9 **approved federal accountability system or the state accountability system. A district**
10 **described in this subsection must do and that does** all of the following **to be eligible for**
11 **funding under this section:**

12 (a) ~~Completes~~ **Complete** a comprehensive needs **assessment or** evaluation, in
13 collaboration with an intermediate school district, community members, education
14 organizations, and postsecondary institutions, as applicable and approved by the
15 superintendent, within 90 days of assignment to the partnership described in this section
16 **or by October 15 of each year if the district has established a community engagement**
17 **advisory committee.** The comprehensive needs evaluation must include at least all of the
18 following:

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

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

23 (iii) A review of classroom, instructional, and operational practices and curriculum
24 to ensure alignment with research-based instructional practices and state curriculum
25 standards.

26 (b) ~~Develops~~ **Develop** an **academic and financial operating plan or** intervention plan
27 that has been approved by the superintendent and that addresses the needs identified in the
28 comprehensive needs evaluation completed under subdivision (a). The intervention plan must
29 include at least all of the following:

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

32 (ii) Specific measurable benchmarks that will be met within 18 months to improve

1 student achievement and identification of expected student achievement outcomes to be
2 attained within 3 years after assignment to the partnership.

3 (c) ~~Crafts~~**Craft** academic goals that put pupils on track to meet or exceed grade
4 level proficiency.

5 (3) Upon approval of the **academic and financial operating plan or** intervention plan
6 developed under subsection (2), the department, **in collaboration with the department of**
7 **treasury**, shall assign a team of individuals with expertise in comprehensive school and
8 district reform to partner with the district, the intermediate district, community
9 organizations, education organizations, and postsecondary institutions identified in the
10 **academic and financial operating plan or** intervention plan to review the district's use of
11 existing financial resources to ensure that those resources are being used as efficiently
12 and effectively as possible to improve student academic achievement **and to ensure district**
13 **financial stability**. The superintendent of public instruction may waive burdensome
14 administrative rules for a partnership district for the duration of the partnership
15 agreement **or for a district that receives funding under this section in the current fiscal**
16 **year that has established a community engagement advisory committee in partnership with the**
17 **department of treasury**.

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

26 (5) The department shall **collaborate with the department of treasury and** annually
27 report ~~in person~~ to the legislature on the activities funded under this section and how
28 those activities impacted student achievement in eligible districts that received funds
29 under this section. To the extent possible, participating districts receiving funding under
30 this section shall participate in the report. **This report shall also include a description**
31 **regarding the department's involvement in any community engagement advisory committee,**
32 **including a detailed justification if any decisions were made to not partner with a**

1 district seeking to create a community engagement advisory committee. If a determination is
2 made by the department of treasury that the department does not collaborate as required
3 under this section, the department shall include in the report under this section a
4 detailed justification as to why the collaboration did not occur.

5 Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not
6 to exceed ~~\$5,057,000,000.00~~ **\$4,839,000,000.00** for ~~2018-2019~~ and there is allocated an
7 ~~amount not to exceed \$4,943,000,000.00 for 2019-2020~~ **2020-2021** for payments to districts
8 and qualifying public school academies to guarantee each district and qualifying public
9 school academy an amount equal to its 1994-95 total state and local per pupil revenue for
10 school operating purposes under section 11 of article IX of the state constitution of 1963.
11 Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does
12 not apply to a district in a year in which the district levies a millage rate for school
13 district operating purposes less than it levied in 1994. However, subsection (2) applies to
14 calculating the payments under this section. **Funds allocated under this section that are**
15 **not expended in the state fiscal year for which they were allocated, as determined by the**
16 **department, may be used to supplement the allocations under sections 22b and 51c in order**
17 **to fully fund those calculated allocations for the same fiscal year.**

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

22 (a) Except as otherwise provided in this subsection, the state portion of a
23 district's 1994-95 foundation allowance is an amount equal to the district's 1994-95
24 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum
25 of the product of the taxable value per membership pupil of all property in the district
26 that is nonexempt property times the district's certified mills and, for a district with
27 certified mills exceeding 12, the product of the taxable value per membership pupil of
28 property in the district that is commercial personal property times the certified mills
29 minus 12 mills and the quotient of the ad valorem property tax revenue of the district
30 captured under tax increment financing acts divided by the district's membership. For a
31 district that has a millage reduction required under section 31 of article IX of the state
32 constitution of 1963, the department shall calculate the state portion of the district's

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

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

1 boundaries of the dissolved district under tax increment financing acts.

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

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

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

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

24 (6) ~~(7)~~—As used in this section:

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

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

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

32 (d) "Current year hold harmless school operating taxes per pupil" means the per pupil

1 revenue generated by multiplying a district's 1994-95 hold harmless millage by the
2 district's current year taxable value per membership pupil. For a receiving district, if
3 school operating taxes are to be levied on behalf of a dissolved district that has been
4 attached in whole or in part to the receiving district to satisfy debt obligations of the
5 dissolved district under section 12 of the revised school code, MCL 380.12, taxable value
6 per membership pupil does not include the taxable value of property within the geographic
7 area of the dissolved district.

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

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

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

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

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

1 MCL 380.1211.

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

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

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

9 (m) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the
10 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
11 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
12 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, or the corridor
13 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

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

16 (i) For the number of mills by which the exemption from the levy of school operating
17 taxes on a principal residence, qualified agricultural property, qualified forest property,
18 supportive housing property, industrial personal property, commercial personal property,
19 and property occupied by a public school academy may be reduced as provided in section 1211
20 of the revised school code, MCL 380.1211, the taxable value of principal residence,
21 qualified agricultural property, qualified forest property, supportive housing property,
22 industrial personal property, commercial personal property, and property occupied by a
23 public school academy for the calendar year ending in the current fiscal year. For a
24 receiving district, if school operating taxes are to be levied on behalf of a dissolved
25 district that has been attached in whole or in part to the receiving district to satisfy
26 debt obligations of the dissolved district under section 12 of the revised school code, MCL
27 380.12, mills do not include mills within the geographic area of the dissolved district.

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

1 debt obligations of the dissolved district under section 12 of the revised school code, MCL
2 380.12, school operating taxes do not include school operating taxes levied within the
3 geographic area of the dissolved district.

4 Sec. 22b. (1) For discretionary nonmandated payments to districts under this section,
5 there is allocated for ~~2019-2020-2020-2021~~ an amount not to exceed ~~\$4,480,600,000.00~~
6 **\$4,752,600,000.00** from the state school aid fund and general fund appropriations in section
7 11 and an amount not to exceed ~~\$75,400,000.00~~ **\$78,400,000.00** from the community district
8 education trust fund appropriation in section 11. **Except for money allocated from the**
9 **community district trust fund, money allocated under this section that is not expended in**
10 **the state fiscal year in which it was allocated, as determined by the department, may be**
11 **used to supplement the allocations under sections 22a and 51c in order to fully fund those**
12 **calculated allocations for the same fiscal year.**

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

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

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

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

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

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

32 (e) Comply with section 21f.

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

3 (g) For a district or public school academy that offers kindergarten, comply with
4 section 104(4).

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

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

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

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

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

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

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

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

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

28 Sec. 22d. (1) From the state school aid fund money appropriated under section 11, an
29 amount not to exceed \$7,000,000.00 is allocated for ~~2019-2020-2020-2021~~ for supplemental
30 payments to rural districts under this section.

31 (2) From the allocation under subsection (1), there is allocated for ~~2019-2020-2020-~~
32 **2021** an amount not to exceed \$957,300.00 for payments under this subsection to districts

1 that meet all of the following:

2 (a) Operates grades K to 12.

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

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

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

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

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

21 (4) Subject to subsection (6), from the allocation in subsection (1), there is
22 allocated for ~~2019-2020~~**2020-2021** an amount not to exceed \$6,042,700.00 for payments under
23 this subsection to districts that have fewer than 10.0 pupils per square mile as determined
24 by the department.

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

26 (a) An amount equal to \$5,200,000.00 is allocated to districts with fewer than 8.0
27 pupils per square mile, as determined by the department, on an equal per-pupil basis.

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

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

32 (ii) For districts with at least 9.0 but fewer than 10.0 pupils per square mile, as

1 determined by the department, the allocation is an amount per pupil equal to 50% of the
2 per-pupil amount allocated to districts under subdivision (a).

3 (c) If the total funding allocated under subdivision (b) is not sufficient to fully
4 fund payments as calculated under that subdivision, the department shall prorate payments
5 to districts under subdivision (b) on an equal per-pupil basis.

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

8 Sec. 22m. (1) From the appropriations in section 11, there is allocated for ~~2019-2020~~
9 **2020-2021** an amount not to exceed \$2,200,000.00 for supporting the integration of local
10 data systems into the Michigan data hub network based on common standards and applications
11 that are in compliance with section 19(6).

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

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

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

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

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

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

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

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

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

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

10 (d) Promoting 100% district adoption of the Michigan data hub network by September
11 30, ~~2020.~~ **2021.**

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

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

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

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

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

27 Sec. 22p. **(1)** In order to receive funding under section 22b, a district or public
28 school academy that ~~has~~ **is assigned by the superintendent of public instruction as a**
29 **partnership district must have** a signed partnership agreement with the department ~~must meet~~
30 ~~both of the following:~~ **that includes all of the following:**

31 (a) ~~Adopts a partnership agreement that includes measurable~~ **Measurable** academic
32 outcomes that will be achieved after 18 months and after 36 months from the date the

1 agreement was originally signed. Measurable academic outcomes under this subdivision must
2 include outcomes that put pupils on track to meet or exceed grade level proficiency and
3 must be based on district needs identified as required under section 21h **and must include**
4 **at least one proficiency or growth outcome based upon state assessments as defined in**
5 **section 104c.**

6 (b) ~~Adopts a partnership agreement that includes accountability~~ **Accountability**
7 measures to be imposed if the district or public school academy does not achieve the
8 measurable academic outcomes under subdivision (a) for a school subject to a partnership
9 agreement. Accountability measures under this subdivision ~~may~~ **shall** include ~~the closure of~~
10 ~~the school at the end of the current school year or~~ the reconstitution of the school. For a
11 public school academy that adopts a partnership agreement under this subdivision, the
12 agreement must include a requirement that if reconstitution is imposed on a school that is
13 operated by the public school academy and that is subject to the partnership agreement, the
14 school must be reconstituted as described in section 507 of the revised school code, MCL
15 380.507. For a district that adopts a partnership agreement under this subdivision, the
16 agreement must include a requirement that if reconstitution is imposed on a school that is
17 operated by the district and that is subject to the partnership agreement, all of the
18 following apply:

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

22 (ii) The district shall replace the principal of the school, unless the current
23 principal has been in place for less than 3 years and the board of the district determines
24 that it is in the best interests of the district to retain current school leadership.

25 (iii) The reconstitution plan for the school shall require the adoption of goals
26 similar to the goals included in a partnership agreement, with a limit of ~~5-3~~ years to
27 achieve the goals. If the goals are not achieved within ~~5-3~~ years, the superintendent of
28 public instruction shall ~~either impose a second reconstitution plan. on the school or close~~
29 ~~the school.~~

30 (2) **If a district or public school academy is assigned as a partnership district**
31 **during the current fiscal year, it must have a signed partnership agreement in place within**
32 **90 days of assignment or funding under section 22b will be withheld until such time that an**

1 agreement is in place.

2 Sec. 22q. (1) From the funds appropriated in section 11, there is allocated for 2020-
3 2021 only an amount not to exceed \$5,000,000.00 for competitive assistance grants to
4 districts and intermediate districts.

5 (2) Funds received under this section may be used for costs associated with
6 reorganization and cooperative activities between districts or between districts and
7 intermediate districts that occur on or after June 30, 2020. A district or intermediate
8 district is not eligible for funding under this section until a reorganization or
9 cooperative activity is approved by the school electors of the applicable districts or
10 intermediate districts. A recipient district or intermediate district may spend funds
11 allocated under this section over 3 fiscal years.

12 (3) The department shall collaborate with the department of treasury to develop an
13 application process and to determine grant recipients and award amounts under this section.

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

16 (5) The funds allocated under subsection (1) for 2020-2021 are a work project
17 appropriation, and any unexpended funds for 2020-2021 are carried forward into 2021-2022.
18 The purpose of the work project is to improve the efficiency of the state education system
19 through the support of reorganization and cooperative activities between districts or
20 between districts and intermediate districts. The estimated completion date of the work
21 project is September 30, 2023.

22 Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2019-2020~~
23 2020-2021 an amount not to exceed \$7,150,000.00 for payments to the educating district or
24 intermediate district for educating pupils assigned by a court or the department of health
25 and human services to reside in or to attend a juvenile detention facility or child caring
26 institution licensed by the department of health and human services and approved by the
27 department to provide an on-grounds education program. The amount of the payment under this
28 section to a district or intermediate district is calculated as prescribed under subsection
29 (2).

30 (2) The department shall allocate the total amount allocated under this section by
31 paying to the educating district or intermediate district an amount equal to the lesser of
32 the district's or intermediate district's added cost or the department's approved per-pupil

1 allocation for the district or intermediate district. For the purposes of this subsection:

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

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

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

24 (4) Special education pupils funded under section 53a are not funded under this
25 section.

26 Sec. 24a. From the appropriation in section 11, there is allocated an amount not to
27 exceed \$1,355,700.00 for ~~2019-2020~~**2020-2021** for payments to intermediate districts for
28 pupils who are placed in juvenile justice service facilities operated by the department of
29 health and human services. The amount of the payment to each intermediate district is an
30 amount equal to the state share of those costs that are clearly and directly attributable
31 to the educational programs for pupils placed in facilities described in this section that
32 are located within the intermediate district's boundaries. The intermediate districts

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

9 Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not
10 to exceed ~~\$14,000,000.00 for 2018-2019 and there is allocated an amount not to exceed~~
11 \$15,300,000.00 for ~~2019-2020~~**2020-2021** to reimburse districts and intermediate districts
12 pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for
13 taxes levied in ~~2018 and 2019, as applicable.~~**2020**. The department shall pay the
14 allocations not later than 60 days after the department of treasury certifies to the
15 department and to the state budget director that the department of treasury has received
16 all necessary information to properly determine the amounts due to each eligible recipient.

17 Sec. 26b. (1) From the appropriation in section 11, there is allocated an amount not
18 to exceed ~~\$4,420,100.00 for 2018-2019 and there is allocated an amount not to exceed~~
19 \$4,641,100.00 for ~~2019-2020~~**2020-2021** for payments to districts, intermediate districts,
20 and community college districts for the portion of the payment in lieu of taxes obligation
21 that is attributable to districts, intermediate districts, and community college districts
22 under section 2154 of the natural resources and environmental protection act, 1994 PA 451,
23 MCL 324.2154.

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

27 Sec. 26c. (1) From the appropriation in section 11, there is allocated an amount not
28 to exceed ~~\$3,400,000.00 for 2018-2019 and there is allocated an amount not to exceed~~
29 ~~\$8,400,000.00~~**\$9,700,000.00** for ~~2019-2020~~**2020-2021** to the promise zone fund created in
30 subsection (3). The funds allocated under this section reflect the amount of revenue from
31 the collection of the state education tax captured under section 17 of the Michigan promise
32 zone authority act, 2008 PA 549, MCL 390.1677.

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

9 (3) The promise zone fund is created as a separate account within the state school
10 aid fund to be used solely for the purposes of the Michigan promise zone authority act,
11 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

12 (a) The state treasurer shall direct the investment of the promise zone fund. The
13 state treasurer shall credit to the promise zone fund interest and earnings from fund
14 investments.

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

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

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

23 Sec. 28. (1) To recognize differentiated instructional costs for different types of
24 pupils in ~~2019-2020, 2020-2021~~ the following sections provide a weighted foundation
25 allocation or an additional payment of some type in the following amounts, as allocated
26 under those sections:

27 (a) Section 22d, isolated and rural districts, \$7,000,000.00.

28 (b) Section 31a, at risk, standard programming, ~~\$510,000,000.00.~~ **\$579,800,000.00.**

29 (c) Section 31a, at risk, additional payment, ~~\$12,000,000.00.~~ **\$2,200,000.00.**

30 (d) Section 41, bilingual education for English language learners, ~~\$16,000,000.00.~~
31 **\$18,000,000.00.**

32 (e) Section 51c, special education, mandated percentages, ~~\$689,100,000.00.~~

1 \$718,600,000.00.

2 (f) Section 51f, special education, additional percentages, ~~-\$60,207,000.00.~~

3 \$120,207,000.00.

4 (g) Section 61a, career and technical education, standard reimbursement,

5 \$37,611,300.00.

6 (h) Section 61d, career and technical education incentives, ~~-\$10,000,000.00.~~

7 \$5,000,000.00.

8 (2) The funding described in subsection (1) is not a separate allocation of any
9 funding but is instead a listing of funding allocated in the sections listed in subsection
10 (1).

11 Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there
12 is allocated for ~~2019-2020-2020-2021~~ an amount not to exceed ~~\$535,150,000.00~~
13 \$595,150,000.00 for payments to eligible districts and eligible public school academies for
14 the purposes of ensuring that pupils are proficient in English language arts by the end of
15 grade 3, that pupils are proficient in mathematics by the end of grade 8, that pupils are
16 attending school regularly, that high school graduates are career and college ready, and
17 for the purposes under subsections (7) and (8).

18 (2) For a district that has combined state and local revenue per membership pupil
19 under ~~section~~**sections 20 and 20m** that is greater than the target foundation allowance
20 under section 20 for the current fiscal year and that, for the immediately preceding fiscal
21 year, had combined state and local revenue per membership pupil under section 20 that was
22 greater than the ~~basic~~**target** foundation allowance under section 20 that was in effect for
23 ~~the 2018-2019~~**that** fiscal year, the allocation under this section is an amount equal to ~~30%~~
24 **50%** of the allocation for which it would otherwise be eligible under this section before
25 any proration under subsection (14). **It is intended that this percentage be increased**
26 **annually until it reaches 100%**. If a district has combined state and local revenue per
27 membership pupil under ~~section~~**sections 20 and 20m** that is greater than the target
28 foundation allowance under section 20 for the current fiscal year, but for the ~~immediately~~
29 ~~preceding~~**2018-2019** fiscal year had combined state and local revenue per membership pupil
30 under section 20 that was less than the basic foundation allowance under section 20 that
31 was in effect for the 2018-2019 fiscal year, the district shall receive an amount per pupil
32 equal to 11.5% of the statewide weighted average foundation allowance, as applied under

1 subsection (4), and before any proration under subsection (14).

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

13 (a) Team-based leadership.

14 (b) A tiered delivery system.

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

16 (d) A comprehensive screening and assessment system.

17 (e) Continuous data-based decision making.

18 (4) From the funds allocated under subsection (1), there is allocated for ~~2019-2020~~
19 ~~2020-2021~~ an amount not to exceed ~~\$510,000,000.00~~ **\$582,000,000.00** to continue a weighted
20 foundation per pupil payment for districts and public school academies enrolling
21 economically disadvantaged pupils. The department shall pay under this section to each
22 eligible district or eligible public school academy an amount per pupil equal to 11.5% of
23 the statewide weighted average foundation allowance for the following, as applicable:

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

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

30 (ii) If the district or public school academy is in the community eligibility
31 program, the number of pupils determined to be eligible based on the product of the
32 identified student percentage multiplied by the total number of ~~membership~~ pupils in the

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

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

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

28 (5) Except as otherwise provided in this section, a district or public school academy
29 receiving funding under this section shall use that money only to provide instructional
30 programs and direct noninstructional services, including, but not limited to, medical,
31 mental health, or counseling services, for at-risk pupils; for school health clinics; and
32 for the purposes of subsection (6), (7), or (8). In addition, a district that is a school

1 district of the first class or a district or public school academy in which at least 50% of
2 the pupils in membership were determined to be economically disadvantaged in the
3 immediately preceding state fiscal year, as determined and reported as described in
4 subsection (4), may use not more than 20% of the funds it receives under this section for
5 school security that aligns to the needs assessment and the multi-tiered system of supports
6 model. A district or public school academy shall not use any of that money for
7 administrative costs. The instruction or direct noninstructional services provided under
8 this section may be conducted before or after regular school hours or by adding extra
9 school days to the school year.

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

16 (7) From the funds allocated under subsection (1), there is allocated for ~~2019-2020~~
17 **2020-2021** an amount not to exceed \$8,000,000.00 to support primary health care services
18 provided to children and adolescents up to age 21. These funds must be expended in a form
19 and manner determined jointly by the department and the department of health and human
20 services. If any funds allocated under this subsection are not used for the purposes of
21 this subsection for the fiscal year in which they are allocated, those unused funds must be
22 used that fiscal year to avoid or minimize any proration that would otherwise be required
23 under subsection (14) for that fiscal year.

24 (8) From the funds allocated under subsection (1), there is allocated for ~~2019-2020~~
25 **2020-2021** an amount not to exceed \$5,150,000.00 for the state portion of the hearing and
26 vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL
27 333.9301. A local public health department shall pay at least 50% of the total cost of the
28 screenings. The frequency of the screenings must be as required under R 325.13091 to R
29 325.13096 and R 325.3271 to R 325.3276 of the Michigan Administrative Code. Funds must be
30 awarded in a form and manner approved jointly by the department and the department of
31 health and human services. Notwithstanding section 17b, the department shall make payments
32 to eligible entities under this subsection on a schedule determined by the department.

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

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

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

30 (12) A district or public school academy that receives funds under this section may
31 use up to 7.5% of those funds to provide research based professional development and to
32 implement a coaching model that supports the multi-tiered system of supports framework.

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

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

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

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

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

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

21 (16) From the funds allocated under subsection ~~(1)~~, ~~(4)~~, there is allocated for ~~2019-~~
22 ~~2020~~ ~~an amount not to exceed \$12,000,000.00~~ **2021-2021 the amount necessary, estimated at**
23 **\$2,200,000.00**, for payments to districts and public school academies that otherwise
24 received an allocation under this subsection for ~~2018-2019~~ **2019-2020** and whose allocation
25 under this section for ~~2018-2019~~, **2019-2020**, excluding any payments under subsection (7) or
26 (8), would have been more than the district's or public school academy's allocation under
27 this section for ~~2019-2020~~ **2020-2021** as calculated under subsection (4) only and as
28 adjusted under subsection (14). The allocation for each district or public school academy
29 under this subsection is an amount equal to its allocation under this section for ~~2018-2019~~
30 **2019-2020** minus its allocation as otherwise calculated under subsection (4) for ~~2019-2020~~,
31 **2020-2021**, as adjusted by subsection (14), using in those calculations the ~~2017-2018~~ **2018-**
32 **2019** number of pupils determined to be economically disadvantaged. However, if the

1 allocation as otherwise calculated under this subsection would have been less than \$0.00,
2 the allocation under this subsection is \$0.00. ~~If necessary, and before any proration~~
3 ~~required under section 296, the department shall prorate payments under this subsection by~~
4 ~~reducing the amount of the allocation as otherwise calculated under this subsection by an~~
5 ~~equal percentage per district or public school academy.~~

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

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

13 (19) As used in this section:

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

16 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

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

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

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

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

9 (d) "Statewide weighted average foundation allowance" means the number that is
10 calculated by adding together the result of each district's or public school academy's
11 foundation allowance, not to exceed the target foundation allowance for the current fiscal
12 year, or per-pupil payment calculated under ~~section~~ **sections 20 and 20m** multiplied by the
13 number of pupils in membership in that district or public school academy, and then dividing
14 that total by the statewide number of pupils in membership.

15 Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not
16 to exceed \$23,144,000.00 for ~~2019-2020-2020-2021~~ for the purpose of making payments to
17 districts and other eligible entities under this section.

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

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

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

32 (5) From the federal funds appropriated in section 11, there is allocated for ~~2019-~~

1 ~~2020-2020-2021~~ all available federal funding, estimated at ~~\$533,000,000.00~~ **\$545,000,000.00**
2 for ~~the national school lunch program~~ **child nutrition programs** and all available federal
3 funding, estimated at ~~\$4,200,000.00~~ **\$5,000,000.00** for the ~~emergency food assistance~~
4 ~~program.~~ **food distribution programs.**

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

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

11 Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not
12 to exceed \$4,500,000.00 for ~~2019-2020-2020-2021~~ for the purpose of making payments to
13 districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

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

31 Sec. 31j. (1) From the ~~general fund~~ **state school aid fund** money appropriated in
32 section 11, there is allocated an amount not to exceed ~~\$575,000.00~~ **\$1,000,000.00** for ~~2018-~~

1 ~~2019 for a pilot project~~ **2020-2021** to support districts in the purchase of locally grown
2 fruits and vegetables as described in this section.

3 (2) ~~The department shall provide funding in an amount equal to \$125,000.00 per region~~
4 ~~to districts in prosperity regions 2, 4, 6, and 9 for the pilot project described under~~
5 ~~this section. In addition, the department shall provide funding in an amount equal to~~
6 ~~\$75,000.00 to districts in prosperity region 8 for the pilot project described under this~~
7 ~~section. From the funding to districts in subsection (1), funding~~ **Funding** retained by
8 ~~prosperity regions~~ **districts** that administer the ~~project~~ **shall** ~~shall~~ **program must** not exceed 10%,
9 and funding retained by the department for administration ~~shall~~ **must** not exceed 6%. A
10 ~~prosperity region~~ **district** may enter into a memorandum of understanding with the department
11 or another ~~prosperity region,~~ **district,** or both, to administer the ~~project.~~ **program.** If the
12 department administers the ~~project~~ **program** for a ~~prosperity region,~~ **district,** the
13 department may retain up to 10% of that ~~prosperity region's~~ **district's** funding for
14 administration **or may distribute some or all of that 10% to program partners as**
15 **appropriate.**

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

25 (4) The goals of the ~~pilot project~~ **program** include improving daily nutrition and
26 eating habits for children through the school settings while investing in Michigan's
27 agricultural and related food business economy.

28 (5) A district that receives a grant under this section shall use those funds for the
29 costs incurred by the school district to purchase whole or minimally processed fruits,
30 vegetables, and legumes that meet all of the following:

31 (a) Are purchased on or after the date the district received notification from the
32 department of the amount to be distributed to the district under this subsection, including

1 purchases made to launch meals in September 2018-2020 for the 2018-2019-2019-2020 fiscal
2 year.

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

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

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

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

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

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

28 (10) In awarding grants, the department shall also consider all of the following: ~~the~~

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

31 (b) **The** variety of school sizes and geographic locations. ~~within the identified~~
32 ~~prosperity regions, and existing~~

1 (c) Existing or future collaboration opportunities between more than 1 district. ~~in a~~
2 ~~prosperity region.~~

3 (11) As a condition of receiving a grant under this section, a district shall provide
4 or direct its vendors to provide ~~to prosperity region offices~~ **the department** copies of
5 monthly receipts that show the quantity of different Michigan-grown fruits, vegetables, and
6 legumes purchased, the amount of money spent on each of these products, the name and
7 Michigan location of the farm that grew the products, and the methods or plans to market
8 and promote the program. The district shall also provide to the ~~prosperity region~~
9 **department** monthly lunch numbers and lunch participation rates, and calendars or monthly
10 menus noting when and how Michigan-grown products were used in meals. The district and
11 school food service director or directors also shall agree to respond to brief online
12 surveys and to provide a report that shows the percentage relationship of Michigan spending
13 compared to total food spending. Not later than March 1, ~~2019,~~ **2021**, each ~~prosperity region~~
14 ~~office, either on its own or in conjunction with another prosperity region,~~ **district** shall
15 submit a report to the department on expected outcomes and related measurements for
16 economic development and children's nutrition and readiness to learn based on progress so
17 far. The report ~~shall~~ **must** include at least all of the following:

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

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

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

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

1 for purposes of this subdivision:

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

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

9 (12) The department shall compile the reports provided by ~~prosperity region offices~~
10 **districts** under subsection (11) into 1 legislative report. The department shall provide
11 this report not later than April 1, ~~2019~~**2021** to the house and senate subcommittees
12 responsible for school aid, the house and senate fiscal agencies, and the state budget
13 director.

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

16 **Sec. 31k. (1) From the funds appropriated in section 11, there is allocated for 2020-**
17 **2021 only an amount not to exceed \$1,000,000.00 for payments to districts that forgive all**
18 **outstanding student-meal debt.**

19 (2) **Districts requesting funding under this section must apply in a form a manner**
20 **determined by the department. Districts must demonstrate to the department that all**
21 **outstanding student-meal debt has been forgiven before being eligible for funding under**
22 **this section.**

23 (3) **The department shall provide payments to eligible districts in an amount**
24 **necessary to reimburse districts for the cost of forgiving all outstanding student-meal**
25 **debt, subject to subsection (7). Applications for funding are due to the department by**
26 **December 1, 2020. The department must make reimbursement payments to all eligible districts**
27 **within 60 days of the application deadline. If the department makes payments under**
28 **subsection (4), subsection (7) shall not apply to this subsection.**

29 (4) **If the amount paid to districts under subsection (3) is less than the amount**
30 **allocated under subsection (1), the department may distribute remaining funds to eligible**
31 **districts through a second application in an amount necessary to reimburse districts for**
32 **the cost of forgiving all outstanding student-meal debt, subject to subsection (7).**

1 Applications for funding under this subsection are due to the department by May 1, 2021.
2 The department must make reimbursement payments to all eligible districts within 60 days of
3 the application deadline. A district receiving a reimbursement payment under subsection (3)
4 is not eligible for a reimbursement payment under this subsection.

5 (6) A district receiving payments under this section shall adopt policies to prevent
6 public identification or stigmatization of pupils who cannot pay for a school meal. These
7 policies shall prohibit all of the following:

8 (a) Requiring pupils who cannot pay for a school meal or who owe a student-meal debt
9 to wear a wristband or handstamp.

10 (b) Requiring pupils who cannot pay for a school meal or who owe a student-meal debt
11 to perform chores or other work to pay for school meals.

12 (c) Requiring a pupil to dispose of a meal after it has been served because the pupil
13 is unable to pay for the meal or owes a student-meal debt.

14 (d) Communicating directly with a pupil about a student-meal debt. The district may
15 communicate directly with a pupil if the district has attempted to contact, but has been
16 unsuccessful in communicating with, a pupil's parent or legal guardian through telephone,
17 mail, and electronic mail. The district shall not discuss a pupil's student-meal debt in
18 the presence of other pupils.

19 (7) If the amount allocated under this section is insufficient to fully reimburse the
20 cost of student-meal debt forgiveness for all eligible districts, the department shall
21 prorate the reimbursement on an equal percentage per district.

22 (8) Notwithstanding section 17b, grant payments under this section shall be paid on a
23 schedule determined by the department.

24 Sec. 31n. (1) From the money appropriated in section 11, there is allocated for ~~2019-~~
25 ~~2020-2021~~ for the purposes of this section an amount not to exceed \$30,000,000.00 and
26 from the general fund money appropriated in section 11, there is allocated for ~~2019-2020~~
27 ~~2020-2021~~ for the purposes of this section an amount not to exceed \$1,300,000.00. The
28 department and the department of health and human services shall continue a program to
29 distribute this funding to add licensed behavioral health providers for general education
30 pupils, and shall continue to seek federal Medicaid match funding for all eligible mental
31 health and support services.

32 (2) The department and the department of health and human services shall maintain an

1 advisory council for programs funded under this section. The advisory council shall define
2 goals for implementation of programs funded under this section, and shall provide feedback
3 on that implementation. At a minimum, the advisory council shall consist of representatives
4 of state associations representing school health, school mental health, school counseling,
5 education, health care, and other organizations, representatives from the department and
6 the department of health and human services, and a representative from the school safety
7 task force created under Executive Order No. 2018-5. The department and department of
8 health and human services, working with the advisory council, shall determine an approach
9 to increase capacity for mental health and support services in schools for general
10 education pupils, and shall determine where that increase in capacity qualifies for federal
11 Medicaid match funding.

12 (3) The advisory council shall develop a fiduciary agent checklist for intermediate
13 districts to facilitate development of a plan to submit to the department and to the
14 department of health and human services. The department and department of health and human
15 services shall determine the requirements and format for intermediate districts to submit a
16 plan for possible funding under subsection (5). The department shall make applications for
17 funding for this program available to districts and intermediate districts not later than
18 December 1, ~~2019, 2020~~, and shall award the funding not later than February 1, ~~2020, 2021~~.

19 (4) The department of health and human services shall seek to amend the state
20 Medicaid plan or obtain appropriate Medicaid waivers as necessary for the purpose of
21 generating additional Medicaid match funding for school mental health and support services
22 for general education pupils. The intent is that a successful state plan amendment or other
23 Medicaid match mechanisms will result in additional federal Medicaid match funding for both
24 the new funding allocated under this section and for any expenses already incurred by
25 districts and intermediate districts for mental health and support services for general
26 education pupils.

27 (5) From the funds allocated under subsection (1), there is allocated for ~~2019-2020~~
28 **2020-2021** an amount not to exceed \$6,500,000.00 to be distributed to the network of child
29 and adolescent health centers to place a licensed master's level behavioral health provider
30 in schools that do not currently have services available to general education students.
31 Existing child and adolescent health centers receiving funding under this subsection shall
32 provide a commitment to maintain services and implement all available federal Medicaid

1 match methodologies. The department of health and human services shall use all existing or
2 additional federal Medicaid match opportunities to maximize funding allocated under this
3 subsection. The department shall provide funds under this subsection to existing child and
4 adolescent health centers in the same proportion that funding under section 31a(7) is
5 provided to child and adolescent health centers located and operating in those districts.

6 (6) From the funds allocated under subsection (1), there is allocated for ~~2019-2020~~
7 **2020-2021** an amount not to exceed \$23,000,000.00 to be distributed to intermediate
8 districts for the provision of mental health and support services to general education
9 students. From the funds allocated under this subsection, the department shall distribute
10 \$410,700.00 to each intermediate district that submits a plan approved by the department
11 and the department of health and human services. The department and department of health
12 and human services shall work cooperatively in providing oversight and assistance to
13 intermediate districts during the plan submission process and shall monitor the program
14 upon implementation. An intermediate district shall use funds awarded under this subsection
15 to provide funding to its constituent districts, including public school academies that are
16 considered to be constituent districts under section 705(7) of the revised school code, MCL
17 380.705, for the provision of mental health and support services to general education
18 students. **Intermediate districts may retain an amount not to exceed 5% of the grant award**
19 **to coordinate services and to improve or develop an integrated system of mental health and**
20 **support services.** In addition to the criteria identified under subsection (7), an
21 intermediate district shall consider geography, cost, or other challenges when awarding
22 funding to its constituent districts. If funding awarded to an intermediate district
23 remains after funds are provided by the intermediate district to its constituent districts,
24 the intermediate district may hire or contract for experts to provide mental health and
25 support services to general education students residing within the boundaries of the
26 intermediate district.

27 (7) A district requesting funds under this section from the intermediate district in
28 which it is located shall submit an application for funding for the provision of mental
29 health and support services to general education pupils. A district receiving funding from
30 the application process described in this subsection shall provide services to nonpublic
31 students upon request. An intermediate district shall not discriminate against an
32 application submitted by a public school academy simply on the basis of the applicant being

1 a public school academy. The department shall approve grant applications based on the
2 following criteria:

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

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

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

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

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

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

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

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

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

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

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

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

27 (9) Both of the following are allocated for ~~2019-2020~~**2020-2021** to the department of
28 health and human services from the general fund money allocated under subsection (1):

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

32 (b) An amount not to exceed \$300,000.00 for the purpose of administering the programs

1 under this section and working on generating additional Medicaid funds as a result of
2 programs funded under this section.

3 (10) From the funds allocated under subsection (1), there is allocated for ~~2019-2020~~
4 **2020-2021** an amount not to exceed \$500,000.00 to intermediate districts on an equal per
5 intermediate district basis for the purpose of administering programs funded under this
6 section.

7 (11) The department and the department of health and human services shall work with
8 the advisory council to develop proposed measurements of outcomes and performance. Those
9 measurements shall include, at a minimum, the number of pupils served, the number of
10 schools served, and where those pupils and schools were located. The department and the
11 department of health and human services shall compile data necessary to measure outcomes
12 and performance, and districts and intermediate districts receiving funding under this
13 section shall provide data requested by the department and department of health and human
14 services for the measurement of outcomes and performance. The department and department of
15 health and human services shall provide ~~a~~**an annual** report not later than December 1, ~~2019~~
16 ~~and by December 1 annually thereafter~~ **of each year** to the house and senate appropriations
17 subcommittees on school aid and health and human services, ~~and~~ to the house and senate
18 fiscal agencies, **and to the state budget director**. At a minimum, the report must include
19 measurements of outcomes and performance, proposals to increase efficacy and usefulness,
20 proposals to increase performance, and proposals to expand coverage.

21 (12) **For 2018-2019, 2019-2020, and 2020-2021 only, an intermediate that receives**
22 **funding under this section may carry over any unexpended funds received under this section**
23 **for up to two fiscal years beyond the fiscal year in which the funds were allocated.**

24 Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to
25 eligible intermediate districts and consortia of intermediate districts for great start
26 readiness programs an amount not to exceed ~~\$249,600,000.00~~**\$285,100,000.00** for ~~2019-2020~~
27 **2020-2021**. An intermediate district or consortium shall use funds allocated under this
28 section for great start readiness programs to provide part-day, school-day, or GSRRP/Head
29 Start blended comprehensive free compensatory classroom programs designed to improve the
30 readiness and subsequent achievement of educationally disadvantaged children who meet the
31 participant eligibility and prioritization guidelines as defined by the department. For a
32 child to be eligible to participate in a program under this section, the child must be at

1 least 4, but less than 5, years of age as of September 1 of the school year in which the
2 program is offered and must meet those eligibility and prioritization guidelines. A child
3 who is not 4 years of age as of September 1, but who will be 4 years of age not later than
4 December 1, is eligible to participate if the child's parent or legal guardian seeks a
5 waiver from the September 1 eligibility date by submitting a request for enrollment in a
6 program to the responsible intermediate district, if the program has capacity on or after
7 September 1 of the school year, and if the child meets eligibility and prioritization
8 guidelines.

9 (2) From the funds allocated under subsection (1), an amount not to exceed
10 ~~\$247,600,000.00~~ **\$283,100,000.00** is allocated to intermediate districts or consortia of
11 intermediate districts based on the formula in section 39. An intermediate district or
12 consortium of intermediate districts receiving funding under this section shall act as the
13 fiduciary for the great start readiness programs. In order to be eligible to receive funds
14 allocated under this subsection from an intermediate district or consortium of intermediate
15 districts, a district, a consortium of districts, or a public or private for-profit or
16 nonprofit legal entity or agency shall comply with this section and section 39.

17 (3) In addition to the allocation under subsection (1), from the general fund money
18 appropriated under section 11, there is allocated an amount not to exceed \$350,000.00 for
19 ~~2019-2020-2020-2021~~ for a competitive grant to continue a longitudinal evaluation of
20 children who have participated in great start readiness programs. This evaluation must
21 include a comparative analysis of the relationship between great start readiness programs
22 and performance on the kindergarten readiness assessment funded under section 104. The
23 evaluation must use children wait-listed under this section for comparison, must include a
24 determination of the specific great start readiness program in which the kindergarten
25 students were enrolled and attended in the previous school year, and must analyze Michigan
26 kindergarten entry observation tool scores for students taking the Michigan kindergarten
27 entry observation tool each year and produce a report as required under section 104. ~~For~~
28 ~~2019-2020, the performance data on the kindergarten readiness assessment must be submitted~~
29 ~~to the center at the same time as the spring Michigan student data system collection.~~
30 ~~Beginning in 2020-2021, the~~ **The** performance data on the kindergarten readiness assessment
31 must be submitted to the center at the same time as the fall Michigan student data system
32 collection. The responsibility for the analysis required under this subsection may be added

1 to the requirements that the department currently has with its competitively designated
2 current grantee.

3 (4) To be eligible for funding under this section, a program must prepare children
4 for success in school through comprehensive part-day, school-day, or GSRP/Head Start
5 blended programs that contain all of the following program components, as determined by the
6 department:

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

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

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

15 (d) Physical and dental health and developmental screening services for all program
16 participants.

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

19 (f) Active and continuous involvement of the parents or guardians of the program
20 participants.

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

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

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

32 (j) Participation in this state's great start to quality process with a rating of at

1 least 3 stars.

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

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

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

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

23 (i) Teachers possessing proper training. A lead teacher must have a valid teaching
24 certificate with an early childhood (ZA or ZS) endorsement or a bachelor's or higher degree
25 in child development or early childhood education with specialization in preschool
26 teaching. However, if an applicant demonstrates to the department that it is unable to
27 fully comply with this subparagraph after making reasonable efforts to comply, teachers who
28 have significant but incomplete training in early childhood education or child development
29 may be used if the applicant provides to the department, and the department approves, a
30 plan for each teacher to come into compliance with the standards in this subparagraph. A
31 teacher's compliance plan must be completed within 2 years of the date of employment.
32 Progress toward completion of the compliance plan consists of at least 2 courses per

1 calendar year.

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

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

21 (6) For a grant recipient that enrolls pupils in a school-day program funded under
22 this section, each child enrolled in the school-day program is counted as described in
23 section 39 for purposes of determining the amount of the grant award.

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

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

32 (9) An intermediate district or consortium of intermediate districts may retain for

1 administrative services provided by the intermediate district or consortium of intermediate
2 districts an amount not to exceed 4% of the grant amount. Expenses incurred by
3 subrecipients engaged by the intermediate district or consortium of intermediate districts
4 for directly running portions of the program are considered program costs or a contracted
5 program fee for service.

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

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

28 (12) An intermediate district or consortium of intermediate districts receiving a
29 grant under this section shall allow parents of eligible children who are residents of the
30 intermediate district or within the consortium to choose a program operated by or
31 contracted with another intermediate district or consortium of intermediate districts and
32 shall enter into a written agreement regarding payment, in a manner prescribed by the

1 department.

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

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

31 (b) The intermediate district or consortium provided to each nonparticipating
32 licensed child care center located in the service area of the intermediate district or

1 consortium information regarding great start readiness program requirements and a
2 description of the application and selection process for community-based providers.

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

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

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

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

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

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

29 ~~(d) Not later than December 1 of each year, compile the results of the information~~
30 ~~reported by each intermediate district or consortium under subsection (13) and report to~~
31 ~~the legislature a list by intermediate district or consortium with the number and~~
32 ~~percentage of each intermediate district's or consortium's total allocation allocated to~~

1 ~~community based providers by provider type, including private for profit, private~~
2 ~~nonprofit, community college or university, Head Start grantee or delegate, and district or~~
3 ~~intermediate district.~~

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

11 (17) As used in this section:

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

14 (b) "Federal poverty guidelines" means the guidelines published annually in the
15 Federal Register by the United States Department of Health and Human Services under its
16 authority to revise the poverty line under 42 USC 9902.

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

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

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

30 (19) From the amount allocated in subsection (2), there is allocated for ~~2019-2020~~
31 **2020-2021** an amount not to exceed \$10,000,000.00 for reimbursement of transportation costs
32 for children attending great start readiness programs funded under this section. To receive

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

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

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

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

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

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

31 (22) An intermediate district that is a GSRP grantee may approve the use of a
32 supplemental curriculum that aligns with and enhances the age-appropriate educational

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

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

10 (24) From the funds allocated under subsection (1), there is allocated for ~~2019-2020~~
11 **2020-2021** an amount not to exceed \$2,000,000.00 for payments to intermediate districts or
12 consortia of intermediate districts for professional development and training materials for
13 educators in programs implementing new curricula.

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

17 Sec. 32p. (1) From the appropriation in section 11, there is allocated an amount not
18 to exceed \$13,400,000.00 to intermediate districts for ~~2019-2020-2020-2021~~ for the purpose
19 of providing early childhood funding to intermediate school districts to support the
20 ~~activities goals and outcomes~~ under subsection (2) and subsection (4), ~~and to provide early~~
21 ~~childhood programs~~ for children from birth through age 8. The funding provided to each
22 intermediate district under this section is determined by the distribution formula
23 established by the department's office of great start to provide equitable funding
24 statewide. In order to receive funding under this section, each intermediate district shall
25 provide an application to the office of great start not later than September 15 of the
26 immediately preceding fiscal year indicating the ~~activities~~-**strategies** planned to be
27 provided.

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

1 (a) Children born healthy.

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

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

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

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

11 (a) Physical health.

12 (b) Social-emotional health.

13 (c) Family supports and basic needs.

14 (d) Parent education.

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

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

1 (5) Not later than December 1 of each year, each intermediate district shall provide
2 a report to the department detailing the ~~activities—strategies~~ actually ~~provided~~
3 **implemented** during the immediately preceding school year and the families and children
4 actually served. At a minimum, the report must include an evaluation of the services
5 provided with additional funding under subsection (4) for home visits, using the goals
6 identified in subsection (4) as the basis for the evaluation, including the degree to which
7 school readiness was improved, ~~any change in the number of pupils retained at grade level,~~
8 ~~any change in the number of pupils receiving special education services,~~ the degree to
9 which positive parenting practices were improved, the degree to which there was improved
10 family economic self-sufficiency, and the degree to which community resources and referrals
11 were utilized. The department shall compile and summarize these reports and submit its
12 summary to the house and senate appropriations subcommittees on school aid and to the house
13 and senate fiscal agencies not later than February 15 of each year.

14 (6) An intermediate district or consortium of intermediate districts that receives
15 funding under this section may carry over ~~any~~ unexpended funds received under this section
16 into the next fiscal year and may expend those unused funds through June 30 of the next
17 fiscal year. **An intermediate district receiving funds for the purposes described in**
18 **subsection (2) in fiscal year 2020-2021 shall not carry over an amount exceeding 30% of the**
19 **amount awarded in that fiscal year. It is intended that the amount carried forward from**
20 **funding awarded in fiscal year 2021-2022 not exceed 20% of the amount awarded in that**
21 **fiscal year, and the amount carried forward in fiscal year 2022-2023 not exceed 15% of the**
22 **amount awarded in that fiscal year.** A recipient of a grant shall return any unexpended
23 grant funds to the department in the manner prescribed by the department not later than
24 September 30 of the next fiscal year after the fiscal year in which the funds are received.

25 **Sec. 32s. (1) from the funds appropriated in section 11, there is allocated to**
26 **eligible intermediate districts an amount not to exceed \$42,000,000.00 for 2020-2021 for a**
27 **program to provide pre-kindergarten education to eligible children. This program is**
28 **intended to improve kindergarten readiness and subsequent academic achievement for**
29 **educationally disadvantaged children.**

30 (2) To be eligible to receive funding under this section, an intermediate district
31 must contain at least 1 district that is either a member of a community engagement advisory
32 committee in partnership with the department of treasury or that meets all of the

1 following:

2 (a) Assessed at least 10 third grade students in 2018-2019 on the third grade English
3 language arts portion of the state assessment, as determined by the department.

4 (b) Had more than 75 percent of assessed third grade students identified as not
5 meeting proficiency on the English language arts portion of the 2018-2019 state assessment,
6 as determined by the department.

7 (c) Had more than 75 percent of pupil membership in 2018-2019 identified as
8 economically disadvantaged as defined in section 31a.

9 (3) An intermediate district eligible to receive funds under this section shall
10 submit an application, in a form and manner prescribed by the department, by a date
11 specified by the department. The application shall, at a minimum, contain the number of
12 eligible children the intermediate district is requesting to serve and the number of
13 eligible children the intermediate district has the capacity to serve under this section,
14 including a verification of physical facility and staff resource capacity. Eligible
15 intermediate districts are encouraged to collaborate with local governments to identify
16 children eligible for funding under this section. Both of the following apply to funding
17 awarded under this section:

18 (a) Payments to an intermediate district for children who reside in the same district
19 of residence shall not exceed \$16,000,000.00.

20 (b) Payments to intermediate districts shall not exceed an amount that the
21 intermediate district has requested and has the capacity to serve.

22 (4) Eligible intermediate districts shall receive an amount not to exceed \$8,336.00
23 per eligible child enrolled and participating in a full-day program provided under this
24 section. If a child is enrolled and participating in a program under this section on less
25 than a full-day basis, the department shall prorate the allocation under this subsection
26 based on the proportion of a full-day program in which the child is enrolled and
27 participating. Intermediate districts receiving funding under this section may contract
28 with local governments to provide services, subject to the program requirements described
29 in subsections (6) and (7). If the total amount requested by all intermediate school
30 districts is not sufficient to fully fund all eligible children for which intermediate
31 districts have the capacity to serve, the number of children receiving funding under this
32 section shall be prorated on an equal percentage basis.

1 (5) For an intermediate district to receive funding under this section for a
2 participating child, all of the following must be met:

3 (a) The child must be at least 4, but less than 5, years of age as of September 1 of
4 the school year in which the program is offered.

5 (b) The child's district of residence must be a district meeting the requirements
6 described in subsection (2) and the district of residence must be a constituent district of
7 the intermediate district receiving funding.

8 (c) The child must not be enrolled in programs funded under section 32d, the head
9 start program, or a developmental kindergarten program.

10 (6) Funding under this section shall be used for educational programming that
11 prepares eligible children for success in school and includes all of the following:

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

15 (b) Age-appropriate educational curriculum that is in compliance with the early
16 childhood standards of quality for prekindergarten children adopted by the state board.

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

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

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

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

25 (7) Programs receiving funding under this section must follow the same child health,
26 child safety, child well-being, educator qualification standards, and student ratio
27 requirements as the great start readiness programs funded under sections 32d and 39, as
28 determined by the department.

29 (8) If the total amount for which eligible intermediate districts are awarded under
30 this section is less than the amount allocated under subsection (1), any remaining funds
31 that were allocated under this section shall be distributed to intermediate districts
32 receiving funding under section 32d, pursuant to the formula under section 39.

1 (9) As used in this section:

2 (a) "District" means a local school district, as defined in section 6 of the revised
3 school code, MCL 380.6

4 (b) "District of residence" means the district in which an eligible child's custodial
5 parent or parents or legal guardian resides.

6 Sec. 35a. (1) From the appropriations in section 11, there is allocated for ~~2019-2020~~
7 ~~2020-2021~~ for the purposes of this section an amount not to exceed ~~\$57,400,000.00~~
8 **\$55,400,000.00** from the state school aid fund **and an amount not to exceed \$2,000,000.00**
9 **from the general fund.** The superintendent shall designate staff or contracted employees
10 funded under this section as critical shortage. Programs funded under this section are
11 intended to ensure that this state will be a top 10 state in grade 4 reading proficiency by
12 2025 according to the National Assessment of Educational Progress (NAEP).

13 (2) A district that receives funds under subsection (5) may spend up to 5% of those
14 funds for professional development for educators in a department-approved research-based
15 training program related to current state literacy standards for pupils in grades K to 3.
16 The professional development must also include training in the use of screening and
17 diagnostic tools, progress monitoring, and intervention methods used to address barriers to
18 learning and delays in learning that are diagnosed through the use of these tools. (3) A
19 district that receives funds under subsection (5) may use up to 5% of those funds to
20 administer department-approved screening and diagnostic tools to monitor the development of
21 early literacy and early reading skills of pupils in grades K to 3 and to support research-
22 based professional development for educators in administering screening and diagnostic
23 tools and in data interpretation of the results obtained through the use of those tools for
24 the purpose of implementing a multi-tiered system of support to improve reading proficiency
25 among pupils in grades K to 3. A department-approved screening and diagnostic tool
26 administered by a district using funding under this section must include all of the
27 following components: phonemic awareness, phonics, fluency, and comprehension. Further, all
28 of the following sub-skills must be assessed within each of these components:

29 (a) Phonemic awareness - segmentation, blending, and sound manipulation (deletion and
30 substitution).

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

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

1 (d) Comprehension - making meaning of text.

2 (4) From the allocation under subsection (1), there is allocated an amount not to
3 exceed \$31,500,000.00 for ~~2019-2020~~**2020-2021** for the purpose of providing early literacy
4 coaches at intermediate districts to assist teachers in developing and implementing
5 instructional strategies for pupils in grades K to 3 so that pupils are reading at grade
6 level by the end of grade 3. All of the following apply to funding under this subsection:

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

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

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

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

18 (b) From the allocation under this subsection, the department shall award grants to
19 intermediate districts for the support of early literacy coaches. The department shall
20 provide this funding in the following manner:

21 (i) The department shall award each intermediate district grant funding to support
22 the cost of 1 early literacy coach in an equal amount per early literacy coach, not to
23 exceed \$112,500.00.

24 (ii) After distribution of the grant funding under subparagraph (i), the department
25 shall distribute the remainder of grant funding for additional early literacy coaches in an
26 amount not to exceed \$112,500.00 per early literacy coach. The number of funded early
27 literacy coaches for each intermediate district is based on the percentage of the total
28 statewide number of pupils in grades K to 3 who meet the income eligibility standards for
29 the federal free and reduced-price lunch programs who are enrolled in districts in the
30 intermediate district.

31 (c) If an intermediate district that receives funding under this subsection uses an
32 assessment tool that screens for signs of dyslexia, the intermediate district shall use the

1 assessment results from that assessment tool to identify pupils who demonstrate signs of
2 dyslexia.

3 (5) From the allocation under subsection (1), there is allocated an amount not to
4 exceed \$19,900,000.00 for ~~2019-2020~~ **2020-2021** to districts that provide additional
5 instructional time to those pupils in grades K to 3 who have been identified by using
6 department-approved screening and diagnostic tools as needing additional supports and
7 interventions in order to be reading at grade level by the end of grade 3. Additional
8 instructional time may be provided before, during, and after regular school hours or as
9 part of a year-round balanced school calendar. All of the following apply to funding under
10 this subsection:

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

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

18 (A) Team-based leadership.

19 (B) A tiered delivery system.

20 (C) Selection and implementation of instruction, interventions, and supports.

21 (D) A comprehensive screening and assessment system.

22 (E) Continuous data-based decision making.

23 (ii) Used department-approved research-based diagnostic tools to identify individual
24 pupils in need of additional instructional time.

25 (iii) Used a reading instruction method that focuses on the 5 fundamental building
26 blocks of reading: phonics, phonemic awareness, fluency, vocabulary, and comprehension and
27 content knowledge.

28 (iv) Provided teachers of pupils in grades K to 3 with research-based professional
29 development in diagnostic data interpretation.

30 (v) Complied with the requirements under section 1280f of the revised school code,
31 MCL 380.1280f.

32 (b) The department shall distribute funding allocated under this subsection to

1 eligible districts on an equal per-first-grade-pupil basis.

2 (c) If the funds allocated under this subsection are insufficient to fully fund the
3 payments under this subsection, payments under this subsection are prorated on an equal
4 per-pupil basis based on grade 1 pupils.

5 (6) Not later than September 1 of each year, a district that receives funding under
6 subsection ~~(4)~~, (5), ~~or (9)~~, in conjunction with the ~~Michigan data hub network, if~~
7 ~~possible~~, **Michigan student data system**, shall provide to the department a report that
8 includes at least both of the following, in a form and manner prescribed by the department:

9 (a) For pupils in grades K to 3, the pupils, schools, and grades served with funds
10 under this section and the categories of services provided.

11 (b) For pupils in grades K to 3, pupil proficiency and growth data that allows
12 analysis both in the aggregate and by each of the following subgroups, as applicable:

13 (i) School.

14 (ii) Grade level.

15 (iii) Gender.

16 (iv) Race.

17 (v) Ethnicity.

18 (vi) Economically disadvantaged status.

19 (vii) Disability.

20 (viii) Pupils identified as having reading deficiencies.

21 (7) From the allocation under subsection (1), there is allocated an amount not to
22 exceed ~~\$1,000,000.00~~ **\$4,000,000.00** for ~~2019-2020-2020-2021~~ to an intermediate district in
23 which the combined total number of pupils in membership of all of its constituent districts
24 is the fewest among all intermediate districts. All of the following apply to the funding
25 under this subsection:

26 (a) Funding under this subsection must be used by the intermediate district, in
27 partnership with an association that represents intermediate district administrators in
28 this state, to implement ~~both~~ **all** of the following:

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

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

32 (iii) **The placement of regional lead literacy coaches to facilitate professional**

1 learning for early literacy coaches. These lead regional coaches shall provide support for
2 new literacy coaches, building teachers, and administrators, and shall facilitate regional
3 data collection to evaluate the effectiveness of statewide literacy coaches funded under
4 this section.

5 (iv) Provide \$500,000.00 from this subsection for literacy training, modeling,
6 coaching, and feedback for district and public school academy principals. The training must
7 use the pre-K and K-3 essential instructional practices in literacy created by the General
8 Education Leadership Network as the framework for all training.

9 (b) Not later than September 1 of each year, the intermediate district described in
10 this subsection, in consultation with grant recipients, shall submit a report to the chairs
11 of the senate and house appropriations subcommittees on state school aid, ~~and~~ the chairs of
12 the senate and house standing committees responsible for education legislation, **the house
13 and senate fiscal agencies, and the state budget director.** The report described under this
14 subdivision must include student achievement results in English language arts and survey
15 results with feedback from parents and teachers regarding the initiatives implemented under
16 this subsection.

17 (c) Up to 2% of funds allocated in this subsection may be used by the association
18 representing intermediate district administrators that is in partnership with the
19 intermediate school district specified in this subsection to administer this subsection.

20 (8) From the general fund money allocated in subsection (1), the department shall
21 allocate the amount of \$2,000,000.00 for 2020-2021 only to the Michigan Education Corps for
22 the PreK Reading Corps and the K3 Reading Corps. By September 1 of the current fiscal year,
23 the Michigan Education Corps shall provide a report concerning its use of the funding to
24 the senate and house appropriations subcommittees on state school aid, the senate and house
25 fiscal agencies, the state budget director, and the senate and house caucus policy offices
26 on outcomes and performance measures of the Michigan Education Corps, including, but not
27 limited to, the degree to which the Michigan Education Corps's replication of the Michigan
28 PreK Reading Corps and the K3 Reading Corps is demonstrating sufficient efficacy and
29 impact. The report must include data pertaining to at least all of the following:

30 (a) The current impact of the programs on this state in terms of numbers of children
31 and schools receiving support. This portion of the report must specify the number of
32 children tutored, including dosage and completion, and the demographics of those children.

1 (b) Whether the assessments and interventions are implemented with fidelity. This
2 portion of the report must include details on the total number of assessments and
3 interventions completed and the range, mean, and standard deviation.

4 (c) Whether the literacy improvement of children participating in the programs is
5 consistent with expectations. This portion of the report must detail at least all of the
6 following:

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

8 (ii) Average linear growth rates.

9 (iii) Exit rates.

10 (iv) Percentage of children who exit who also meet or exceed spring benchmarks.

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

13 (9) ~~(8)~~—If a district or intermediate district expends any funding received under
14 subsection (4) or (5) for professional development in research-based effective reading
15 instruction, the district or intermediate district shall select a professional development
16 program from the list described under subdivision (a). All of the following apply to the
17 requirement under this subsection:

18 (a) The department shall issue a request for proposals for professional development
19 programs in research-based effective reading instruction to develop an initial approved
20 list of professional development programs in research-based effective reading instruction.
21 The department shall ~~complete and~~ make the initial approved list public ~~not later than~~
22 ~~December 1, 2019. After December 1, 2019, the department~~ ~~and~~ shall determine if it will, on
23 a rolling basis, approve any new proposals submitted for addition to its initial approved
24 list.

25 (b) To be included as an approved professional development program in research-based
26 effective reading instruction under subdivision (a), an applicant must demonstrate to the
27 department in writing the program's competency in all of the following topics:

28 (i) Understanding of phonemic awareness, phonics, fluency, vocabulary, and
29 comprehension.

30 (ii) Appropriate use of assessments and differentiated instruction.

31 (iii) Selection of appropriate instructional materials.

32 (iv) Application of research-based instructional practices.

1 (c) As used in this subsection, "effective reading instruction" means reading
2 instruction scientifically proven to result in improvement in pupil reading skills.

3 ~~(9) From the allocation under subsection (1), there is allocated for 2019-2020 only~~
4 ~~an amount not to exceed \$5,000,000.00 for a summer school reading program for grade 3~~
5 ~~pupils who did not score at least proficient on the English language arts portion of the~~
6 ~~Michigan student test of educational progress (M-STEP) and for pupils in grades K to 2 who~~
7 ~~are not reading at grade level. All of the following apply to the funding allocated under~~
8 ~~this subsection:~~

9 ~~(a) To be eligible for funding under this subsection, a district must apply in a form~~
10 ~~and manner prescribed by the department by not later than January 15, 2020.~~

11 ~~(b) The department shall award funding under this subsection not later than March 15,~~
12 ~~2020.~~

13 ~~(c) The amount of funding to each eligible district is equal to the product of the~~
14 ~~quotient of \$5,000,000.00 divided by the sum of the number of pupils determined by the~~
15 ~~department to have scored less than proficient on the English language arts portion of the~~
16 ~~2019 grade 3 Michigan student test of educational progress (M-STEP) among all of the~~
17 ~~districts that apply and are eligible for funding for a summer school reading program under~~
18 ~~this subsection, multiplied by the number of pupils in the eligible district determined by~~
19 ~~the department to have scored less than proficient on the English language arts portion of~~
20 ~~the 2019 grade 3 Michigan student test of educational progress (M-STEP).~~

21 ~~(d) A district that is awarded funding under this subsection must prioritize its~~
22 ~~summer school reading program toward grade 3 pupils who scored less than proficient on the~~
23 ~~English language arts portion of the Michigan student test of educational progress (M-~~
24 ~~STEP), but may extend the program to any pupil in grades K to 2 who is not reading at grade~~
25 ~~level if the program has capacity.~~

26 (10) Notwithstanding section 17b, the department shall make payments made under
27 subsections (7) and ~~(9)~~ (8) on a schedule determined by the department.

28 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an
29 application, in a form and manner prescribed by the department, by a date specified by the
30 department in the immediately preceding fiscal year. An eligible applicant is not required
31 to amend the applicant's current accounting cycle or adopt this state's fiscal year
32 accounting cycle in accounting for financial transactions under this section. The

1 application must include all of the following:

2 (a) The estimated total number of children in the community who meet the criteria of
3 section 32d, as provided to the applicant by the department utilizing the most recent
4 population data available from the American Community Survey conducted by the United States
5 Census Bureau. The department shall ensure that it provides updated American Community
6 Survey population data at least once every 3 years.

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

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

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

18 (3) The initial allocation to each eligible applicant under section 32d is the lesser
19 of the following:

20 (a) The sum of the number of children served in a school-day program in the preceding
21 school year multiplied by ~~\$7,250.00~~ **\$8,336.00** and the number of children served in a
22 GSRP/Head Start blended program or a part-day program in the preceding school year
23 multiplied by ~~\$3,625.00~~ **\$4,168.00**

24 (b) The sum of the number of children the applicant has the capacity to serve in the
25 current school year in a school-day program multiplied by ~~\$7,250.00~~ **\$8,336.00** and the
26 number of children served in a GSRP/Head Start blended program or a part-day program the
27 applicant has the capacity to serve in the current school year multiplied by ~~\$3,625.00~~.
28 **\$4,168.00**

29 (4) If funds remain after the allocations under subsection (3), the department shall
30 distribute the remaining funds to each intermediate district or consortium of intermediate
31 districts that serves less than the state percentage benchmark determined under subsection
32 (5). The department shall distribute these remaining funds to each eligible applicant based

1 upon each applicant's proportionate share of the remaining unserved children necessary to
2 meet the statewide percentage benchmark in intermediate districts or consortia of
3 intermediate districts serving less than the statewide percentage benchmark. When all
4 applicants have been given the opportunity to reach the statewide percentage benchmark, the
5 statewide percentage benchmark may be reset, as determined by the department, until greater
6 equity of opportunity to serve eligible children across all intermediate school districts
7 has been achieved.

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

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

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

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

29 Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated
30 for ~~2019-2020~~ **2020-2021** to districts, intermediate districts, and other eligible entities
31 all available federal funding, estimated at ~~\$725,600,000.00~~ **\$749,200,000.00** for the federal
32 programs under the no child left behind act of 2001, Public Law 107-110, or the every

1 student succeeds act, Public Law 114-95. These funds are allocated as follows:

2 (a) An amount estimated at \$1,200,000.00 for ~~2019-2020-2020-2021~~ to provide students
3 with drug- and violence-prevention programs and to implement strategies to improve school
4 safety, funded from DED-OESE, drug-free schools and communities funds.

5 (b) An amount estimated at \$100,000,000.00 for ~~2019-2020-2020-2021~~ for the purpose of
6 preparing, training, and recruiting high-quality teachers and class size reduction, funded
7 from DED-OESE, improving teacher quality funds.

8 (c) An amount estimated at ~~\$11,000,000.00-\$13,000,000.00~~ for ~~2019-2020-2020-2021~~ for
9 programs to teach English to limited English proficient (LEP) children, funded from DED-
10 OESE, language acquisition state grant funds.

11 (d) An amount estimated at \$2,800,000.00 for ~~2019-2020-2020-2021~~ for rural and low
12 income schools, funded from DED-OESE, rural and low income school funds.

13 (e) An amount estimated at \$535,000,000.00 for ~~2019-2020-2020-2021~~ to provide
14 supplemental programs to enable educationally disadvantaged children to meet challenging
15 academic standards, funded from DED-OESE, title I, disadvantaged children funds.

16 (f) An amount estimated at \$9,200,000.00 for ~~2019-2020-2020-2021~~ for the purpose of
17 identifying and serving migrant children, funded from DED-OESE, title I, migrant education
18 funds.

19 (g) An amount estimated at \$39,000,000.00 for ~~2019-2020-2020-2021~~ for the purpose of
20 providing high-quality extended learning opportunities, after school and during the summer,
21 for children in low-performing schools, funded from DED-OESE, twenty-first century
22 community learning center funds.

23 (h) An amount estimated at ~~\$12,000,000.00-\$14,000,000.00~~ for ~~2019-2020-2020-2021~~ to
24 help support local school improvement efforts, funded from DED-OESE, title I, local school
25 improvement grants.

26 (i) An amount estimated at ~~\$15,400,000.00-\$35,000,000.00~~ for ~~2019-2020-2020-2021~~ to
27 improve the academic achievement of students, funded from DED-OESE, title IV, student
28 support and academic enrichment grants.

29 (2) From the federal funds appropriated in section 11, there is allocated for ~~2019-~~
30 ~~2020-2020-2021~~ to districts, intermediate districts, and other eligible entities all
31 available federal funding, estimated at ~~\$49,100,000.00-\$55,000,000.00~~ for ~~2019-2020-2020-~~
32 ~~2021~~ for the following programs that are funded by federal grants:

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

4 **(a)** ~~(b)~~ An amount estimated at ~~\$1,900,000.00~~ **\$3,000,000.00** for ~~2019-2020~~ **2020-2021** to
5 provide services to homeless children and youth, funded from DED-OVAE, homeless children
6 and youth funds.

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

9 **(b)** ~~(d)~~ An amount estimated at \$24,000,000.00 for ~~2019-2020~~ **2020-2021** for providing
10 career and technical education services to pupils, funded from DED-OVAE, basic grants to
11 states.

12 **(c)** ~~(e)~~ An amount estimated at \$14,000,000.00 for ~~2019-2020~~ **2020-2021** for the
13 Michigan charter school subgrant program, funded from DED-OII, public charter schools
14 program funds.

15 **(d)** ~~(f)~~ An amount estimated at ~~\$5,100,000.00~~ **\$14,000,000.00** for ~~2019-2020~~ **2020-2021**
16 for the purpose of promoting and expanding high-quality preschool services, funded from
17 HHS-OCC, preschool development funds.

18 (3) The department shall distribute all federal funds allocated under this section in
19 accordance with federal law and with flexibility provisions outlined in Public Law 107-116,
20 and in the education flexibility partnership act of 1999, Public Law 106-25.
21 Notwithstanding section 17b, the department shall make payments of federal funds to
22 districts, intermediate districts, and other eligible entities under this section on a
23 schedule determined by the department.

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

28 (5) For the purposes of funding federal title I grants under this article, in
29 addition to any other federal grants for which the strict discipline academy is eligible,
30 the department shall allocate to a strict discipline academy out of title I, part A an
31 amount equal to what the strict discipline academy would have received if included and
32 calculated under title I, part D, or what it would receive under the formula allocation

1 under title I, part A, whichever is greater.

2 (6) As used in this section:

3 (a) "DED" means the United States Department of Education.

4 (b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

5 (c) "DED-OII" means the DED Office of Innovation and Improvement.

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

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

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

9 ~~(g) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services~~
10 ~~Administration.~~

11 Sec. 41. (1) For a district or public school academy to be eligible to receive
12 funding under this section, the district or public school academy must administer to
13 English language learners the English language proficiency assessment known as the "WIDA
14 ACCESS for English language learners" or the "WIDA Alternate ACCESS". From the
15 appropriation in section 11, there is allocated an amount not to exceed \$13,000,000.00 for
16 ~~2019-2020-2020-2021~~ for payments to eligible districts and eligible public school academies
17 for services for English language learners who have been administered the WIDA ACCESS for
18 English language learners.

19 (2) The department shall distribute funding allocated under subsection (1) to
20 eligible districts and eligible public school academies based on the number of full-time
21 equivalent English language learners as follows:

22 (a) \$900.00 per full-time equivalent English language learner who has been assessed
23 under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a
24 WIDA ACCESS or WIDA Alternate ACCESS composite score between 1.0 and 1.9, or less, as
25 applicable to each assessment.

26 (b) \$620.00-per full-time equivalent English language learner who has been assessed
27 under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a
28 WIDA ACCESS or WIDA Alternate ACCESS composite score between 2.0 and 2.9, or less, as
29 applicable to each assessment.

30 (c) \$100.00-per full-time equivalent English language learner who has been assessed
31 under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a
32 WIDA ACCESS or WIDA Alternate ACCESS composite score between 3.0 and 3.9, or less, as

1 applicable to each assessment.

2 (3) If funds allocated under subsection (1) are insufficient to fully fund the
3 payments as prescribed under subsection (2), the department shall prorate payments on an
4 equal percentage basis, with the same percentage proration applied to all funding
5 categories.

6 (4) Each district or public school academy receiving funds under subsection (1) shall
7 submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages,
8 on the usage by the district or public school academy of funds under subsection (1) in a
9 form and manner determined by the department, including a brief description of each program
10 conducted or services performed by the district or public school academy using funds under
11 subsection (1) and the amount of funds under subsection (1) allocated to each of those
12 programs or services. If a district or public school academy does not comply with this
13 subsection, the department shall withhold an amount equal to the August payment due under
14 this section until the district or public school academy complies with this subsection. If
15 the district or public school academy does not comply with this subsection by the end of
16 the state fiscal year, the withheld funds are forfeited to the school aid fund.

17 (5) In order to receive funds under this subsection (1), a district or public school
18 academy shall allow access for the department or the department's designee to audit all
19 records related to the program for which it receives those funds. The district or public
20 school academy shall reimburse this state for all disallowances found in the audit.

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

25 **(7) In addition to the funds allocated under subsection (1), from the appropriation**
26 **in section 11, there is allocated for 2020-2021 an amount not to exceed \$5,000,000.00 from**
27 **the state school aid fund for additional payments to districts for educating English**
28 **language arts learners. The department shall pay under this section to each district or**
29 **public school academy an amount equal to \$50.00 multiplied by the number of membership**
30 **pupils in the district who are English language arts learners, as reported to the center in**
31 **the form and manner prescribed by the center of the immediately preceding fiscal year. If**
32 **the allocation under this subsection is insufficient to fully fund payments under this**

1 subsection, the department shall prorate payments on an equal per-pupil basis.

2 Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not
3 to exceed ~~\$1,008,996,100.00 for 2018-2019~~ and there is allocated an amount not to exceed
4 ~~\$1,045,196,100.00~~ **\$1,085,096,100.00** for ~~2019-2020~~ **2020-2021** from state sources and all
5 available federal funding under sections 611 to 619 of part B of the individuals with
6 disabilities education act, 20 USC 1411 to 1419, estimated at ~~\$370,000,000.00 each fiscal~~
7 ~~year for 2018-2019~~ and **\$375,000,000.00** for ~~2019-2020~~, **2020-2021**, plus any carryover federal
8 funds from previous year appropriations. ~~In addition, from the general fund appropriation~~
9 ~~in section 11, there is allocated to the department an amount not to exceed \$500,000.00 for~~
10 ~~2018-2019 for the purpose of subsection (16)~~. The allocations under this subsection are for
11 the purpose of reimbursing districts and intermediate districts for special education
12 programs, services, and special education personnel as prescribed in article 3 of the
13 revised school code, MCL 380.1701 to 380.1761; net tuition payments made by intermediate
14 districts to the Michigan Schools for the Deaf and Blind; and special education programs
15 and services for pupils who are eligible for special education programs and services
16 according to statute or rule. For meeting the costs of special education programs and
17 services not reimbursed under this article, a district or intermediate district may use
18 money in general funds or special education funds, not otherwise restricted, or
19 contributions from districts to intermediate districts, tuition payments, gifts and
20 contributions from individuals or other entities, or federal funds that may be available
21 for this purpose, as determined by the intermediate district plan prepared under article 3
22 of the revised school code, MCL 380.1701 to 380.1761. Notwithstanding section 17b, the
23 department shall make payments of federal funds to districts, intermediate districts, and
24 other eligible entities under this section on a schedule determined by the department.

25 (2) From the funds allocated under subsection (1), there is allocated the amount
26 necessary, estimated at ~~\$286,800,000.00 for 2018-2019~~ and estimated at ~~\$297,800,000.00~~
27 **\$308,000,000.00** for ~~2019-2020~~, **2020-2021**, for payments toward reimbursing districts and
28 intermediate districts for 28.6138% of total approved costs of special education, excluding
29 costs reimbursed under section 53a, and 70.4165% of total approved costs of special
30 education transportation. Allocations under this subsection are made as follows:

31 (a) The department shall calculate the initial amount allocated to a district under
32 this subsection toward fulfilling the specified percentages by multiplying the district's

1 special education pupil membership, excluding pupils described in subsection (11), times
2 the foundation allowance under section 20 of the pupil's district of residence, **plus the**
3 **amount of the district's per-pupil allocation under section 20m**, not to exceed the ~~basic~~
4 ~~foundation allowance under section 20 for the 2018-2019 fiscal year and beginning with~~
5 ~~2019-2020 not to exceed the~~ target foundation allowance for the current fiscal year, or,
6 for a special education pupil in membership in a district that is a public school academy,
7 times an amount equal to the amount per membership pupil calculated under section 20(6).
8 For an intermediate district, the amount allocated under this subdivision toward fulfilling
9 the specified percentages is an amount per special education membership pupil, excluding
10 pupils described in subsection (11), and is calculated in the same manner as for a
11 district, using the foundation allowance under section 20 of the pupil's district of
12 residence, not to exceed the ~~basic foundation allowance under section 20 for the 2018-2019~~
13 ~~fiscal year and beginning with 2019-2020 not to exceed the~~ target foundation allowance for
14 the current fiscal year, **and that district's per-pupil allocation under section 20m.**

15 (b) After the allocations under subdivision (a), the department shall pay a district
16 or intermediate district for which the payments calculated under subdivision (a) do not
17 fulfill the specified percentages the amount necessary to achieve the specified percentages
18 for the district or intermediate district.

19 (3) From the funds allocated under subsection (1), there is allocated for ~~2018-2019~~
20 ~~an amount not to exceed \$1,200,000.00 and there is allocated for 2019-2020-2020-2021~~ an
21 amount not to exceed \$1,000,000.00 to make payments to districts and intermediate districts
22 under this subsection. If the amount allocated to a district or intermediate district for a
23 fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the
24 district or intermediate district for 1996-97 under sections 52 and 58, there is allocated
25 to the district or intermediate district for the fiscal year an amount equal to that
26 difference, adjusted by applying the same proration factor that was used in the
27 distribution of funds under section 52 in 1996-97 as adjusted to the district's or
28 intermediate district's necessary costs of special education used in calculations for the
29 fiscal year. This adjustment is to reflect reductions in special education program
30 operations or services between 1996-97 and subsequent fiscal years. The department shall
31 make adjustments for reductions in special education program operations or services in a
32 manner determined by the department and shall include adjustments for program or service

1 shifts.

2 (4) If the department determines that the sum of the amounts allocated for a fiscal
3 year to a district or intermediate district under subsection (2) (a) and (b) is not
4 sufficient to fulfill the specified percentages in subsection (2), then the department
5 shall pay the shortfall to the district or intermediate district during the fiscal year
6 beginning on the October 1 following the determination and shall adjust payments under
7 subsection (3) as necessary. If the department determines that the sum of the amounts
8 allocated for a fiscal year to a district or intermediate district under subsection (2) (a)
9 and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in
10 subsection (2), then the department shall deduct the amount of the excess from the
11 district's or intermediate district's payments under this article for the fiscal year
12 beginning on the October 1 following the determination and shall adjust payments under
13 subsection (3) as necessary. However, if the amount allocated under subsection (2) (a) in
14 itself exceeds the amount necessary to fulfill the specified percentages in subsection (2),
15 there is no deduction under this subsection.

16 (5) State funds are allocated on a total approved cost basis. Federal funds are
17 allocated under applicable federal requirements. ~~except that an amount not to exceed~~
18 ~~\$3,500,000.00 may be allocated by the department each fiscal year for 2018-2019 and for~~
19 ~~2019-2020 to districts, intermediate districts, or other eligible entities on a competitive~~
20 ~~grant basis for programs, equipment, and services that the department determines to be~~
21 ~~designed to benefit or improve special education on a statewide scale.~~

22 (6) From the amount allocated in subsection (1), there is allocated an amount not to
23 exceed \$2,200,000.00 ~~each fiscal year for 2018-2019 and for 2019-2020~~ **for fiscal year 2020-**
24 **2021** to reimburse 100% of the net increase in necessary costs incurred by a district or
25 intermediate district in implementing the revisions in the administrative rules for special
26 education that became effective on July 1, 1987. As used in this subsection, "net increase
27 in necessary costs" means the necessary additional costs incurred solely because of new or
28 revised requirements in the administrative rules minus cost savings permitted in
29 implementing the revised rules. The department shall determine net increase in necessary
30 costs in a manner specified by the department.

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

32 (a) "Total approved costs of special education" are determined in a manner specified

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

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

27 (c) If the department determines before bookclosing for a fiscal year that the
28 amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and
29 sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections
30 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate
31 district whose reimbursement for that fiscal year would otherwise be affected by
32 subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for

1 that district or intermediate district and the department shall calculate reimbursement for
2 that district or intermediate district in the same manner as it was for 2003-2004. If the
3 amount of the excess allocations under subsections (2), (3), (6), and (11) and sections
4 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those
5 districts and intermediate districts under this subdivision, then the department shall
6 prorate calculations and resulting reimbursement under this subdivision on an equal
7 percentage basis. Beginning in 2015-2016, the amount of reimbursement under this
8 subdivision for a fiscal year must not exceed \$2,000,000.00 for any district or
9 intermediate district.

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

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

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

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

5 (10) If a district or intermediate district uses money received under this section
6 for a purpose other than the purpose or purposes for which the money is allocated, the
7 department may require the district or intermediate district to refund the amount of money
8 received. The department shall deposit money that is refunded in the state treasury to the
9 credit of the state school aid fund.

10 (11) From the funds allocated in subsection (1), there is allocated the amount
11 necessary, estimated at \$3,100,000.00 for ~~2018-2019 and estimated at \$2,900,000.00 for~~
12 ~~2019-2020, 2020-2021~~, to pay the foundation allowances for pupils described in this
13 subsection. The department shall calculate the allocation to a district under this
14 subsection by multiplying the number of pupils described in this subsection who are counted
15 in membership in the district times the sum of the foundation allowance under section 20 of
16 the pupil's district of residence, **plus the amount of the district's per-pupil allocation**
17 **under section 20m**, not to exceed the ~~basic foundation allowance under section 20 for the~~
18 ~~2018-2019 fiscal year and beginning with 2019-2020 not to exceed the target foundation~~
19 allowance for the current fiscal year, or, for a pupil described in this subsection who is
20 counted in membership in a district that is a public school academy, times an amount equal
21 to the amount per membership pupil under section 20(6). The department shall calculate the
22 allocation to an intermediate district under this subsection in the same manner as for a
23 district, using the foundation allowance under section 20 of the pupil's district of
24 residence, not to exceed ~~the basic foundation allowance under section 20 for the 2018-2019~~
25 ~~fiscal year and beginning with 2019-2020 not to exceed~~ the target foundation allowance for
26 the current fiscal year, **and that district's per-pupil allocation under section 20m**. This
27 subsection applies to all of the following pupils:

28 (a) Pupils described in section 53a.

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

32 (c) Pupils with an emotional impairment counted in membership by an intermediate

1 district and provided educational services by the department of health and human services.

2 (12) If it is determined that funds allocated under subsection (2) or (11) or under
3 section 51c will not be expended, funds up to the amount necessary and available may be
4 used to supplement the allocations under subsection (2) or (11) or under section 51c in
5 order to fully fund those allocations. After payments under subsections (2) and (11) and
6 section 51c, the department shall expend the remaining funds from the allocation in
7 subsection (1) in the following order:

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

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

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

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

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

13 (13) The allocations under subsections (2), (3), and (11) are allocations to
14 intermediate districts only and are not allocations to districts, but instead are
15 calculations used only to determine the state payments under section 22b.

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

1 special education programs and services and the payment of the added costs of special
2 education programs and services for a pupil described in this subsection are the
3 responsibility of the district and intermediate district in which the pupil resides.

4 (15) For the purpose of receiving its federal allocation under part B of the
5 individuals with disabilities education act, Public Law 108-446, a public school academy
6 that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551,
7 and is in compliance with section 553a of the revised school code, MCL 380.553a, directly
8 receives the federal allocation under part B of the individuals with disabilities education
9 act, Public Law 108-446, from the intermediate district in which the cyber school is
10 located, as the subrecipient. If the intermediate district does not distribute the funds
11 described in this subsection to the cyber school by the part B application due date of July
12 1, the department may distribute the funds described in this subsection directly to the
13 cyber school according to the formula prescribed in 34 CFR 300.705 and 34 CFR 300.816.

14 (16) For a public school academy that is a cyber school, as defined in section 551 of
15 the revised school code, MCL 380.551, and is in compliance with section 553a of the revised
16 school code, MCL 380.553a, that enrolls a pupil under this section, the intermediate
17 district in which the cyber school is located shall ensure that the cyber school complies
18 with sections 1701a, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code, MCL
19 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable
20 rules; and the individuals with disabilities education act, Public Law 108-446. ~~From the
21 general fund appropriation under subsection (1), for 2018-2019 only the department shall
22 provide appropriate administrative funding to the intermediate district in which that cyber
23 school is located for the purpose of ensuring that compliance.~~

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

27 Sec. 51c. As required by the court in the consolidated cases known as Durant v State
28 of Michigan, 456 Mich 175 (1997), from the allocation under section 51a(1), there is
29 allocated ~~each for~~ fiscal year ~~for 2018-2019 and for 2019-2020~~ **2020-2021** the amount
30 necessary, estimated at ~~\$663,500,000.00 for 2018-2019 and \$689,100,000.00 for 2019-2020,~~
31 **\$718,600,000.00**, for payments to reimburse districts for 28.6138% of total approved costs
32 of special education excluding costs reimbursed under section 53a, and 70.4165% of total

1 approved costs of special education transportation. **Funds allocated under this section that**
2 **are not expended in the state fiscal year for which they were allocated, as determined by**
3 **the department, may be used to supplement the allocations under sections 22a and 22b in**
4 **order to fully fund those calculated allocations for the same fiscal year.**

5 Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated
6 for ~~2019-2020-2020-2021~~ all available federal funding, estimated at ~~\$61,000,000.00,~~
7 **\$71,000,000.00**, for special education programs and services that are funded by federal
8 grants. The department shall distribute all federal funds allocated under this section in
9 accordance with federal law. Notwithstanding section 17b, the department shall make
10 payments of federal funds to districts, intermediate districts, and other eligible entities
11 under this section on a schedule determined by the department.

12 (2) From the federal funds allocated under subsection (1), the following amounts are
13 allocated for ~~2019-2020-2020-2021~~:

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

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

18 (c) An amount estimated at ~~\$35,000,000.00~~ **\$43,000,000.00** for special education
19 programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

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

22 Sec. 51f. (1) From the funds appropriated under section 11, there is allocated for
23 ~~2019-2020-2020-2021~~ an amount not to exceed ~~\$60,207,000.00~~ **\$120,207,000.00** for payments to
24 districts and intermediate districts to increase the level of reimbursement of costs
25 associated with providing special education services required under state and federal law.

26 (2) A district's or intermediate district's allocation under this section is equal to
27 the level percentage multiplied by each district's or intermediate district's costs
28 reported to the center on the special education actual cost report, known as "SE-4096" as
29 referred to under section 18(6), as approved by the department.

30 (3) The total reimbursement under this section and under section 51c must not exceed
31 the total reported costs for a district or intermediate district.

32 (4) For ~~2019-2020-2020-2021~~ the level percentage is estimated at ~~2.0%~~ **4.1%**.

1 (5) For the purposes of this section, "level percentage" means the percentage
2 calculated by dividing the allocation in subsection (1) by the total of costs reported to
3 the center on the special education actual cost report, known as "SE-4096" as referred to
4 under section 18(6), as approved by the department.

5 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) is
6 100% of the total approved costs of operating special education programs and services
7 approved by the department and included in the intermediate district plan adopted pursuant
8 to article 3 of the revised school code, MCL 380.1701 to 380.1761, minus the district's
9 foundation allowance calculated under section 20 **and minus the district's per-pupil**
10 **allocation under section 20m.** For intermediate districts, the department shall calculate
11 reimbursement for pupils described in subsection (2) in the same manner as for a district,
12 using the foundation allowance under section 20 of the pupil's district of residence, not
13 to exceed the target foundation allowance under section 20 for the current fiscal year, **and**
14 **that district's per-pupil allocation under section 20m.**

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

16 (a) Pupils assigned to a district or intermediate district through the community
17 placement program of the courts or a state agency, if the pupil was a resident of another
18 intermediate district at the time the pupil came under the jurisdiction of the court or a
19 state agency.

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

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

25 (d) Pupils enrolled in a department-approved on-grounds educational program longer
26 than 180 days, but not longer than 233 days, at a residential child care institution, if
27 the child care institution offered in 1991-92 an on-grounds educational program longer than
28 180 days but not longer than 233 days.

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

32 (3) Only those costs that are clearly and directly attributable to educational

1 programs for pupils described in subsection (2), and that would not have been incurred if
2 the pupils were not being educated in a district or intermediate district, are reimbursable
3 under this section.

4 (4) The costs of transportation are funded under this section and are not reimbursed
5 under section 58.

6 (5) The department shall not allocate more than \$10,500,000.00 of the allocation for
7 ~~2019-2020-2020-2021~~ in section 51a(1) under this section.

8 Sec. 54. Each intermediate district receives an amount per-pupil for each pupil in
9 attendance at the Michigan schools for the deaf and blind. The amount is proportionate to
10 the total instructional cost at each school. The department shall not allocate more than
11 \$1,688,000.00 of the allocation for ~~2019-2020-2020-2021~~ in section 51a(1) under this
12 section.

13 Sec. 54b. (1) From the general fund appropriation in section 11, there is allocated
14 an amount not to exceed \$1,600,000.00 for ~~2019-2020-2020-2021~~ to continue the
15 implementation of the recommendations of the special education reform task force published
16 in January 2016.

17 (2) The department shall use funds allocated under this section for the purpose of
18 piloting statewide implementation of the Michigan Integrated Behavior and Learning Support
19 Initiative (MiBLSI), a nationally recognized program that includes positive behavioral
20 intervention and supports and provides a statewide structure to support local initiatives
21 for an integrated behavior and reading program. With the assistance of the intermediate
22 districts involved in MiBLSI, the department shall identify a number of intermediate
23 districts to participate in the pilot that is sufficient to ensure that MiBLSI can be
24 implemented statewide with fidelity and sustainability. In addition, the department shall
25 identify an intermediate district to act as a fiscal agent for these funds.

26 Sec. 54d. (1) From the appropriations in section 11, there is allocated an amount not
27 to exceed \$7,150,000.00 for ~~2019-2020-2020-2021~~ to intermediate districts for the purpose
28 of providing state early on services ~~pilot~~ programs for children from birth to 3 years of
29 age with a developmental delay or a disability, or both, and their families, as described
30 in the early on Michigan state plan, as approved by the department.

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

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

8 (4) The department shall distribute the funds allocated under subsection (1) to
9 intermediate districts according to the department's early on funding formula utilized to
10 distribute the federal award to Michigan under part C of the individuals with disabilities
11 education act. Funds received under this section must not supplant existing funds or
12 resources allocated for early on early intervention services. An intermediate district
13 receiving funds under this section shall maximize the capture of Medicaid funds to support
14 early on early intervention services to the extent possible.

15 (5) Each intermediate district that receives funds under this section shall report
16 data and other information to the department in a form, manner, and frequency prescribed by
17 the department to allow for monitoring and evaluation of the ~~pilot projects~~ **program** and to
18 ensure that the children described in subsection (1) received appropriate levels and types
19 of services delivered by qualified personnel, based on the individual needs of the children
20 and their families.

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

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

24 (a) "Membership" means for a particular fiscal year the total membership for the
25 immediately preceding fiscal year of the intermediate district and the districts
26 constituent to the intermediate district.

27 (b) "Millage levied" means the millage levied for special education pursuant to part
28 30 of the revised school code, MCL 380.1711 to 380.1741, including a levy for debt service
29 obligations.

30 (c) "Taxable value" means the total taxable value of the districts constituent to an
31 intermediate district, except that if a district has elected not to come under part 30 of
32 the revised school code, MCL 380.1711 to 380.1741, membership and taxable value of the

1 district are not included in the membership and taxable value of the intermediate district.

2 (2) From the allocation under section 51a(1), there is allocated ~~\$40,008,100.00 for~~
3 ~~2018-2019~~ and an amount not to exceed \$40,008,100.00 for ~~2019-2020~~ **2020-2021** to reimburse
4 intermediate districts levying millages for special education pursuant to part 30 of the
5 revised school code, MCL 380.1711 to 380.1741. The purpose, use, and expenditure of the
6 reimbursement are limited as if the funds were generated by these millages and governed by
7 the intermediate district plan adopted pursuant to article 3 of the revised school code,
8 MCL 380.1701 to 380.1761. As a condition of receiving funds under this section, an
9 intermediate district distributing any portion of special education millage funds to its
10 constituent districts shall submit for departmental approval and implement a distribution
11 plan.

12 ~~(3) Except as otherwise provided in this subsection, reimbursement for those millages~~
13 ~~levied in 2017-2018 is made in 2018-2019 at an amount per 2017-2018 membership pupil~~
14 ~~computed by subtracting from \$193,900.00 the 2017-2018 taxable value behind each membership~~
15 ~~pupil and multiplying the resulting difference by the 2017-2018 millage levied, and then~~
16 ~~subtracting from that amount the 2017-2018 local community stabilization share revenue for~~
17 ~~special education purposes behind each membership pupil for reimbursement of personal~~
18 ~~property exemption loss under the local community stabilization authority act, 2014 PA 86,~~
19 ~~MCL 123.1341 to 123.1362. Reimbursement in 2018-2019 for an intermediate district whose~~
20 ~~2017-2018 allocation was affected by the operation of subsection (5) is an amount equal to~~
21 ~~102.5% of the 2017-2018 allocation to that intermediate district.~~

22 **(3)** ~~(4)~~ Except as otherwise provided in this subsection, reimbursement for those
23 millages levied in ~~2018-2019~~ **2019-2020** is made in ~~2019-2020~~ **2020-2021** at an amount per
24 ~~2018-2019~~ **2019-2020** membership pupil computed by subtracting from ~~\$201,800.00~~ **\$207,100.00**
25 the ~~2018-2019~~ **2019-2020** taxable value behind each membership pupil and multiplying the
26 resulting difference by the ~~2018-2019~~ **2019-2020** millage levied, and then subtracting from
27 that amount the ~~2018-2019~~ **2019-2020** local community stabilization share revenue for special
28 education purposes behind each membership pupil for reimbursement of personal property
29 exemption loss under the local community stabilization authority act, 2014 PA 86, MCL
30 123.1341 to 123.1362. Reimbursement in ~~2019-2020~~ **2020-2021** for an intermediate district
31 whose 2017-2018 allocation was affected by the operation of subsection ~~(5)~~ **(4)** is an amount
32 equal to 102.5% of the 2017-2018 allocation to that intermediate district.

1 (4) ~~(5)~~—The department shall ensure that the amount paid to a single intermediate
2 district under this section does not exceed 62.9% of the total amount allocated under
3 subsection (2).

4 (5) ~~(6)~~—The department shall ensure that the amount paid to a single intermediate
5 district under this section is not less than 75% of the amount allocated to the
6 intermediate district under this section for the immediately preceding fiscal year.

7 Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not
8 to exceed \$37,611,300.00 for ~~2019-2020-2020-2021~~ to reimburse on an added cost basis
9 districts, except for a district that served as the fiscal agent for a vocational education
10 consortium in the 1993-94 school year and that has a foundation allowance as calculated
11 under section 20 greater than the minimum foundation allowance under that section, and
12 secondary area vocational-technical education centers for secondary-level career and
13 technical education programs according to rules approved by the superintendent.
14 Applications for participation in the programs must be submitted in the form prescribed by
15 the department. The department shall determine the added cost for each career and technical
16 education program area. The department shall prioritize the allocation of added cost funds
17 based on the capital and program expenditures needed to operate the career and technical
18 education programs provided; the number of pupils enrolled; the advancement of pupils
19 through the instructional program; the existence of an articulation agreement with at least
20 1 postsecondary institution that provides pupils with opportunities to earn postsecondary
21 credit during the pupil's participation in the career and technical education program and
22 transfers those credits to the postsecondary institution upon completion of the career and
23 technical education program; and the program rank in student placement, job openings, and
24 wages, and shall ensure that the allocation does not exceed 75% of the added cost of any
25 program. Notwithstanding any rule or department determination to the contrary, when
26 determining a district's allocation or the formula for making allocations under this
27 section, the department shall include the participation of pupils in grade 9 in all of
28 those determinations and in all portions of the formula. With the approval of the
29 department, the board of a district maintaining a secondary career and technical education
30 program may offer the program for the period from the close of the school year until
31 September 1. The program shall use existing facilities and must be operated as prescribed
32 by rules promulgated by the superintendent.

1 (2) Except for a district that served as the fiscal agent for a vocational education
2 consortium in the 1993-94 school year, the department shall reimburse districts and
3 intermediate districts for local career and technical education administration, shared time
4 career and technical education administration, and career education planning district
5 career and technical education administration. The superintendent shall adopt guidelines
6 for the definition of what constitutes administration and shall make reimbursement pursuant
7 to those guidelines. The department shall not distribute more than \$800,000.00 of the
8 allocation in subsection (1) under this subsection.

9 (3) A career and technical education program funded under this section may provide an
10 opportunity for participants who are eligible to be funded under section 107 to enroll in
11 the career and technical education program funded under this section if the participation
12 does not occur during regular school hours.

13 Sec. 61b. (1) From the funds appropriated under section 11, there is allocated for
14 ~~2019-2020-2020-2021~~ an amount not to exceed \$8,000,000.00 from the state school aid fund
15 appropriation for CTE early/middle college and CTE dual enrollment programs authorized
16 under this section and for planning grants for the development or expansion of CTE
17 early/middle college programs. The purpose of these programs is to increase the number of
18 Michigan residents with high-quality degrees or credentials, and to increase the number of
19 students who are college and career ready upon high school graduation.

20 (2) From the funds allocated under subsection (1), the department shall allocate an
21 amount as determined under this subsection to each intermediate district serving as a
22 fiscal agent for state-approved CTE early/middle college and CTE dual enrollment programs
23 in each of the ~~prosperity regions and subregions~~ **career education planning districts**
24 identified by the department. An intermediate district shall not use more than 5% of the
25 funds allocated under this subsection for administrative costs for serving as the fiscal
26 agent.

27 (3) To be an eligible fiscal agent, an intermediate district must agree to do all of
28 the following in a form and manner determined by the department:

29 (a) Distribute funds to eligible CTE early/middle college and CTE dual enrollment
30 programs in a ~~prosperity region or subregion~~ **career education planning district** as
31 described in this section.

32 (b) Collaborate with the career and educational advisory council ~~that is located in~~

1 ~~the prosperity region or subregion in the workforce development board service delivery area~~
2 to develop ~~a~~**one** regional strategic plan under subsection (4) that aligns CTE programs and
3 services into an efficient and effective delivery system for high school students. **The**
4 **department will align career education planning districts, workforce development board**
5 **service delivery areas, and intermediate districts for the purpose of creating one regional**
6 **strategic plan for each workforce development board service delivery area.**

7 (c) Implement a regional process to rank career clusters in the ~~prosperity region or~~
8 ~~subregion~~**workforce development board service delivery area** as described under subsection
9 (4). Regional processes must be approved by the department before the ranking of career
10 clusters.

11 (d) Report CTE early/middle college and CTE dual enrollment program and student data
12 and information as prescribed by the department and the center.

13 (4) A regional strategic plan must be ~~approved~~**reviewed** by the career and educational
14 advisory council. ~~before submission to the department.~~ A regional strategic plan must
15 include, but is not limited to, the following:

16 (a) An identification of regional employer need based on a ranking of all career
17 clusters in the ~~prosperity region or subregion~~**workforce development board service delivery**
18 **area** ranked by 10-year job openings projections and median wage for each standard
19 occupational code in each career cluster as obtained from the United States Bureau of Labor
20 Statistics. Standard occupational codes within high-ranking clusters also may be further
21 ranked by median wage. The career and educational advisory council located in the
22 ~~prosperity region or subregion~~**workforce development board service delivery area** shall
23 review the rankings and modify them if necessary to accurately reflect employer demand for
24 talent in the ~~prosperity region or subregion~~**workforce development board service delivery**
25 **area**. A career and educational advisory council shall document that it has conducted this
26 review and certify that it is accurate. These career cluster rankings must be determined
27 and updated once every 4 years.

28 (b) An identification of educational entities in the ~~prosperity region or subregion~~
29 **workforce development board service delivery area** that will provide eligible CTE
30 early/middle college and CTE dual enrollment programs including districts, intermediate
31 districts, postsecondary institutions, and noncredit occupational training programs leading
32 to an industry-recognized credential.

1 (c) A strategy to inform parents and students of CTE early/middle college and CTE
2 dual enrollment programs in the ~~prosperity region or subregion.~~ **workforce development board**
3 **service delivery area.**

4 (d) Any other requirements as defined by the department.

5 (5) An eligible CTE program is a program that meets all of the following:

6 (a) Has been identified in the highest 5 career cluster rankings in any of the ~~10~~
7 ~~regional~~ **16 workforce development board service delivery area** strategic plans jointly
8 approved by ~~the Michigan talent investment agency in~~ the department of labor and economic
9 opportunity and the department.

10 (b) Has a coherent sequence of courses that will allow a student to earn a high
11 school diploma and achieve at least 1 of the following in a specific career cluster:

12 (i) An associate degree.

13 (ii) An industry-recognized technical certification approved by the ~~Michigan talent~~
14 ~~investment agency in the~~ department of labor and economic opportunity.

15 (iii) Up to 60 transferable college credits.

16 (iv) Participation in a registered apprenticeship, pre-apprenticeship, or apprentice
17 readiness program.

18 (c) Is aligned with the Michigan merit curriculum.

19 (d) Has an articulation agreement with at least 1 postsecondary institution that
20 provides students with opportunities to receive postsecondary credits during the student's
21 participation in the CTE early/middle college or CTE dual enrollment program and transfers
22 those credits to the postsecondary institution upon completion of the CTE early/middle
23 college or CTE dual enrollment program.

24 (e) Provides instruction that is supervised, directed, or coordinated by an
25 appropriately certificated CTE teacher or, for concurrent enrollment courses, a
26 postsecondary faculty member.

27 (f) Provides for highly integrated student support services that include at least the
28 following:

29 (i) Teachers as academic advisors.

30 (ii) Supervised course selection.

31 (iii) Monitoring of student progress and completion.

32 (iv) Career planning services provided by a local one-stop service center as

1 described in the Michigan Works! one-stop service center system act, 2006 PA 491, MCL
2 408.111 to 408.135, or by a high school counselor or advisor.

3 (g) Has courses that are taught on a college campus, are college courses offered at
4 the high school and taught by college faculty, or are courses taught in combination with
5 online instruction.

6 (6) The department shall distribute funds to eligible CTE early/middle college and
7 CTE dual enrollment programs as follows:

8 (a) The department shall determine statewide average CTE costs per pupil for each CIP
9 code program by calculating statewide average costs for each CIP code program for the 3
10 most recent fiscal years.

11 (b) The distribution to each eligible CTE early/middle college or CTE dual enrollment
12 program is the product of 50% of CTE costs per pupil times the ~~current~~-prior year pupil
13 enrollment of each eligible CTE early/middle college or CTE dual enrollment program.

14 (7) In order to receive funds under this section, a CTE early/middle college or CTE
15 dual enrollment program shall furnish to the intermediate district that is the fiscal agent
16 identified in subsection (2), in a form and manner determined by the department, all
17 information needed to administer this program and meet federal reporting requirements;
18 shall allow the department or the department's designee to review all records related to
19 the program for which it receives funds; and shall reimburse the state for all
20 disallowances found in the review, as determined by the department.

21 (8) There is allocated for ~~2019-2020-2020-2021~~ from the funds under subsection (1) an
22 amount not to exceed \$500,000.00 from the state school aid fund allocation for grants to
23 intermediate districts or consortia of intermediate districts for the purpose of planning
24 for new or expanded early/middle college programs. Applications for grants must be
25 submitted in a form and manner determined by the department. The amount of a grant under
26 this subsection must not exceed ~~\$150,000.00~~-**\$50,000.00**. To be eligible for a grant under
27 this subsection, an intermediate district or consortia of intermediate districts must
28 provide matching funds equal to the grant received under this subsection. Notwithstanding
29 section 17b, the department shall make payments under this subsection in the manner
30 determined by the department.

31 (9) Funds distributed under this section may be used to fund program expenditures
32 that would otherwise be paid from foundation allowances. A program receiving funding under

1 section 61a may receive funding under this section for allowable costs that exceed the
2 reimbursement the program received under section 61a. The combined payments received by a
3 program under section 61a and this section must not exceed the total allowable costs of the
4 program. A program provider shall not use more than 5% of the funds allocated under this
5 section to the program for administrative costs.

6 (10) If the allocation under subsection (1) is insufficient to fully fund payments as
7 otherwise calculated under this section, the department shall prorate payments under this
8 section on an equal percentage basis.

9 (11) If pupils enrolled in a career cluster in an eligible CTE early/middle college
10 or CTE dual enrollment program qualify to be reimbursed under this section, those pupils
11 continue to qualify for reimbursement until graduation, even if the career cluster is no
12 longer identified as being in the highest 5 career cluster rankings.

13 (12) As used in this section:

14 (a) "Allowable costs" means those costs directly attributable to the program as
15 jointly determined by the ~~Michigan talent investment agency~~ **department of labor and**
16 **economic opportunity** and the department.

17 (b) "Career and educational advisory council" means an advisory council to the local
18 workforce development boards located in a ~~prosperity region~~ **workforce development board**
19 **service delivery area** consisting of educational, employer, labor, and parent
20 representatives.

21 (c) "CIP" means classification of instructional programs.

22 (d) "CTE" means career and technical education programs.

23 (e) "CTE dual enrollment program" means a 4-year high school program of postsecondary
24 courses offered by eligible postsecondary educational institutions that leads to an
25 industry-recognized certification or degree.

26 (f) "Early/middle college program" means a 5-year high school program.

27 (g) "Eligible postsecondary educational institution" means that term as defined in
28 section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

29 ~~(13) The funds allocated under subsection (8) for 2019-2020 are a work project~~
30 ~~appropriation, and any unexpended funds for 2019-2020 are carried forward into 2020-2021.~~
31 ~~The purpose of the work project is to continue providing CTE opportunities described in~~
32 ~~subsection (8). The estimated completion date of the work project is September 30, 2021.~~

1 Sec. 61d. (1) From the appropriation in section 11, there is allocated for ~~2019-2020~~
2 **2020-2021** an amount not to exceed \$5,000,000.00 from the state school aid fund for
3 additional payments to districts for career and technical education programs for the
4 purpose of increasing the number of Michigan residents with high-quality degrees or
5 credentials, and to increase the number of pupils who are college- and career-ready upon
6 high school graduation.

7 (2) The department shall calculate payments to districts under this section in the
8 following manner:

9 (a) A payment of ~~\$50.00~~ **\$25.00** multiplied by the number of pupils in grades 9 to 12
10 who are counted in membership in the district and are enrolled in at least 1 career and
11 technical education program.

12 (b) An additional payment of ~~\$50.00~~ **\$25.00** multiplied by the number of pupils in
13 grades 9 to 12 who are counted in membership in the district and are enrolled in at least 1
14 career and technical education program that provides instruction in critical skills and
15 high-demand career fields.

16 (3) If the allocation under subsection (1) is insufficient to fully fund payments
17 under subsection (2), the department shall prorate payments under this section on an equal
18 per-pupil basis.

19 (4) As used in this section:

20 (a) "Career and technical education program" means a state-approved career and
21 technical education program, as determined by the department.

22 (b) "Career and technical education program that provides instruction in critical
23 skills and high-demand career field" means a career and technical education program
24 classified under any of the following 2-digit classification of instructional programs
25 (CIP) codes:

26 (i) 01, which refers to "agriculture, agriculture operations, and related sciences".

27 (ii) 03, which refers to "natural resources and conservation".

28 (iii) 10 through 11, which refers to "communications technologies/technicians and
29 support services" and "computer and information sciences and support services".

30 (iv) 14 through 15, which refers to "engineering" and "engineering technologies and
31 engineering-related fields".

32 (v) 26, which refers to "biological and biomedical sciences".

1 (vi) 46 through 48, which refers to "construction trades", "mechanic and repair
2 technologies/technicians", and "precision production".

3 (vii) 51, which refers to "health professions and related programs".

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

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

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

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

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

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

28 (2) From the appropriation in section 11, there is allocated an amount not to exceed
29 \$9,190,000.00 ~~each fiscal year for 2018-2019 and for 2019-2020~~ **for fiscal year 2020-2021** to
30 reimburse intermediate districts and area vocational-technical education programs
31 established under section 690(3) of the revised school code, MCL 380.690, levying millages
32 for area vocational-technical education pursuant to sections 681 to 690 of the revised

1 school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement
2 are limited as if the funds were generated by those millages.

3 ~~(3) Reimbursement for those millages levied in 2017-2018 is made in 2018-2019 at an~~
4 ~~amount per 2017-2018 membership pupil computed by subtracting from \$205,700.00 the 2017-~~
5 ~~2018 taxable value behind each membership pupil and multiplying the resulting difference by~~
6 ~~the 2017-2018 millage levied, and then subtracting from that amount the 2017-2018 local~~
7 ~~community stabilization share revenue for area vocational technical education behind each~~
8 ~~membership pupil for reimbursement of personal property exemption loss under the local~~
9 ~~community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.~~

10 (3) ~~(4)~~ Reimbursement for those millages levied in ~~2018-2019~~ **2019-2020** is made in
11 ~~2019-2020~~ **2020-2021** at an amount per ~~2018-2019~~ **2019-2020** membership pupil computed by
12 subtracting from ~~\$211,000.00~~ **\$216,500.00** the ~~2018-2019~~ **2019-2020** taxable value behind each
13 membership pupil and multiplying the resulting difference by the ~~2018-2019~~ **2019-2020**
14 millage levied, and then subtracting from that amount the ~~2018-2019~~ **2019-2020** local
15 community stabilization share revenue for area vocational technical education behind each
16 membership pupil for reimbursement of personal property exemption loss under the local
17 community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

18 (4) ~~(5)~~ The department shall ensure that the amount paid to a single intermediate
19 district under this section does not exceed 38.4% of the total amount allocated under
20 subsection (2).

21 (5) ~~(6)~~ The department shall ensure that the amount paid to a single intermediate
22 district under this section is not less than 75% of the amount allocated to the
23 intermediate district under this section for the immediately preceding fiscal year.

24 Sec. 65. (1) From the appropriation under section 11, there is allocated an amount
25 not to exceed \$400,000.00 for ~~2019-2020~~ **2020-2021** for a pre-college engineering K-12
26 educational program that is focused on the development of a diverse future Michigan
27 workforce, that serves multiple communities within southeast Michigan, that enrolls pupils
28 from multiple districts, and that received funds appropriated for this purpose in the
29 appropriations act that provided the Michigan strategic fund budget for 2014-2015.

30 (2) To be eligible for funding under this section, a program must have the ability to
31 expose pupils to, and motivate and prepare pupils for, science, technology, engineering,
32 and mathematics careers and postsecondary education with special attention given to groups

1 of pupils who are at-risk and underrepresented in technical professions and careers.

2 Sec. 67. (1) From the general fund amount appropriated in section 11, there is
3 allocated an amount not to exceed \$3,000,000.00 for ~~2019-2020-2020-2021~~ for college access
4 programs. The programs funded under this section are intended to inform students of college
5 and career options and to provide resources intended to increase the number of pupils who
6 are adequately prepared with the information needed to make informed decisions on college
7 and career. The funds appropriated under this section are intended to be used to increase
8 the number of Michigan residents with high-quality degrees or credentials. Funds
9 appropriated under this section must not be used to supplant funding for counselors already
10 funded by districts.

11 (2) The ~~talent investment agency of the~~ department of labor and economic opportunity
12 shall administer funds allocated under this section in collaboration with the Michigan
13 college access network. These funds may be used for any of the following purposes:

14 (a) Michigan college access network operations, programming, and services to local
15 college access networks.

16 (b) Local college access networks, which are community-based college access/success
17 partnerships committed to increasing the college participation and completion rates within
18 geographically defined communities through a coordinated strategy.

19 (c) The Michigan college advising program, a program intended to place trained,
20 recently graduated college advisors in high schools that serve significant numbers of low-
21 income and first-generation college-going pupils. State funds used for this purpose may not
22 exceed 33% of the total funds available under this subsection.

23 (d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools that
24 establish a college access team and implement specific strategies to create a college-going
25 culture in a high school in a form and manner approved by the Michigan college access
26 network and the ~~Michigan talent investment agency.~~ **department of labor and economic**
27 **opportunity.**

28 (e) The Michigan college access portal, an online one-stop portal to help pupils and
29 families plan and apply for college.

30 (f) Public awareness and outreach campaigns to encourage low-income and first-
31 generation college-going pupils to take necessary steps toward college and to assist pupils
32 and families in completing a timely and accurate free application for federal student aid.

1 (g) Subgrants to postsecondary institutions to recruit, hire, and train college
2 student mentors and college advisors to assist high school pupils in navigating the
3 postsecondary planning and enrollment process.

4 (3) For the purposes of this section, "college" means any postsecondary educational
5 opportunity that leads to a career, including, but not limited to, a postsecondary degree,
6 industry-recognized technical certification, or registered apprenticeship.

7 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount
8 not to exceed ~~\$3,772,900.00~~ **\$3,814,500.00** for ~~2019-2020-2020-2021~~ for the purposes of this
9 section.

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

21 (3) From the allocation in subsection (1), there is allocated for ~~2019-2020-2020-2021~~
22 the amount necessary to pay the reasonable costs of nonspecial education auxiliary services
23 transportation provided under section 1323 of the revised school code, MCL 380.1323.
24 Districts funded under this subsection do not receive funding under any other section of
25 this article for nonspecial education auxiliary services transportation.

26 (4) From the funds allocated in subsection (1), there is allocated an amount not to
27 exceed ~~\$1,747,900.00~~ **\$1,789,500.00** for ~~2019-2020-2020-2021~~ for reimbursement to districts
28 and intermediate districts for costs associated with the inspection of school buses and
29 pupil transportation vehicles by the department of state police as required under section
30 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
31 transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare
32 a statement of costs attributable to each district for which bus inspections are provided

1 and submit it to the department and to an intermediate district serving as fiduciary in a
2 time and manner determined jointly by the department and the department of state police.
3 Upon review and approval of the statement of cost, the department shall forward to the
4 designated intermediate district serving as fiduciary the amount of the reimbursement on
5 behalf of each district and intermediate district for costs detailed on the statement
6 within 45 days after receipt of the statement. The designated intermediate district shall
7 make payment in the amount specified on the statement to the department of state police
8 within 45 days after receipt of the statement. The total reimbursement of costs under this
9 subsection must not exceed the amount allocated under this subsection. Notwithstanding
10 section 17b, the department shall make payments to eligible entities under this subsection
11 on a schedule prescribed by the department.

12 Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2019-2020~~
13 **2020-2021** to the intermediate districts the sum necessary, but not to exceed
14 ~~\$69,138,000.00,~~ **\$71,212,200.00**, to provide state aid to intermediate districts under this
15 section.

16 (2) The amount allocated under this section to each intermediate district is an
17 amount equal to ~~101%~~ **103%** of the amount allocated to the intermediate district under this
18 section for ~~2018-2019.~~ **2019-2020**. An intermediate district shall use funding provided under
19 this section to comply with requirements of this article and the revised school code that
20 are applicable to intermediate districts, and for which funding is not provided elsewhere
21 in this article, and to provide technical assistance to districts as authorized by the
22 intermediate school board.

23 (3) Intermediate districts receiving funds under this section shall collaborate with
24 the department to develop expanded professional development opportunities for teachers to
25 update and expand their knowledge and skills needed to support the Michigan merit
26 curriculum.

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

1 for 3 years following consolidation, annexation, or attachment.

2 (5) In order to receive funding under this section, an intermediate district shall do
3 all of the following:

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

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

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

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

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

17 Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to
18 the department for ~~2019-2020-2020-2021~~ an amount not to exceed \$1,000,000.00 for efforts to
19 increase the number of pupils who participate and succeed in advanced placement and
20 international baccalaureate programs, and to support the college-level examination program
21 (CLEP).

22 (2) From the funds allocated under this section, the department shall award funds to
23 cover all or part of the costs of advanced placement test fees or international
24 baccalaureate test fees and international baccalaureate registration fees for low-income
25 pupils who take an advanced placement or an international baccalaureate test and CLEP fees
26 for low-income pupils who take a CLEP test.

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

29 (a) Each pupil for whom payment is made meets eligibility requirements of the federal
30 advanced placement test fee program under section 1701 of the no child left behind act of
31 2001, Public Law 107-110, or under a corresponding provision of the every student succeeds
32 act, Public Law 114-95.

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

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

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

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

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

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

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

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

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

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

25 (ii) Data access or, if practical, data sets, provided for regional data hubs that,
26 in combination with local data, can improve teaching and learning in the classroom.

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

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

31 (f) Provide public reports to the residents of this state to allow them to assess
32 allocation of resources and the return on their investment in the education system of this

1 state.

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

3 (2) Each state department, officer, or agency that collects information from
4 districts, intermediate districts, or postsecondary institutions as required under state or
5 federal law shall make arrangements with the center to ensure that the state department,
6 officer, or agency is in compliance with subsection (1). This subsection does not apply to
7 information collected by the department of treasury under the uniform budgeting and
8 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001
9 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act,
10 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL
11 380.1351a.

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

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

16 (a) Includes data at the individual student level from preschool through
17 postsecondary education and into the workforce.

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

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

24 (d) Enables the matching of individual teachers with information about their
25 certification and the institutions that prepared and recommended those teachers for state
26 certification.

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

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

32 (g) Provides this state with the ability to meet federal and state reporting

1 requirements.

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

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

7 (ii) Contains student-level enrollment, demographic, and program participation
8 information.

9 (iii) Contains student-level information about the points at which students exit,
10 transfer in, transfer out, drop out, or complete education programs.

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

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

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

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

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

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

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

25 (A) Enrollment in remedial coursework.

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

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

30 (5) From the general fund appropriation in section 11, there is allocated an amount
31 not to exceed ~~\$16,457,200.00~~ **\$16,848,900.00** for ~~2019-2020~~ **2020-2021** to the department of
32 technology, management, and budget to support the operations of the center. In addition,

1 from the federal funds appropriated in section 11, there is allocated for ~~2019-2020-2020-~~
2 **2021** the amount necessary, estimated at \$193,500.00, to support the operations of the
3 center and to establish a P-20 longitudinal data system necessary for state and federal
4 reporting purposes. The center shall cooperate with the department to ensure that this
5 state is in compliance with federal law and is maximizing opportunities for increased
6 federal funding to improve education in this state.

7 (6) From the funds allocated in subsection (5), the center may use an amount
8 determined by the center for competitive grants for ~~2019-2020-2020-2021~~ to support
9 collaborative efforts on the P-20 longitudinal data system. All of the following apply to
10 grants awarded under this subsection:

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

13 (b) Activities funded under the grant must support the P-20 longitudinal data system
14 portal and may include portal hosting, hardware and software acquisition, maintenance,
15 enhancements, user support and related materials, and professional learning tools and
16 activities aimed at improving the utility of the P-20 longitudinal data system.

17 (c) An applicant that received a grant under this subsection for the immediately
18 preceding fiscal year has priority for funding under this section. However, after 3 fiscal
19 years of continuous funding, an applicant is required to compete openly with new
20 applicants.

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

24 (8) The center may bill departments as necessary in order to fulfill reporting
25 requirements of state and federal law. The center may also enter into agreements to supply
26 custom data, analysis, and reporting to other principal executive departments, state
27 agencies, local units of government, and other individuals and organizations. The center
28 may receive and expend funds in addition to those authorized in subsection (5) to cover the
29 costs associated with salaries, benefits, supplies, materials, and equipment necessary to
30 provide such data, analysis, and reporting services.

31 (9) As used in this section:

32 (a) "DED-OESE" means the United States Department of Education Office of Elementary

1 and Secondary Education.

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

3 Sec. 97a. (1) From the general fund appropriation in section 11, there is allocated
4 an amount not to exceed \$40,000,000.00 for 2020-2021 only for grants to districts for
5 infrastructure upgrades that protect student health, safety, and well-being.

6 (2) A district seeking a grant under this section shall apply to the department in a
7 form and manner prescribed by the department not later than December 1, 2020. The
8 department shall select districts for grants and make notification not later than February
9 1, 2021.

10 (3) The department, in collaboration with the department of treasury, shall award
11 grants under this section on a competitive basis to geographically diverse areas of the
12 state, including urban, suburban, and rural districts. The department shall give priority
13 to districts that meet any of the following:

14 (a) The district is required to submit a deficit elimination plan or an enhanced
15 deficit elimination plan under section 1220 of the revised school code, MCL 380.1220.

16 (b) The district is low-achieving academically, as determined by the department.

17 (c) The district has established a community engagement advisory committee in
18 partnership with the department of treasury.

19 (4) The amount of a grant under this section to any 1 district shall not exceed
20 \$500,000.00.

21 (5) A grant under this section shall be used to modify instructional facilities
22 through the purchase of materials and labor for any of the following:

23 (a) Purchase and installation of air filters, water filters, or both.

24 (b) Purchase and installation of hydration stations, which are fixtures designed to
25 deliver drinking water through existing water lines and are capable of receiving a filter
26 that removes lead and other contaminants from drinking water.

27 (c) Lead abatement, asbestos abatement, or both.

28 (d) Heating and cooling modifications necessary to provide students with a
29 comfortable learning environment.

30 (e) School security measures.

31 (f) Roof repair, if the condition of the current roof creates a health concern for
32 students or negatively impacts the learning environment.

1 (g) Purchase and installation of light modifications to increase energy efficiency.

2 (h) Other modifications necessary to protect student health, safety, and well-being,
3 as determined by the department.

4 (6) Districts are encouraged to engage local businesses and philanthropic
5 organizations to maximize the impact of funds awarded under this section.

6 (7) Notwithstanding section 17b, grant payments to districts under this section shall
7 be paid on a schedule determined by the department.

8 Sec. 98. (1) From the general fund money appropriated in section 11, there is
9 allocated an amount not to exceed \$6,312,500.00 for ~~2019-2020~~-2020-2021 for the purposes
10 described in this section. The Michigan Virtual University shall provide a report to the
11 legislature not later than November 1 of each year that includes its mission, its plans,
12 and proposed benchmarks it must meet, including a plan to achieve the organizational
13 priorities identified in this section, in order to receive full funding for ~~2020-2021~~-
14 2021-2022. Not later than March 1 of each year, the Michigan Virtual University shall
15 provide an update to the house and senate appropriations subcommittees on school aid to
16 show the progress being made to meet the benchmarks identified.

17 (2) The Michigan Virtual University shall operate the Michigan Virtual Learning
18 Research Institute. The Michigan Virtual Learning Research Institute shall do all of the
19 following:

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

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

23 (ii) Research, design, and recommend virtual education delivery models for use by
24 pupils and teachers that include age-appropriate multimedia instructional content.

25 (iii) Research, develop, and recommend annually to the department criteria by which
26 cyber schools and virtual course providers should be monitored and evaluated to ensure a
27 quality education for their pupils.

28 (iv) Based on pupil completion and performance data reported to the department or the
29 center from cyber schools and other virtual course providers operating in this state,
30 analyze the effectiveness of virtual learning delivery models in preparing pupils to be
31 college- and career-ready and publish a report that highlights enrollment totals,
32 completion rates, and the overall impact on pupils. The Michigan Virtual Learning Research

1 Institute shall submit the report to the house and senate appropriations subcommittees on
2 state school aid, the state budget director, the house and senate fiscal agencies, the
3 department, districts, and intermediate districts not later than March 31 of each year.

4 (v) Provide an extensive professional development program to at least 30,000
5 educational personnel, including teachers, school administrators, and school board members,
6 that focuses on the effective integration of virtual learning into curricula and
7 instruction. The Michigan Virtual Learning Research Institute is encouraged to work with
8 the ~~MiSTEM advisory~~ **MI-STEM** council created under ~~section 99e~~ **Executive Order No. 2019-13**
9 to coordinate professional development of teachers in applicable fields. In addition, the
10 Michigan Virtual Learning Research Institute and external stakeholders are encouraged to
11 coordinate with the department for professional development in this state. Not later than
12 December 1 of each year, the Michigan Virtual Learning Research Institute shall submit a
13 report to the house and senate appropriations subcommittees on state school aid, the state
14 budget director, the house and senate fiscal agencies, and the department on the number of
15 teachers, school administrators, and school board members who have received professional
16 development services from the Michigan Virtual University. The report must also identify
17 barriers and other opportunities to encourage the adoption of virtual learning in the
18 public education system.

19 (vi) Identify and share best practices for planning, implementing, and evaluating
20 virtual and blended education delivery models with intermediate districts, districts, and
21 public school academies to accelerate the adoption of innovative education delivery models
22 statewide.

23 (b) Provide leadership for this state's system of virtual learning education by doing
24 the following activities:

25 (i) Develop and report policy recommendations to the governor and the legislature
26 that accelerate the expansion of effective virtual learning in this state's schools.

27 (ii) Provide a clearinghouse for research reports, academic studies, evaluations, and
28 other information related to virtual learning.

29 (iii) Promote and distribute the most current instructional design standards and
30 guidelines for virtual teaching.

31 (iv) In collaboration with the department and interested colleges and universities in
32 this state, support implementation and improvements related to effective virtual learning

1 instruction.

2 (v) Pursue public/private partnerships that include districts to study and implement
3 competency-based technology-rich virtual learning models.

4 (vi) Create a statewide network of school-based mentors serving as liaisons between
5 pupils, virtual instructors, parents, and school staff, as provided by the department or
6 the center, and provide mentors with research-based training and technical assistance
7 designed to help more pupils be successful virtual learners.

8 (vii) Convene focus groups and conduct annual surveys of teachers, administrators,
9 pupils, parents, and others to identify barriers and opportunities related to virtual
10 learning.

11 (viii) Produce an annual consumer awareness report for schools and parents about
12 effective virtual education providers and education delivery models, performance data, cost
13 structures, and research trends.

14 (ix) Provide an internet-based platform that educators can use to create student-
15 centric learning tools and resources for sharing in the state's open educational resource
16 repository and facilitate a user network that assists educators in using the content
17 creation platform and state repository for open educational resources. As part of this
18 initiative, the Michigan Virtual University shall work collaboratively with districts and
19 intermediate districts to establish a plan to make available virtual resources that align
20 to Michigan's K-12 curriculum standards for use by students, educators, and parents.

21 (x) Create and maintain a public statewide catalog of virtual learning courses being
22 offered by all public schools and community colleges in this state. The Michigan Virtual
23 Learning Research Institute shall identify and develop a list of nationally recognized best
24 practices for virtual learning and use this list to support reviews of virtual course
25 vendors, courses, and instructional practices. The Michigan Virtual Learning Research
26 Institute shall also provide a mechanism for intermediate districts to use the identified
27 best practices to review content offered by constituent districts. The Michigan Virtual
28 Learning Research Institute shall review the virtual course offerings of the Michigan
29 Virtual University, and make the results from these reviews available to the public as part
30 of the statewide catalog. The Michigan Virtual Learning Research Institute shall ensure
31 that the statewide catalog is made available to the public on the Michigan Virtual
32 University website and shall allow the ability to link it to each district's website as

1 provided for in section 21f. The statewide catalog must also contain all of the following:

2 (A) The number of enrollments in each virtual course in the immediately preceding
3 school year.

4 (B) The number of enrollments that earned 60% or more of the total course points for
5 each virtual course in the immediately preceding school year.

6 (C) The pass rate for each virtual course.

7 (xi) Support registration, payment services, and transcript functionality for the
8 statewide catalog and train key stakeholders on how to use new features.

9 (xii) Collaborate with key stakeholders to examine district level accountability and
10 teacher effectiveness issues related to virtual learning under section 21f and make
11 findings and recommendations publicly available.

12 (xiii) Provide a report on the activities of the Michigan Virtual Learning Research
13 Institute.

14 (3) To further enhance its expertise and leadership in virtual learning, the Michigan
15 Virtual University shall continue to operate the Michigan Virtual School as a statewide
16 laboratory and quality model of instruction by implementing virtual and blended learning
17 solutions for Michigan schools in accordance with the following parameters:

18 (a) The Michigan Virtual School must maintain its accreditation status from
19 recognized national and international accrediting entities.

20 (b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the
21 amount allocated under this section to subsidize the cost paid by districts for virtual
22 courses.

23 (c) In providing educators responsible for the teaching of virtual courses as
24 provided for in this section, the Michigan Virtual School shall follow the requirements to
25 request and assess, and the department of state police shall provide, a criminal history
26 check and criminal records check under sections 1230 and 1230a of the revised school code,
27 MCL 380.1230 and 380.1230a, in the same manner as if the Michigan Virtual School were a
28 school district under those sections.

29 (4) From the funds allocated under subsection (1), the Michigan Virtual University
30 shall allocate up to \$500,000.00 to support the expansion of new online and blended
31 educator professional development programs.

32 (5) If the course offerings are included in the statewide catalog of virtual courses

1 under subsection (2) (b) (x), the Michigan Virtual School operated by the Michigan Virtual
2 University may offer virtual course offerings, including, but not limited to, all of the
3 following:

4 (a) Information technology courses.

5 (b) College level equivalent courses, as defined in section 1471 of the revised
6 school code, MCL 380.1471.

7 (c) Courses and dual enrollment opportunities.

8 (d) Programs and services for at-risk pupils.

9 (e) High school equivalency test preparation courses for adjudicated youth.

10 (f) Special interest courses.

11 (g) Professional development programs for teachers, school administrators, other
12 school employees, and school board members.

13 (6) If a home-schooled or nonpublic school student is a resident of a district that
14 subscribes to services provided by the Michigan Virtual School, the student may use the
15 services provided by the Michigan Virtual School to the district without charge to the
16 student beyond what is charged to a district pupil using the same services.

17 (7) Not later than December 1 of each fiscal year, the Michigan Virtual University
18 shall provide a report to the house and senate appropriations subcommittees on state school
19 aid, the state budget director, the house and senate fiscal agencies, and the department
20 that includes at least all of the following information related to the Michigan Virtual
21 School for the preceding state fiscal year:

22 (a) A list of the districts served by the Michigan Virtual School.

23 (b) A list of virtual course titles available to districts.

24 (c) The total number of virtual course enrollments and information on registrations
25 and completions by course.

26 (d) The overall course completion rate percentage.

27 (8) In addition to the information listed in subsection (7), the report under
28 subsection (7) must also include a plan to serve at least 600 schools with courses from the
29 Michigan Virtual School or with content available through the internet-based platform
30 identified in subsection (2) (b) (ix).

31 (9) The governor may appoint an advisory group for the Michigan Virtual Learning
32 Research Institute established under subsection (2). The members of the advisory group

1 serve at the pleasure of the governor and without compensation. The purpose of the advisory
2 group is to make recommendations to the governor, the legislature, and the president and
3 board of the Michigan Virtual University that will accelerate innovation in this state's
4 education system in a manner that will prepare elementary and secondary students to be
5 career and college ready and that will promote the goal of increasing the percentage of
6 residents of this state with high-quality degrees and credentials to at least 60% by 2025.

7 (10) Not later than November 1 of each year, the Michigan Virtual University shall
8 submit to the house and senate appropriations subcommittees on state school aid, the state
9 budget director, and the house and senate fiscal agencies a detailed budget for that fiscal
10 year that includes a breakdown on its projected costs to deliver virtual educational
11 services to districts and a summary of the anticipated fees to be paid by districts for
12 those services. Not later than March 1 each year, the Michigan Virtual University shall
13 submit to the house and senate appropriations subcommittees on state school aid, the state
14 budget director, and the house and senate fiscal agencies a breakdown on its actual costs
15 to deliver virtual educational services to districts and a summary of the actual fees paid
16 by districts for those services based on audited financial statements for the immediately
17 preceding fiscal year.

18 (11) As used in this section:

19 (a) "Blended learning" means a hybrid instructional delivery model where pupils are
20 provided content, instruction, and assessment, in part at a supervised educational facility
21 away from home where the pupil and a teacher with a valid Michigan teaching certificate are
22 in the same physical location and in part through internet-connected learning environments
23 with some degree of pupil control over time, location, and pace of instruction.

24 (b) "Cyber school" means a full-time instructional program of virtual courses for
25 pupils that may or may not require attendance at a physical school location.

26 (c) "Virtual course" means a course of study that is capable of generating a credit
27 or a grade and that is provided in an interactive learning environment in which the
28 majority of the curriculum is delivered using the internet and in which pupils are
29 separated from their instructor or teacher of record by time or location, or both.

30 ~~(12) It is the intent of the legislature not to allocate an amount greater than~~
31 ~~\$6,342,500.00 for 2020-2021 for the purposes of this section.~~

32 **Sec. 98a. (1) From the appropriations in section 11, there is allocated an amount not**

1 to exceed \$5,000,000.00 for 2020-2021 only to eligible districts and intermediate districts
2 for the development of peer-to-peer learning networks or university-partnered professional
3 development.

4 (2) To be eligible for funding under this section, a district or intermediate
5 district shall apply in a form and manner determined by the department. The department
6 shall determine the amount of each grant awarded under this section. When making this
7 determination, the department must consider factors that include, but are not limited to,
8 the number of teachers that would be served by the peer-to-peer learning network or the
9 university-partnered professional development, the type of training being funded, and the
10 scope of training. The department shall consider at least both the following when selecting
11 recipients for grants funded under this section:

12 (a) The level to which the program encourages collaboration between districts,
13 community colleges, universities, and professional organizations.

14 (b) The level to which the program identifies the training needs of teachers and
15 students in the district or districts being served by the grant.

16 (3) Grants awarded under this section must be used for either of the following:

17 (a) Developing and implementing a peer-to-peer learning network that allows qualified
18 professional practitioners to provide professional development to educators. This
19 professional development must provide training to educators using evidence-based best
20 practices and using content approved or developed by either the department or partner
21 organizations of the department. As used in this section, a qualified professional
22 practitioner is a person who holds a Michigan professional certificate and who has
23 completed a recognized leadership or adult learning theory training program, as determined
24 by the department; or a person who holds a Michigan advanced professional certificate.

25 (b) Developing and implementing university-partnered professional development
26 opportunities. These partnerships must provide teachers with evidenced-based professional
27 development on current instructional best practices.

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

30 Sec. 98b. (1) From the state school aid fund money appropriated in section 11, there
31 is allocated for 2020-2021 an amount not to exceed \$1,500,000.00 for grants to districts to
32 create or expand teacher cadet programs. This funding shall supplement existing local,

1 state, and federal resources available for teacher cadet programs. Grants funded under this
2 section are intended to enhance the teacher talent pipeline and improve teacher
3 recruitment.

4 (2) A district seeking a grant under this section shall apply to the department in a
5 form and manner determined by the department. The amount of a grant awarded under this
6 section shall not exceed \$100,000.00. The department shall award grants to districts in
7 geographically diverse areas of the state, including rural and urban areas, and shall give
8 priority to those districts that have any of the following, as determined by the
9 department:

10 (a) A high percentage of economically disadvantaged students.

11 (b) A high percentage of students from population groups underrepresented in the
12 statewide teaching workforce.

13 (c) A teacher shortage caused by a low number of quality applicants.

14 (3) Districts receiving grants under this section shall use the funding to implement
15 or expand a teacher cadet program that contains all of the following:

16 (a) A partnership with a state-approved education preparation provider. This
17 partnership must provide information and mentoring to program participants on the process
18 of becoming a teacher and must allow participants to build professional connections with
19 professors and education majors on college campuses.

20 (b) Coursework and experiential learning in the field of education. Coursework must
21 include education in the science of learning and the professional expectations and
22 responsibility of a teacher. Experiential learning must include observational time in
23 elementary, middle, and high school classrooms.

24 (c) Dual enrollment opportunities that allow participants to complete entry-level
25 educator preparation program coursework while still in high school.

26 (d) Prioritized employment opportunities with the district for participants who
27 become certified teachers.

28 (e) All other requirements determined by the department to be best practices for
29 teacher cadet programs.

30 (4) The department shall identify both of the following:

31 (a) Standards and best practices for teacher cadet programs, developed through an
32 analysis of successful state and local programs. These best practices must be updated and

1 published annually and must be used to determine program requirements under subsection (3).

2 (b) State policy barriers that prevent the successful implementation of teacher cadet
3 programs. If the department determines that barriers exist in statute or administrative
4 rule, the department shall recommend statutory changes to legislature or shall amend
5 administrative rules, as applicable.

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

8 Sec. 98c. (1) From the funds appropriated in section 11, there is allocated for 2020-
9 2021 only an amount not to exceed \$25,000,000.00 for payments to districts to distribute
10 funding to classroom teachers to purchase, on behalf of the district, classroom materials
11 and supplies. Payments under this section shall be used to supplement and shall not be used
12 to supplant the materials and supplies otherwise available to classroom teachers.

13 (2) The department shall distribute funding allocated under this section to districts
14 on an equal amount per full-time equated classroom teacher employed by the district or
15 assigned to regularly and continuously work under contract in a school operated by the
16 district, as defined in section 1230e of the revised school code, MCL 380.1230e, and
17 reported to the center in the immediately preceding fiscal year, in a form and manner
18 determined by the department in collaboration with the center. The department must
19 distribute funding allocated under this section not later than October 31, 2020.

20 (3) Districts shall distribute money to classroom teachers in an equal amount per
21 full-time equated classroom teacher in the district for the purchase of classroom materials
22 and supplies on behalf of the district. The district may distribute funds to classroom
23 teachers by any means determined appropriate by the district, including, but not limited
24 to, direct deposit, check, debit card, or purchasing card. Districts are encouraged to
25 assist classroom teachers in ensuring purchases with funding under this section utilize all
26 applicable sales and use tax exemption forms. Districts are encouraged to help classroom
27 teachers track expenditures and verify that funds are being used on eligible purchases.
28 Classroom materials and supplies purchased with funds under this section belong to the
29 district in which the classroom teacher was working at the time of purchase.

30 (4) Each classroom teacher receiving funds allocated under this section shall sign,
31 and the district distributing funds to the classroom teacher shall retain for no less than
32 4 years, a statement that includes all of the following:

1 (a) An acknowledgment of the receipt of funds.

2 (b) An agreement to retain receipts for no less than 4 years for all materials and
3 supplies purchased on behalf of the district.

4 (c) An agreement to pay any federal, state, or local tax due if receipts for
5 purchases are not retained or if any item purchased with funds under this section is
6 determined to be disallowed under this section.

7 (d) An agreement to reimburse the district for purchases determined to be disallowed
8 under this section.

9 (e) An agreement to return all unused funds to the district at the end of the regular
10 school year.

11 (5) Districts shall return any unexpended funds to the department not later than
12 September 30, 2021 in a manner prescribed by the department.

13 (6) Classroom teachers may opt out of receiving funds allocated under this section.

14 (7) Districts may retain up to 2% of funds received under subsection (2) for the
15 purposes of administering this section.

16 (8) Notwithstanding section 17b, grant payments under this section shall be paid on a
17 schedule determined by the department.

18 (9) As used in this section:

19 (a) "Classroom materials and supplies" means day-to-day items used for instruction
20 and student learning. This includes, but is not limited to, paper, pens, pencils, pencil
21 sharpeners, highlighters, classroom books, worksheets, arts and crafts materials, charts,
22 maps, globes, posters, flash cards, ink and toner for printers, and flash drives.
23 Equipment, furniture, and electronics are not considered classroom materials and supplies
24 for the purposes of this section.

25 (b) "Classroom teacher" means a full-time or part-time teacher with an assigned
26 class. For the purposes of this section, classroom teacher does not include substitute
27 teachers, paraprofessionals, support staff, or administrators, as determined by department
28 in collaboration with the center.

29 Sec. 99h. (1) From the state school aid fund appropriation in section 11, there is
30 allocated an amount not to exceed \$4,700,000.00 for ~~2019-2020~~ 2020-2021 for competitive
31 grants to districts and intermediate districts, that provide pupils in grades K to 12 with
32 expanded opportunities to improve mathematics, science, and technology skills by

1 participating in events hosted by a science and technology development program known as
2 FIRST (for inspiration and recognition of science and technology) Robotics, including JR
3 FIRST Lego League, FIRST Lego League, FIRST Tech challenge, and FIRST Robotics competition,
4 or other competitive robotics programs, including VEX and those hosted by the Robotics
5 Education and Competition (REC) Foundation. Programs funded under this section are intended
6 to increase the number of pupils demonstrating proficiency in science and mathematics on
7 the state assessments and to increase the number of pupils who are college- and career-
8 ready upon high school graduation. Notwithstanding section 17b, the department shall make
9 grant payments to districts, and intermediate districts under this section on a schedule
10 determined by the department. The department shall set maximum grant awards for each
11 different level of **programming and** competition in a manner that both maximizes the number
12 of teams that will be able to receive funds and expands the geographical distribution of
13 teams.

14 (2) A district, or intermediate district applying for a grant under this section
15 shall submit an application in a form and manner determined by the department. To be
16 eligible for a grant, a district, or intermediate district shall demonstrate in its
17 application that the district, or intermediate district has established a partnership for
18 the purposes of the robotics program with at least 1 sponsor, business entity, higher
19 education institution, or technical school, shall submit a spending plan, and shall ~~pay~~
20 **provide a local in-kind or cash match from other private or local funds of** at least 25% of
21 the cost of the robotics program **award**.

22 (3) The department shall distribute the grant funding under this section for the
23 following purposes:

24 (a) Grants to districts, or intermediate districts to pay for stipends not to exceed
25 \$1,500.00 ~~for 1 coach per team.~~ **per building for coaching.**

26 (b) Grants to districts, or intermediate districts for event registrations,
27 materials, travel costs, and other expenses associated with the preparation for and
28 attendance at robotics events and competitions. ~~Each grant recipient shall provide a local~~
29 ~~match from other private or local funds for the funds received under this subdivision equal~~
30 ~~to at least 50% of the costs of participating in an event.~~

31 (c) Grants to districts, or intermediate districts for awards to teams that advance
32 to the ~~state and world championship competitions.~~ **next levels of competition, as determined**

1 **by the department.** The department shall determine an equal amount per team for those teams
2 that advance. ~~to the state championship and a second equal award amount to those teams that~~
3 ~~advance to the world championship.~~

4 ~~(6) The funds allocated under this section for 2018-2019 are a work project~~
5 ~~appropriation, and any unexpended funds for 2018-2019 are carried forward into 2019-2020.~~
6 ~~The purpose of the work project is to continue support of FIRST Robotics and must not be~~
7 ~~used to support other robotics competitions. The estimated completion date of the work~~
8 ~~project is September 30, 2021.~~

9 Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for
10 ~~2019-2020-2020-2021~~ an amount not to exceed \$7,634,300.00 from the state school aid fund
11 appropriation and an amount not to exceed \$300,000.00 from the general fund appropriation
12 for Michigan science, technology, engineering, **arts**, and mathematics ~~(MiSTEM)~~ **(MiSTEAM)**
13 programs. In addition, from the federal funds appropriated in section 11, there is
14 allocated **to the department** for ~~2019-2020-2020-2021~~ an amount estimated at \$235,000.00 from
15 DED-OESE, title II, mathematics and science partnership grants. The ~~MiSTEM~~ **MiSTEAM** network
16 may receive funds from private sources. If the ~~MiSTEM~~ **MiSTEAM** network receives funds from
17 private sources, the ~~MiSTEM~~ **MiSTEAM** network shall expend those funds in alignment with the
18 statewide ~~STEM~~ **STEAM** strategy. Programs funded under this section are intended to increase
19 the number of pupils demonstrating proficiency in science and mathematics on the state
20 assessments, ~~and~~ to increase the number of pupils who are college- and career-ready upon
21 high school graduation, **and to promote certificate and degree attainment in STEAM fields.**
22 Notwithstanding section 17b, the department shall make payments under this section on a
23 schedule determined by the department.

24 ~~(2) All of the following apply to the MiSTEM advisory council:~~

25 ~~(a) The MiSTEM advisory council is created. The MiSTEM advisory council shall provide~~
26 ~~to the governor, legislature, department of labor and economic opportunity, and department~~
27 ~~recommendations designed to improve and promote innovation in STEM education and to prepare~~
28 ~~students for careers in science, technology, engineering, and mathematics.~~

29 ~~(b) The MiSTEM advisory council created under subdivision (a) consists of the~~
30 ~~following members:~~

31 ~~(i) The governor shall appoint 11 voting members who are representative of business~~
32 ~~sectors that are important to Michigan's economy and rely on a STEM educated workforce,~~

1 ~~nonprofit organizations and associations that promote STEM education, K-12 and~~
2 ~~postsecondary education entities involved in STEM-related career education, or other~~
3 ~~sectors as considered appropriate by the governor. Each of these members serves at the~~
4 ~~pleasure of the governor and for a term determined by the governor.~~

5 ~~(ii) The senate majority leader shall appoint 2 members of the senate to serve as~~
6 ~~nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority party~~
7 ~~member and 1 minority party member.~~

8 ~~(iii) The speaker of the house of representatives shall appoint 2 members of the~~
9 ~~house of representatives to serve as nonvoting, ex-officio members of the MiSTEM advisory~~
10 ~~council, including 1 majority party member and 1 minority party member.~~

11 ~~(iv) The governor shall appoint 1 state officer or employee to serve as a nonvoting,~~
12 ~~ex-officio member of the MiSTEM advisory council.~~

13 ~~(c) Each member of the MiSTEM advisory council serves without compensation.~~

14 ~~(d) The MiSTEM advisory council annually shall review and make recommendations to the~~
15 ~~governor, the legislature, and the department concerning changes to the statewide strategy~~
16 ~~adopted by the council for delivering STEM education-related opportunities to pupils. The~~
17 ~~MiSTEM advisory council shall use funds received under this subsection to ensure that its~~
18 ~~members or their designees are trained in the Change the Equation STEMworks rating system~~
19 ~~program for the purpose of rating STEM programs.~~

20 ~~(2) (c) The MiSTEM advisory **MI-STEM** council shall make specific funding~~
21 ~~recommendations for the funds allocated under subsection (3) by December 15 of each fiscal~~
22 ~~year. Each specific funding recommendation must be for a program approved by the **MiSTEM**~~
23 ~~advisory **MI-STEM** council.~~

24 ~~(a) To be eligible for **MiSTEM advisory MI-STEM** council approval, a program must~~
25 ~~satisfy all of the following:~~

26 ~~(i) Align with this state's academic standards.~~

27 ~~(ii) Have STEMworks certification.~~

28 ~~(iii) Provide project-based experiential learning, student programming, or educator~~
29 ~~professional learning experiences.~~

30 ~~(iv) Focus predominantly on classroom-based **STEM-STEAM** experiences or professional~~
31 ~~learning experiences.~~

32 ~~(b) (f) The **MiSTEM advisory MI-STEM** council shall approve programs that represent all~~

1 network regions and include a diverse array of options for students and educators and at
2 least 1 program in each of the following areas:

- 3 (i) Robotics.
- 4 (ii) Computer science or coding.
- 5 (iii) Engineering or bioscience.

6 (c) ~~(g)~~ The ~~MiSTEM advisory~~ **MI-STEM** council is encouraged to work with the ~~MiSTEM~~
7 **MiSTEAM** network to develop locally and regionally developed programs and professional
8 learning experiences for the programs on the list of approved programs.

9 (d) ~~(h)~~ If the ~~MiSTEM advisory~~ **MI-STEM** council is unable to make specific funding
10 recommendations by December 15 of a fiscal year, the department shall award and distribute
11 the funds allocated under subsection (3) on a competitive grant basis that at least follows
12 the statewide ~~STEM-STEAM~~ strategy plan and rating system recommended by the ~~MiSTEM advisory~~
13 **MI-STEM** council. Each grant must provide STEM education-related opportunities for pupils.

14 ~~(i) The MiSTEM advisory council shall work with the executive director of the MiSTEM~~
15 ~~network to implement the statewide STEM strategy adopted by the MiSTEM advisory council.~~

16 (e) **The MI-STEM council shall work with the department of labor and economic**
17 **opportunity to implement a statewide STEAM strategy.**

18 (3) From the state school aid fund money allocated under subsection (1), there is
19 allocated for ~~2019-2020-2020-2021~~ an amount not to exceed \$3,050,000.00 for the purpose of
20 funding programs under this section for ~~2019-2020-2020-2021~~, as recommended by the ~~MiSTEM~~
21 ~~advisory~~ **MI-STEM** council.

22 (4) From the school aid fund allocation under subsection (1), there is allocated an
23 amount not to exceed \$3,834,300.00 for ~~2019-2020-2020-2021~~ to support the activities and
24 programs of the ~~MiSTEM~~ **MiSTEAM** network regions. In addition, from the federal funds
25 allocated under subsection (1), there is allocated for ~~2019-2020-2020-2021~~ an amount
26 estimated at \$235,000.00 from DED-OESE, title II, mathematics and science partnership
27 grants, for the purposes of this subsection. From the money allocated under this
28 subsection, the department shall award the fiscal agent for each ~~MiSTEM~~ **MiSTEAM** network
29 region \$200,000.00 for the base operations of each region. The department shall distribute
30 the remaining funds to each fiscal agent in an equal amount per pupil, based on the number
31 of K to 12 pupils enrolled in districts within each region in the immediately preceding
32 fiscal year.

1 (5) A ~~MI-STEM-MiSTEAM~~ network region shall do all of the following:

2 (a) Collaborate with the career and educational advisory council that is located in
3 the ~~MI-STEM-MiSTEAM network~~ region to develop a regional strategic plan for ~~STEM-STEAM~~
4 education that creates a robust regional ~~STEM-STEAM~~ culture, that empowers ~~STEM-STEAM~~
5 teachers, that integrates business and education into the ~~STEM-STEAM~~ network, and that
6 ensures high-quality ~~STEM-STEAM~~ experiences for pupils. At a minimum, a regional ~~STEM-STEAM~~
7 strategic plan should do all of the following:

8 (i) Identify regional employer need for ~~STEM-STEAM~~.

9 (ii) Identify processes for regional employers and educators to create guided
10 pathways for ~~STEM-STEAM~~ careers that include internships or externships, apprenticeships,
11 and other experiential engagements for pupils.

12 (iii) Identify educator professional ~~development~~ **learning** opportunities, including
13 internships or externships and apprenticeships, that integrate this state's science
14 standards into high-quality ~~STEM-STEAM~~ experiences that engage pupils.

15 (b) Facilitate regional ~~STEM-STEAM~~ events such as educator and employer networking
16 and ~~STEM-STEAM~~ career fairs to raise ~~STEM-STEAM~~ awareness.

17 (c) Contribute to the ~~MI-STEM-MiSTEAM~~ website and engage in other ~~MI-STEM-MiSTEAM~~
18 network functions to further the mission of ~~STEM-STEAM~~ in this state in coordination with
19 the ~~MI-STEM advisory MI-STEM~~ council and ~~its executive director. the department of labor and~~
20 **economic opportunity.**

21 (d) Facilitate application and implementation of state and federal funds under this
22 subsection and any other grants or funds for the ~~MI-STEM-MiSTEAM~~ network region.

23 (e) Work with districts to provide ~~STEM-STEAM~~ programming and professional learning.

24 (f) Coordinate recurring discussions and work with the career and educational
25 advisory council to ensure that feedback and best practices are being shared, including
26 funding, program, professional learning opportunities, and regional strategic plans.

27 (6) From the school aid funds allocated under subsection (1), the department shall
28 distribute for ~~2019-2020-2020-2021~~ an amount not to exceed \$750,000.00, in a form and
29 manner determined by the department, to ~~those MI-STEAM~~ network regions able to ~~provide~~
30 ~~curriculum and professional development support to assist districts in implementing the~~
31 ~~Michigan merit curriculum components for mathematics and science. further the statewide~~
32 **STEAM strategy recommended by the MI-STEM council.**

1 (7) In order to receive state or federal funds under subsection (4) or (6), or to
2 receive funds from private sources as authorized under subsection (1), a grant recipient
3 must allow access for the department or the department's designee to audit all records
4 related to the program for which it receives those funds. The grant recipient shall
5 reimburse the state for all disallowances found in the audit.

6 (8) In order to receive state funds under subsection (4) or (6), a grant recipient
7 must provide at least a 10% local match from local public or private resources for the
8 funds received under this subsection.

9 (9) Not later than ~~July 1, 2019~~ and July 1 of each year, ~~thereafter~~, a ~~MiSTEM-MiSTEAM~~
10 network region that receives funds under subsection (4) shall report to the ~~executive~~
11 ~~director of the MiSTEM network~~ **department of labor and economic opportunity** in a form and
12 manner prescribed by the ~~executive director~~ **department of labor and economic opportunity** on
13 performance measures developed by the ~~MiSTEM-MiSTEAM~~ network regions and approved by the
14 ~~executive director~~ **department of labor and economic opportunity**. The performance measures
15 must be designed to ensure that the activities of the ~~MiSTEM-MiSTEAM~~ network are improving
16 student academic outcomes.

17 (10) Not more than 5% of a ~~MiSTEM-MiSTEAM~~ network region grant under subsection (4)
18 or (6) may be retained by a fiscal agent for serving as the fiscal agent of a ~~MiSTEM~~
19 **MiSTEAM** network region.

20 (11) From the general fund allocation under subsection (1), there is allocated an
21 amount not to exceed \$300,000.00 to the department of ~~technology, management, and budget~~
22 **labor and economic opportunity** to support the functions of ~~the executive director and~~
23 ~~executive assistant~~ **the staff** for the ~~MiSTEM-MiSTEAM~~ network, and for administrative,
24 training, and travel costs related to the ~~MiSTEM advisory~~ **MI-STEM** council. The ~~executive~~
25 ~~director and executive assistant~~ **staff** for the ~~MiSTEM-MiSTEAM~~ network shall do all of the
26 following:

27 (a) Serve as a liaison among and between the department, the department of
28 ~~technology, management, and budget~~ **labor and economic opportunity**, the ~~MiSTEM advisory~~ **MI-**
29 **STEM** council, the governor's future talent council, the ~~MiSTEM-MiSTEAM~~ regions, and any
30 other relevant organization or entity in a manner that creates a robust statewide ~~STEM~~
31 **STEAM** culture, that empowers ~~STEM-STEAM~~ teachers, that integrates business and education
32 into the ~~STEM-STEAM~~ network, and that ensures high-quality ~~STEM-STEAM~~ experiences for

1 pupils.

2 (b) Coordinate the implementation of a marketing campaign, including, but not limited
3 to, a website that includes dashboards of outcomes, to build ~~STEM-STEAM~~ awareness and
4 communicate ~~STEM-STEAM~~ needs and opportunities to pupils, parents, educators, and the
5 business community.

6 (c) Work with the department and the ~~MiSTEM advisory~~ **MI-STEM** council to coordinate,
7 award, and monitor ~~MiSTEM~~ **MiSTEAM** state and federal grants to the ~~MiSTEM~~ **MiSTEAM** network
8 regions and conduct reviews of grant recipients, including, but not limited to, pupil
9 experience and feedback.

10 (d) Report to the governor, the legislature, the department, and the ~~MiSTEM advisory~~
11 **MI-STEM** council annually on the activities and performance of the ~~MiSTEM~~ **MiSTEAM** network
12 regions.

13 (e) Coordinate recurring discussions and work with regional staff to ensure that a
14 network or loop of feedback and best practices are shared, including funding, programming,
15 professional learning opportunities, discussion of ~~MiSTEM~~ **MiSTEAM** strategic vision, and
16 regional objectives.

17 (f) Coordinate major grant application efforts with the ~~MiSTEM advisory~~ **MI-STEM**
18 council to assist regional staff with grant applications on a local level. The ~~MiSTEM~~
19 ~~advisory~~ **MI-STEM** council shall leverage private and nonprofit relationships to coordinate
20 and align private funds in addition to funds appropriated under this section.

21 (g) Train state and regional staff in the STEMworks rating system, in collaboration
22 with the ~~MiSTEM advisory~~ **MI-STEM** council and the department.

23 (h) Hire ~~MiSTEM~~ **MiSTEAM** network region staff in collaboration with the network region
24 fiscal agent.

25 (12) As used in this section:

26 (a) "Career and educational advisory council" means an advisory council to the local
27 workforce development boards located in a prosperity region consisting of educational,
28 employer, labor, and parent representatives.

29 (b) "DED" means the United States Department of Education.

30 (c) "DED-OESE" means the DED Office of Elementary and Secondary Education.

31 (d) **"MI-STEM council" means the Michigan Science, Technology, Engineering, and**

32 **Mathematics Education Advisory Council created under Executive Order, No. 2019-13.**

1 (e) ~~(d) "STEM"~~ "STEAM" means science, technology, engineering, **arts**, and mathematics
2 delivered in an integrated fashion using cross-disciplinary learning experiences that can
3 include ~~language arts, performing and fine arts, and~~ career and technical education.

4 Sec. 101. (1) To be eligible to receive state aid under this article, not later than
5 the fifth Wednesday after the pupil membership count day and not later than the fifth
6 Wednesday after the supplemental count day, each district superintendent shall submit and
7 certify to the center and the intermediate superintendent, in the form and manner
8 prescribed by the center, the number of pupils enrolled and in regular daily attendance,
9 including identification of tuition-paying pupils, in the district as of the pupil
10 membership count day and as of the supplemental count day, as applicable, for the current
11 school year. In addition, a district maintaining school during the entire year shall submit
12 and certify to the center and the intermediate superintendent, in the form and manner
13 prescribed by the center, the number of pupils enrolled and in regular daily attendance in
14 the district for the current school year pursuant to rules promulgated by the
15 superintendent. Not later than the sixth Wednesday after the pupil membership count day and
16 not later than the sixth Wednesday after the supplemental count day, the district shall
17 resolve any pupil membership conflicts with another district, correct any data issues, and
18 recertify the data in a form and manner prescribed by the center and file the certified
19 data with the intermediate superintendent. If a district fails to submit and certify the
20 attendance data, as required under this subsection, the center shall notify the department
21 and the department shall withhold state aid due to be distributed under this article from
22 the defaulting district immediately, beginning with the next payment after the failure and
23 continuing with each payment until the district complies with this subsection. If a
24 district does not comply with this subsection by the end of the fiscal year, the district
25 forfeits the amount withheld. A person who willfully falsifies a figure or statement in the
26 certified and sworn copy of enrollment is subject to penalty as prescribed by section 161.

27 (2) To be eligible to receive state aid under this article, not later than the
28 twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-
29 fourth Wednesday after the supplemental count day, an intermediate district shall submit to
30 the center, in a form and manner prescribed by the center, the audited enrollment and
31 attendance data for the pupils of its constituent districts and of the intermediate
32 district. If an intermediate district fails to submit the audited data as required under

1 this subsection, the department shall withhold state aid due to be distributed under this
2 article from the defaulting intermediate district immediately, beginning with the next
3 payment after the failure and continuing with each payment until the intermediate district
4 complies with this subsection. If an intermediate district does not comply with this
5 subsection by the end of the fiscal year, the intermediate district forfeits the amount
6 withheld.

7 (3) Except as otherwise provided in subsections (11) and (12), all of the following
8 apply to the provision of pupil instruction:

9 (a) Except as otherwise provided in this section, each district shall provide at
10 least 1,098 hours and 180 days of pupil instruction.

11 If a collective bargaining agreement that provides a complete school calendar was in
12 effect for employees of a district as of June 24, 2014, and if that school calendar is not
13 in compliance with this subdivision, then this subdivision does not apply to that district
14 until after the expiration of that collective bargaining agreement. A district may apply
15 for a waiver under subsection (9) from the requirements of this subdivision.

16 (b) Except as otherwise provided in this article, a district failing to comply with
17 the required minimum hours and days of pupil instruction under this subsection forfeits
18 from its total state aid allocation an amount determined by applying a ratio of the number
19 of hours or days the district was in noncompliance in relation to the required minimum
20 number of hours and days under this subsection. Not later than August 1, the board of each
21 district shall either certify to the department that the district was in full compliance
22 with this section regarding the number of hours and days of pupil instruction in the
23 previous school year, or report to the department, in a form and manner prescribed by the
24 center, each instance of noncompliance. If the district did not provide at least the
25 required minimum number of hours and days of pupil instruction under this subsection, the
26 department shall make the deduction of state aid in the following fiscal year from the
27 first payment of state school aid. A district is not subject to forfeiture of funds under
28 this subsection for a fiscal year in which a forfeiture was already imposed under
29 subsection (6).

30 (c) Hours or days lost because of strikes or teachers' conferences are not counted as
31 hours or days of pupil instruction.

32 (d) Except as otherwise provided in subdivisions (e) and (f), if a district does not

1 have at least 75% of the district's membership in attendance on any day of pupil
2 instruction, the department shall pay the district state aid in that proportion of 1/180
3 that the actual percent of attendance bears to 75%.

4 (e) If a district adds 1 or more days of pupil instruction to the end of its
5 instructional calendar for a school year to comply with subdivision (a) because the
6 district otherwise would fail to provide the required minimum number of days of pupil
7 instruction even after the operation of subsection (4) due to conditions not within the
8 control of school authorities, then subdivision (d) does not apply for any day of pupil
9 instruction that is added to the end of the instructional calendar. Instead, for any of
10 those days, if the district does not have at least 60% of the district's membership in
11 attendance on that day, the department shall pay the district state aid in that proportion
12 of 1/180 that the actual percentage of attendance bears to 60%. For any day of pupil
13 instruction added to the instructional calendar as described in this subdivision, the
14 district shall report to the department the percentage of the district's membership that is
15 in attendance, in the form and manner prescribed by the department.

16 (f) At the request of a district that operates a department-approved alternative
17 education program and that does not provide instruction for pupils in all of grades K to
18 12, the superintendent shall grant a waiver from the requirements of subdivision (d). The
19 waiver must provide that an eligible district is subject to the proration provisions of
20 subdivision (d) only if the district does not have at least 50% of the district's
21 membership in attendance on any day of pupil instruction. In order to be eligible for this
22 waiver, a district must maintain records to substantiate its compliance with the following
23 requirements:

24 (i) The district offers the minimum hours of pupil instruction as required under this
25 section.

26 (ii) For each enrolled pupil, the district uses appropriate academic assessments to
27 develop an individual education plan that leads to a high school diploma.

28 (iii) The district tests each pupil to determine academic progress at regular
29 intervals and records the results of those tests in that pupil's individual education plan.

30 (g) All of the following apply to a waiver granted under subdivision (f):

31 (i) If the waiver is for a blended model of delivery, a waiver that is granted for
32 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is

1 revoked by the superintendent.

2 (ii) If the waiver is for a 100% online model of delivery and the educational program
3 for which the waiver is granted makes educational services available to pupils for a
4 minimum of at least 1,098 hours during a school year and ensures that each pupil
5 participates in the educational program for at least 1,098 hours during a school year, a
6 waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in
7 effect unless it is revoked by the superintendent.

8 (iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is valid
9 for ~~1-3~~ fiscal ~~year-years~~ and must be renewed ~~annually-at the end of the three-year period~~
10 to remain in effect, **unless it is revoked by the superintendent.**

11 (h) The superintendent shall promulgate rules for the implementation of this
12 subsection.

13 (4) Except as otherwise provided in this subsection, the first 6 days or the
14 equivalent number of hours for which pupil instruction is not provided because of
15 conditions not within the control of school authorities, such as severe storms, fires,
16 epidemics, utility power unavailability, water or sewer failure, or health conditions as
17 defined by the city, county, or state health authorities, are counted as hours and days of
18 pupil instruction. ~~For 2018-2019 only, in addition to these 6 days, if pupil instruction is~~
19 ~~not provided on 1 or more days that are included in a period for which the governor has~~
20 ~~issued an executive order declaring a state of emergency across this state, upon request by~~
21 ~~a district to the superintendent of public instruction, in a form and manner prescribed by~~
22 ~~the department, that 1 or more of those days and the equivalent number of hours count as~~
23 ~~days and hours of pupil instruction, the department shall count those requested days and~~
24 ~~the equivalent number of hours as days and hours of pupil instruction for the purposes of~~
25 ~~this section. For 2018-2019, the days included in the executive order are January 29, 2019~~
26 ~~to February 2, 2019.~~ With the approval of the superintendent of public instruction, the
27 department shall count as hours and days of pupil instruction for a fiscal year not more
28 than 3 additional days or the equivalent number of additional hours for which pupil
29 instruction is not provided in a district due to unusual and extenuating occurrences
30 resulting from conditions not within the control of school authorities such as those
31 conditions described in this subsection. Subsequent such hours or days are not counted as
32 hours or days of pupil instruction.

1 (5) A district does not forfeit part of its state aid appropriation because it adopts
2 or has in existence an alternative scheduling program for pupils in kindergarten if the
3 program provides at least the number of hours required under subsection (3) for a full-time
4 equated membership for a pupil in kindergarten as provided under section 6(4).

5 (6) In addition to any other penalty or forfeiture under this section, if at any time
6 the department determines that 1 or more of the following have occurred in a district, the
7 district forfeits in the current fiscal year beginning in the next payment to be calculated
8 by the department a proportion of the funds due to the district under this article that is
9 equal to the proportion below the required minimum number of hours and days of pupil
10 instruction under subsection (3), as specified in the following:

11 (a) The district fails to operate its schools for at least the required minimum
12 number of hours and days of pupil instruction under subsection (3) in a school year,
13 including hours and days counted under subsection (4).

14 (b) The board of the district takes formal action not to operate its schools for at
15 least the required minimum number of hours and days of pupil instruction under subsection
16 (3) in a school year, including hours and days counted under subsection (4).

17 (7) In providing the minimum number of hours and days of pupil instruction required
18 under subsection (3), a district shall use the following guidelines, and a district shall
19 maintain records to substantiate its compliance with the following guidelines:

20 (a) Except as otherwise provided in this subsection, a pupil must be scheduled for at
21 least the required minimum number of hours of instruction, excluding study halls, or at
22 least the sum of 90 hours plus the required minimum number of hours of instruction,
23 including up to 2 study halls.

24 (b) The time a pupil is assigned to any tutorial activity in a block schedule may be
25 considered instructional time, unless that time is determined in an audit to be a study
26 hall period.

27 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for
28 whom a reduced schedule is determined to be in the individual pupil's best educational
29 interest must be scheduled for a number of hours equal to at least 80% of the required
30 minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.
31 A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced
32 schedule under this subsection if the pupil is scheduled for a number of hours equal to at

1 least 75% of the required minimum number of hours of pupil instruction to be considered a
2 full-time equivalent pupil.

3 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program
4 or a special education pupil cannot receive the required minimum number of hours of pupil
5 instruction solely because of travel time between instructional sites during the school
6 day, that travel time, up to a maximum of 3 hours per school week, is considered to be
7 pupil instruction time for the purpose of determining whether the pupil is receiving the
8 required minimum number of hours of pupil instruction. However, if a district demonstrates
9 to the satisfaction of the department that the travel time limitation under this
10 subdivision would create undue costs or hardship to the district, the department may
11 consider more travel time to be pupil instruction time for this purpose.

12 (e) In grades 7 through 12, instructional time that is part of a Junior Reserve
13 Officer Training Corps (JROTC) program is considered to be pupil instruction time
14 regardless of whether the instructor is a certificated teacher if all of the following are
15 met:

16 (i) The instructor has met all of the requirements established by the United States
17 Department of Defense and the applicable branch of the armed services for serving as an
18 instructor in the Junior Reserve Officer Training Corps program.

19 (ii) The board of the district or intermediate district employing or assigning the
20 instructor complies with the requirements of sections 1230 and 1230a of the revised school
21 code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if
22 employing the instructor as a regular classroom teacher.

23 (8) Except as otherwise provided in subsections (11) and (12), the department shall
24 apply the guidelines under subsection (7) in calculating the full-time equivalency of
25 pupils.

26 (9) Upon application by the district for a particular fiscal year, the superintendent
27 shall waive for a district the minimum number of hours and days of pupil instruction
28 requirement of subsection (3) for a department-approved alternative education program or
29 another innovative program approved by the department, including a 4-day school week. If a
30 district applies for and receives a waiver under this subsection and complies with the
31 terms of the waiver, the district is not subject to forfeiture under this section for the
32 specific program covered by the waiver. If the district does not comply with the terms of

1 the waiver, the amount of the forfeiture is calculated based upon a comparison of the
2 number of hours and days of pupil instruction actually provided to the minimum number of
3 hours and days of pupil instruction required under subsection (3). A district shall report
4 pupils enrolled in a department-approved alternative education program under this
5 subsection to the center in a form and manner determined by the center. All of the
6 following apply to a waiver granted under this subsection:

7 (a) If the waiver is for a blended model of delivery, a waiver that is granted for
8 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is
9 revoked by the superintendent.

10 (b) If the waiver is for a 100% online model of delivery and the educational program
11 for which the waiver is granted makes educational services available to pupils for a
12 minimum of at least 1,098 hours during a school year and ensures that each pupil is on
13 track for course completion at proficiency level, a waiver that is granted for the 2011-
14 2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the
15 superintendent.

16 (c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for ~~4~~
17 **3** fiscal ~~year~~**years** and must be renewed ~~annually~~**at the end of the three-year period** to
18 remain in effect, **unless it is revoked by the superintendent.**

19 (10) A district may count up to 38 hours of qualifying professional development for
20 teachers as hours of pupil instruction.

21 All of the following apply to the counting of qualifying professional development as
22 pupil instruction under this subsection:

23 (a) If qualifying professional development exceeds 5 hours in a single day, that day
24 may be counted as a day of pupil instruction.

25 (b) At least 8 hours of the qualifying professional development counted as hours of
26 pupil instruction under this subsection must be recommended by a districtwide professional
27 development advisory committee appointed by the district board. The advisory committee must
28 be composed of teachers employed by the district who represent a variety of grades and
29 subject matter specializations, including special education; nonteaching staff; parents;
30 and administrators. The majority membership of the committee shall be composed of teaching
31 staff.

32 (c) Professional development provided online is allowable and encouraged, as long as

1 the instruction has been approved by the district. The department shall issue a list of
2 approved online professional development providers, which must include the Michigan Virtual
3 School.

4 (d) Qualifying professional development may only be counted as hours of pupil
5 instruction for the pupils of those teachers scheduled to participate in the qualifying
6 professional development.

7 (e) For professional development to be considered qualifying professional development
8 under this subsection, the professional development must meet all of the following:

9 (i) Is aligned to the school or district improvement plan for the school or district
10 in which the professional development is being provided.

11 (ii) Is linked to 1 or more criteria in the evaluation tool developed or adopted by
12 the district or intermediate district under section 1249 of the revised school code, MCL
13 380.1249.

14 (iii) Has been approved by the department as counting for state continuing education
15 clock hours. The number of hours of professional development counted as hours of pupil
16 instruction may not exceed the number of state continuing education clock hours for which
17 the qualifying professional development was approved.

18 (iv) Not more than a combined total of 10 hours of the professional development takes
19 place before the first scheduled day of school for the school year ending in the fiscal
20 year and after the last scheduled day of school for that school year.

21 (v) No more than 10 hours of qualifying professional development takes place in a
22 single month.

23 (vi) At least 75% of teachers scheduled to participate in the professional
24 development are in attendance.

25 (11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber
26 school, as defined in section 551 of the revised school code, MCL 380.551, and is in
27 compliance with section 553a of the revised school code, MCL 380.553a.

28 (12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout
29 recovery program that meets the requirements of section 23a. As used in this subsection,
30 "eligible pupil" means that term as defined in section 23a.

31 (13) At least every 2 years the superintendent shall review the waiver standards set
32 forth in the pupil accounting and auditing manuals to ensure that the waiver standards and

1 waiver process continue to be appropriate and responsive to changing trends in online
2 learning. The superintendent shall solicit and consider input from stakeholders as part of
3 this review.

4 Sec. 104. (1) In order to receive state aid under this article, a district shall
5 comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code,
6 MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL
7 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money
8 appropriated in section 11, there is allocated for ~~2019-2020-2020-2021~~ an amount not to
9 exceed \$32,009,400.00 for payments on behalf of districts for costs associated with
10 complying with those provisions of law. In addition, from the federal funds appropriated in
11 section 11, there is allocated for ~~2019-2020-2020-2021~~ an amount estimated at
12 \$6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and from DED-OSERS,
13 section 504 of part B of the individuals with disabilities education act, Public Law 94-
14 142, plus any carryover federal funds from previous year appropriations, for the purposes
15 of complying with the every student succeeds act, Public Law 114-95.

16 (2) The results of each test administered as part of the Michigan student test of
17 educational progress (M-STEP), including tests administered to high school students, must
18 include an item analysis that lists all items that are counted for individual pupil scores
19 and the percentage of pupils choosing each possible response. The department shall work
20 with the center to identify the number of students enrolled at the time assessments are
21 given by each district. In calculating the percentage of pupils assessed for a district's
22 scorecard, the department shall use only the number of pupils enrolled in the district at
23 the time the district administers the assessments and shall exclude pupils who enroll in
24 the district after the district administers the assessments.

25 (3) The department shall distribute federal funds allocated under this section in
26 accordance with federal law and with flexibility provisions outlined in Public Law 107-116,
27 and in the education flexibility partnership act of 1999, Public Law 106-25.

28 (4) From the funds allocated in subsection (1), there is allocated an amount not to
29 exceed \$2,500,000.00 to an intermediate district described in this subsection for statewide
30 implementation of the Michigan kindergarten entry observation tool (MKEO) ~~beginning in the~~
31 ~~fall of 2019~~, utilizing the Maryland-Ohio observational tool, also referred to as the
32 Kindergarten Readiness Assessment, as piloted under this subsection in 2017-2018 and

1 implemented in 2018-2019 and 2019-2020. The funding in this subsection is allocated to an
2 intermediate district in prosperity region 9 with at least 3,000 kindergarten pupils
3 enrolled in its constituent districts. All of the following apply to the implementation of
4 the kindergarten entry observation tool under this subsection:

5 (a) The department, in collaboration with all intermediate districts, shall ensure
6 that the Michigan kindergarten entry observation tool is administered in each kindergarten
7 classroom to either the full census of kindergarten pupils enrolled in the classroom or to
8 a representative sample of not less than 35% of the total kindergarten pupils enrolled in
9 each classroom. If a district elects to administer the Michigan kindergarten entry
10 observation tool to a random sample of pupils within each classroom, the district's
11 intermediate district shall select the pupils who will receive the assessment based on the
12 same random method. ~~Beginning in 2020, the~~ **The** observation tool must be administered within
13 45 days after the start of the school year.

14 (b) The intermediate district that receives funding under this subsection, in
15 collaboration with all other intermediate districts, shall implement a "train the trainer"
16 professional development model on the usage of the Michigan kindergarten entry observation
17 tool. This training model must provide training to intermediate district staff so that they
18 may provide similar training for staff of their constituent districts. This training model
19 must also ensure that the tool produces reliable data and that there are a sufficient
20 number of trainers to train all kindergarten teachers statewide.

21 (c) By March 1, 2021, and each year thereafter, the department and the intermediate
22 district that receives funding under this subsection shall report to the house and senate
23 appropriations subcommittees on school aid, the house and senate fiscal agencies, and the
24 state budget director on the results of the statewide implementation, including, but not
25 limited to, an evaluation of the demonstrated readiness of kindergarten pupils statewide
26 and the effectiveness of state and federal early childhood programs that are designed for
27 school readiness under this state's authority, including the great start readiness program
28 and the great start readiness/Head Start blended program, as referenced under section 32d.
29 By September 1, 2021, and each year thereafter, the department and the center shall provide
30 a method for districts and public school academies with kindergarten enrollment to look up
31 and verify their student enrollment data for pupils who were enrolled in a publicly funded
32 early childhood program in the year before kindergarten, including the individual great

1 start readiness program, individual great start readiness/Head Start blended program,
2 individual title I preschool program, individual section 31a preschool program, individual
3 early childhood special education program, or individual developmental kindergarten or
4 program for young 5-year-olds in which each tested child was enrolled. A participating
5 district shall analyze the data to determine whether high-performing children were enrolled
6 in any specific early childhood program and, if so, report that finding to the department
7 and to the intermediate district that receives funding under this subsection.

8 (d) The department shall approve the language and literacy domain within the
9 Kindergarten Readiness Assessment for use by districts as an initial assessment that may be
10 delivered to all kindergarten pupils to assist with identifying any possible area of
11 concern for a pupil in English language arts.

12 (e) As used in this subsection:

13 (i) "Kindergarten" includes a classroom for young 5-year-olds, commonly referred to
14 as "young 5s" or "developmental kindergarten".

15 (ii) "Representative sample" means a sample capable of producing valid and reliable
16 assessment information on all or major subgroups of kindergarten pupils in a district.

17 (5) The department may recommend, but may not require, districts to allow pupils to
18 use an external keyboard with tablet devices for online M-STEP testing, including, but not
19 limited to, open-ended test items such as constructed response or equation builder items.

20 (6) Notwithstanding section 17b, the department shall make payments on behalf of
21 districts, intermediate districts, and other eligible entities under this section on a
22 schedule determined by the department.

23 (7) From the allocation in subsection (1), there is allocated an amount not to exceed
24 \$500,000.00 for ~~2019-2020~~ **2020-2021** for the operation of an online reporting tool to
25 provide student-level assessment data in a secure environment to educators, parents, and
26 pupils immediately after assessments are scored. The department and the center shall ensure
27 that any data collected by the online reporting tool do not provide individually
28 identifiable student data to the federal government.

29 (8) As used in this section:

30 (a) "DED" means the United States Department of Education.

31 (b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

32 (c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative

1 Services.

2 Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not
3 to exceed \$30,000,000.00 for ~~2019-2020-2020-2021~~ for adult education programs authorized
4 under this section. Except as otherwise provided under subsections (14) and (15), funds
5 allocated under this section are restricted for adult education programs as authorized
6 under this section only. A recipient of funds under this section shall not use those funds
7 for any other purpose.

8 (2) To be eligible for funding under this section, an eligible adult education
9 provider shall employ certificated teachers and qualified administrative staff and shall
10 offer continuing education opportunities for teachers to allow them to maintain
11 certification.

12 (3) To be eligible to be a participant funded under this section, an individual must
13 be enrolled in an adult basic education program, an adult secondary education program, an
14 adult English as a second language program, a high school equivalency test preparation
15 program, or a high school completion program, that meets the requirements of this section,
16 and for which instruction is provided, and the individual must be at least 18 years of age
17 and the individual's graduating class must have graduated.

18 (4) By April 1 of each fiscal year, the intermediate districts within a prosperity
19 region or subregion shall determine which intermediate district will serve as the
20 prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify
21 the department in a form and manner determined by the department. The department shall
22 approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From
23 the funds allocated under subsection (1), an amount as determined under this subsection is
24 allocated to each intermediate district serving as a fiscal agent for adult education
25 programs in each of the prosperity regions or subregions identified by the department. An
26 intermediate district shall not use more than 5% of the funds allocated under this
27 subsection for administration costs for serving as the fiscal agent. ~~Beginning in 2019-~~
28 ~~2020, the~~ ~~The~~ allocation provided to each intermediate district serving as a fiscal agent
29 is an amount equal to what the intermediate district received in 2018-2019. The funding
30 factors for this section are as follows:

31 (a) Sixty percent of this portion of the funding is distributed based upon the
32 proportion of the state population of individuals between the ages of 18 and 24 that are

1 not high school graduates that resides in each of the prosperity regions or subregions, as
2 reported by the most recent 5-year estimates from the American Community Survey (ACS) from
3 the United States Census Bureau.

4 (b) Thirty-five percent of this portion of the funding is distributed based upon the
5 proportion of the state population of individuals age 25 or older who are not high school
6 graduates that resides in each of the prosperity regions or subregions, as reported by the
7 most recent 5-year estimates from the American Community Survey (ACS) from the United
8 States Census Bureau.

9 (c) Five percent of this portion of the funding is distributed based upon the
10 proportion of the state population of individuals age 18 or older who lack basic English
11 language proficiency that resides in each of the prosperity regions or subregions, as
12 reported by the most recent 5-year estimates from the American Community Survey (ACS) from
13 the United States Census Bureau.

14 (5) To be an eligible fiscal agent, an intermediate district must agree to do the
15 following in a form and manner determined by the department:

16 (a) Distribute funds to adult education programs in a prosperity region or subregion
17 as described in this section.

18 (b) Collaborate with the career and educational advisory council, which is an
19 advisory council of the workforce development boards located in the prosperity region or
20 subregion, or its successor, to develop a regional strategy that aligns adult education
21 programs and services into an efficient and effective delivery system for adult education
22 learners, with special consideration for providing contextualized learning and career
23 pathways and addressing barriers to education and employment.

24 (c) Collaborate with the career and educational advisory council, which is an
25 advisory council of the workforce development boards located in the prosperity region or
26 subregion, or its successor, to create a local process and criteria that will identify
27 eligible adult education providers to receive funds allocated under this section based on
28 location, demand for services, past performance, quality indicators as identified by the
29 department, and cost to provide instructional services. The fiscal agent shall determine
30 all local processes, criteria, and provider determinations. However, the local processes,
31 criteria, and provider services must be approved by the department before funds may be
32 distributed to the fiscal agent.

1 (d) Provide oversight to its adult education providers throughout the program year to
2 ensure compliance with the requirements of this section.

3 (e) Report adult education program and participant data and information as prescribed
4 by the department.

5 (6) An adult basic education program, an adult secondary education program, or an
6 adult English as a second language program operated on a year-round or school year basis
7 may be funded under this section, subject to all of the following:

8 (a) The program enrolls adults who are determined by a department-approved
9 assessment, in a form and manner prescribed by the department, to be below twelfth grade
10 level in reading or mathematics, or both, or to lack basic English proficiency.

11 (b) The program tests individuals for eligibility under subdivision (a) before
12 enrollment and upon completion of the program in compliance with the state-approved
13 assessment policy.

14 (c) A participant in an adult basic education program is eligible for reimbursement
15 until 1 of the following occurs:

16 (i) The participant's reading and mathematics proficiency are assessed at or above
17 the ninth grade level.

18 (ii) The participant fails to show progress on 2 successive assessments after having
19 completed at least 450 hours of instruction.

20 (d) A participant in an adult secondary education program is eligible for
21 reimbursement until 1 of the following occurs:

22 (i) The participant's reading and mathematics proficiency are assessed above the
23 twelfth grade level.

24 (ii) The participant fails to show progress on 2 successive assessments after having
25 at least 450 hours of instruction.

26 (e) A funding recipient enrolling a participant in an English as a second language
27 program is eligible for funding according to subsection (9) until the participant meets 1
28 of the following:

29 (i) The participant is assessed as having attained basic English proficiency as
30 determined by a department-approved assessment.

31 (ii) The participant fails to show progress on 2 successive department-approved
32 assessments after having completed at least 450 hours of instruction. The department shall

1 provide information to a funding recipient regarding appropriate assessment instruments for
2 this program.

3 (7) A high school equivalency test preparation program operated on a year-round or
4 school year basis may be funded under this section, subject to all of the following:

5 (a) The program enrolls adults who do not have a high school diploma or a high school
6 equivalency certificate.

7 (b) The program administers a pre-test approved by the department before enrolling an
8 individual to determine the individual's literacy levels, administers a high school
9 equivalency practice test to determine the individual's potential for success on the high
10 school equivalency test, and administers a post-test upon completion of the program in
11 compliance with the state-approved assessment policy.

12 (c) A funding recipient receives funding according to subsection (9) for a
13 participant, and a participant may be enrolled in the program until 1 of the following
14 occurs:

15 (i) The participant achieves a high school equivalency certificate.

16 (ii) The participant fails to show progress on 2 successive department-approved
17 assessments used to determine readiness to take a high school equivalency test after having
18 completed at least 450 hours of instruction.

19 (8) A high school completion program operated on a year-round or school year basis
20 may be funded under this section, subject to all of the following:

21 (a) The program enrolls adults who do not have a high school diploma.

22 (b) The program tests participants described in subdivision (a) before enrollment and
23 upon completion of the program in compliance with the state-approved assessment policy.

24 (c) A funding recipient receives funding according to subsection (9) for a
25 participant in a course offered under this subsection until 1 of the following occurs:

26 (i) The participant passes the course and earns a high school diploma.

27 (ii) The participant fails to earn credit in 2 successive semesters or terms in which
28 the participant is enrolled after having completed at least 900 hours of instruction.

29 (9) The department shall make payments to a funding recipient under this section in
30 accordance with all of the following:

31 (a) Statewide allocation criteria, including 3-year average enrollments, census data,
32 and local needs.

1 (b) Participant completion of the adult basic education objectives by achieving an
2 educational gain as determined by the national reporting system levels; for achieving basic
3 English proficiency, as determined by the department; for achieving a high school
4 equivalency certificate or passage of 1 or more individual high school equivalency tests;
5 for attainment of a high school diploma or passage of a course required for a participant
6 to attain a high school diploma; for enrollment in a postsecondary institution, or for
7 entry into or retention of employment, as applicable.

8 (c) Participant completion of core indicators as identified in the innovation and
9 opportunity act.

10 (d) Allowable expenditures.

11 (10) A person who is not eligible to be a participant funded under this section may
12 receive adult education services upon the payment of tuition. In addition, a person who is
13 not eligible to be served in a program under this section due to the program limitations
14 specified in subsection (6), (7), or (8) may continue to receive adult education services
15 in that program upon the payment of tuition. The local or intermediate district conducting
16 the program shall determine the tuition amount.

17 (11) An individual who is an inmate in a state correctional facility is not counted
18 as a participant under this section.

19 (12) A funding recipient shall not commingle money received under this section or
20 from another source for adult education purposes with any other funds and shall establish a
21 separate ledger account for funds received under this section. This subsection does not
22 prohibit a district from using general funds of the district to support an adult education
23 or community education program.

24 (13) A funding recipient receiving funds under this section may establish a sliding
25 scale of tuition rates based upon a participant's family income. A funding recipient may
26 charge a participant tuition to receive adult education services under this section from
27 that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per
28 participant must not exceed the actual operating cost per participant minus any funds
29 received under this section per participant. A funding recipient may not charge a
30 participant tuition under this section if the participant's income is at or below 200% of
31 the federal poverty guidelines published by the United States Department of Health and
32 Human Services.

1 (14) In order to receive funds under this section, a funding recipient shall furnish
2 to the department, in a form and manner determined by the department, all information
3 needed to administer this program and meet federal reporting requirements; shall allow the
4 department or the department's designee to review all records related to the program for
5 which it receives funds; and shall reimburse the state for all disallowances found in the
6 review, as determined by the department. In addition, a funding recipient shall agree to
7 pay to a career and technical education program under section 61a the amount of funding
8 received under this section in the proportion of career and technical education coursework
9 used to satisfy adult basic education programming, as billed to the funding recipient by
10 programs operating under section 61a. In addition to the funding allocated under subsection
11 (1), there is allocated for ~~2019-2020~~**2020-2021** an amount not to exceed \$500,000.00 to
12 reimburse funding recipients for administrative and instructional expenses associated with
13 commingling programming under this section and section 61a. The department shall make
14 payments under this subsection to each funding recipient in the same proportion as funding
15 calculated and allocated under subsection (4).

16 (15) From the amount appropriated in subsection (1), an amount not to exceed
17 \$4,000,000.00 is allocated for ~~2019-2020~~**2020-2021** for grants to adult education or **state**
18 **approved** career technical center programs that connect adult education participants with
19 employers as provided under this subsection. The department shall determine the amount of
20 the grant to each program under this subsection, not to exceed \$350,000.00. To be eligible
21 for funding under this subsection, a program must provide a collaboration linking adult
22 education programs within the county, the area career technical center, and local
23 employers. To receive funding under this subsection, an eligible program must satisfy all
24 of the following:

25 (a) Connect adult education participants directly with employers by linking adult
26 education, career and technical skills, and workforce development.

27 (b) Require adult education staff to work with Michigan Works! agency to identify a
28 cohort of participants who are most prepared to successfully enter the workforce.
29 Participants identified under this subsection must be dually enrolled in adult education
30 programming and in at least 1 **state approved** technical course at the area career and
31 technical center.

32 (c) Employ an individual staffed as an adult education navigator who will serve as a

1 caseworker for each participant identified under subdivision (b). The navigator shall work
2 with adult education staff and potential employers to design an educational program best
3 suited to the personal and employment needs of the participant and shall work with human
4 service agencies or other entities to address any barrier in the way of participant access.

5 **(d) Enroll adult education participants that are actively working toward obtaining a**
6 **high school diploma or a high school equivalency certificate. Up to 10% of participants may**
7 **already have a high school diploma or a high school equivalency certificate at the time of**
8 **enrolling and are seeking remediation services.**

9 (16) ~~A program that was a pilot program in 2017-2018 and that was funded under this~~
10 ~~section in 2017-2018 is funded in 2019-2020 unless the program ceases operation.~~ The
11 intermediate district in which that pilot program was funded is the fiscal agent for that
12 program and shall apply for that program's funding under subsection (15).

13 (17) Each program funded under subsection (15) will receive funding for 3 years.
14 After 3 years of operations and funding, a program must reapply for funding.

15 (18) ~~Not later than December 1, 2020,~~ **By December 1 of each year,** a program funded
16 under subsection (15) shall provide a report to the senate and house appropriations
17 subcommittees on school aid, to the senate and house fiscal agencies, and to the state
18 budget director identifying the number of participants, graduation rates, and a measure of
19 transition to employment.

20 (19) The department shall approve at least 3 high school equivalency tests and
21 determine whether a high school equivalency certificate meets the requisite standards for
22 high school equivalency in this state.

23 (20) As used in this section:

24 (a) "Career and educational advisory council" means an advisory council to the local
25 workforce development boards located in a prosperity region consisting of educational,
26 employer, labor, and parent representatives.

27 (b) "Career pathway" means a combination of rigorous and high-quality education,
28 training, and other services that comply with all of the following:

29 (i) Aligns with the skill needs of industries in the economy of this state or in the
30 regional economy involved.

31 (ii) Prepares an individual to be successful in any of a full range of secondary or
32 postsecondary education options, including apprenticeships registered under the act of

1 August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

2 (iii) Includes counseling to support an individual in achieving the individual's
3 education and career goals.

4 (iv) Includes, as appropriate, education offered concurrently with and in the same
5 context as workforce preparation activities and training for a specific occupation or
6 occupational cluster.

7 (v) Organizes education, training, and other services to meet the particular needs of
8 an individual in a manner that accelerates the educational and career advancement of the
9 individual to the extent practicable.

10 (vi) Enables an individual to attain a secondary school diploma or its recognized
11 equivalent, and at least 1 recognized postsecondary credential.

12 (vii) Helps an individual enter or advance within a specific occupation or
13 occupational cluster.

14 (c) "Department" means the department of labor and economic opportunity.

15 (d) "Eligible adult education provider" means a district, intermediate district, a
16 consortium of districts, a consortium of intermediate districts, or a consortium of
17 districts and intermediate districts that is identified as part of the local process
18 described in subsection (5)(c) and approved by the department.

19 Sec. 147. (1) The allocation for ~~2019-2020~~**2020-2021** for the public school employees'
20 retirement system pursuant to the public school employees retirement act of 1979, 1980 PA
21 300, MCL 38.1301 to 38.1437, is made using the individual projected benefit entry age
22 normal cost method of valuation and risk assumptions adopted by the public school employees
23 retirement board and the department of technology, management, and budget.

24 (2) The annual level percentage of payroll contribution rates for the ~~2019-2020~~**2020-**
25 **2021** fiscal year, as determined by the retirement system, are estimated as follows:

26 (a) For public school employees who first worked for a public school reporting unit
27 before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level
28 percentage of payroll contribution rate is estimated at ~~39.91%~~**42.72%**, with ~~27.50%~~**28.21%**
29 paid directly by the employer.

30 (b) For public school employees who first worked for a public school reporting unit
31 on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual
32 level percentage of payroll contribution rate is estimated at ~~36.96%~~**39.76%**, with ~~24.55%~~

1 **25.25%** paid directly by the employer.

2 (c) For public school employees who first worked for a public school reporting unit
3 on or after July 1, 2010 and who participate in the personal healthcare fund, the annual
4 level percentage of payroll contribution rate is estimated at ~~36.44%~~, **38.90%**, with ~~24.03%~~
5 **24.39%** paid directly by the employer.

6 (d) For public school employees who first worked for a public school reporting unit
7 on or after September 4, 2012, who elect defined contribution, and who participate in the
8 personal healthcare fund, the annual level percentage of payroll contribution rate is
9 estimated at ~~33.37%~~ **35.47%** with 20.96% paid directly by the employer.

10 (e) For public school employees who first worked for a public school reporting unit
11 before July 1, 2010, who elect defined contribution, and who are enrolled in the health
12 premium subsidy, the annual level percentage of payroll contribution rate is estimated at
13 ~~33.89%~~ **36.33%** with ~~21.48%~~ **21.82%** paid directly by the employer.

14 (f) For public school employees who first worked for a public school reporting unit
15 before July 1, 2010, who elect defined contribution, and who participate in the personal
16 healthcare fund, the annual level percentage of payroll contribution rate is estimated at
17 ~~33.37%~~, **35.47%**, with 20.96% paid directly by the employer.

18 (g) For public school employees who first worked for a public school reporting unit
19 before July 1, 2010 and who participate in the personal healthcare fund, the annual level
20 percentage of payroll contribution rate is estimated at ~~39.39%~~, **41.86%**, with ~~26.98%~~ **27.35%**
21 paid directly by the employer.

22 (h) For public school employees who first worked for a public school reporting unit
23 after January 31, 2018 and who elect to become members of the MPSERS plan, the annual level
24 percentage of payroll contribution rate is estimated at ~~39.57%~~ **41.67%** with 27.16% paid
25 directly by the employer.

26 (3) In addition to the employer payments described in subsection (2), the employer
27 shall pay the applicable contributions to the Tier 2 plan, as determined by the public
28 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

29 (4) The contribution rates in subsection (2) reflect an amortization period of ~~19~~ **18**
30 years for ~~2019-2020~~, **2020-2021**. The public school employees' retirement system board shall
31 notify each district and intermediate district by February 28 of each fiscal year of the
32 estimated contribution rate for the next fiscal year.

1 Sec. 147a. (1) From the appropriation in section 11, there is allocated for ~~2019-2020~~
2 **2020-2021** an amount not to exceed \$100,000,000.00 for payments to participating districts.
3 A participating district that receives money under this subsection shall use that money
4 solely for the purpose of offsetting a portion of the retirement contributions owed by the
5 district for the fiscal year in which it is received. The amount allocated to each
6 participating district under this subsection is based on each participating district's
7 percentage of the total statewide payroll for all participating districts for the
8 immediately preceding fiscal year. As used in this subsection, "participating district"
9 means a district that is a reporting unit of the Michigan public school employees'
10 retirement system under the public school employees retirement act of 1979, 1980 PA 300,
11 MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees'
12 retirement system for the applicable fiscal year.

13 (2) In addition to the allocation under subsection (1), from the state school aid
14 fund money appropriated under section 11, there is allocated an amount not to exceed
15 ~~\$171,986,000.00~~ **\$180,136,000.00** for ~~2019-2020~~ **2020-2021** for payments to participating
16 districts and intermediate districts and from the general fund money appropriated under
17 section 11, there is allocated an amount not to exceed ~~\$83,000.00~~ **\$70,000.00** for ~~2019-2020~~
18 **2020-2021** for payments to participating district libraries. The amount allocated to each
19 participating entity under this subsection is based on each participating entity's
20 ~~percentage of the total statewide payroll for that type of participating entity for the~~
21 ~~immediately preceding fiscal year.~~ **reported quarterly payroll for members that became Tier**
22 **1 prior to February 1, 2018 for the current fiscal year.** A participating entity that
23 receives money under this subsection shall use that money solely for the purpose of
24 offsetting a portion of the normal cost contribution rate. As used in this subsection:

25 (a) "District library" means a district library established under the district
26 library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

27 (b) "Participating entity" means a district, intermediate district, or district
28 library that is a reporting unit of the Michigan public school employees' retirement system
29 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
30 38.1437, and that reports employees to the Michigan public school employees' retirement
31 system for the applicable fiscal year.

32 Sec. 147c. From the appropriation in section 11, there is allocated for ~~2019-2020~~

1 **2020-2021** an amount not to exceed ~~\$1,030,400,000.00~~ **\$1,219,300,000.00** from the state school
2 aid fund for payments to districts and intermediate districts that are participating
3 entities of the Michigan public school employees' retirement system. In addition, from the
4 general fund money appropriated in section 11, there is allocated for ~~2019-2020~~ **2020-2021**
5 an amount not to exceed \$500,000.00 for payments to district libraries that are
6 participating entities of the Michigan public school employees' retirement system. All of
7 the following apply to funding under this subsection:

8 (a) For ~~2019-2020~~, **2020-2021**, the amounts allocated under this subsection are
9 estimated to provide an average MPSERS rate cap per pupil amount of ~~\$693.00~~ **\$827.00** and are
10 estimated to provide a rate cap per pupil for districts ranging between ~~\$4.00~~ **\$5.00** and
11 \$4,000.00.

12 (b) Payments made under this subsection are equal to the difference between the
13 unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41
14 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as
15 calculated without taking into account the maximum employer rate of 20.96% included in
16 section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
17 and the maximum employer rate of 20.96% included in section 41 of the public school
18 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

19 (c) The amount allocated to each participating entity under this subsection is based
20 on each participating entity's proportion of the total covered payroll for the immediately
21 preceding fiscal year for the same type of participating entities. A participating entity
22 that receives funds under this subsection shall use the funds solely for the purpose of
23 retirement contributions as specified in subdivision (d).

24 (d) Each participating entity receiving funds under this subsection shall forward an
25 amount equal to the amount allocated under subdivision (c) to the retirement system in a
26 form, manner, and time frame determined by the retirement system.

27 (e) Funds allocated under this subsection should be considered when comparing a
28 district's growth in total state aid funding from 1 fiscal year to the next.

29 (f) Not later than December 20, ~~2019~~, **2020**, the department shall publish and post on
30 its website an estimated MPSERS rate cap per pupil for each district.

31 (g) The office of retirement services shall first apply funds allocated under this
32 subsection to pension contributions and, if any funds remain after that payment, shall

1 apply those remaining funds to other postemployment benefit contributions.

2 (h) As used in this section:

3 (i) "District library" means a district library established under the district
4 library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

5 (ii) "MPSERS rate cap per pupil" means an amount equal to the quotient of the
6 district's payment under this subsection divided by the district's pupils in membership.

7 (iii) "Participating entity" means a district, intermediate district, or district
8 library that is a reporting unit of the Michigan public school employees' retirement system
9 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
10 38.1437, and that reports employees to the Michigan public school employees' retirement
11 system for the applicable fiscal year.

12 (iv) "Retirement board" means the board that administers the retirement system under
13 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

14 (v) "Retirement system" means the Michigan public school employees' retirement system
15 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
16 38.1437.

17 Sec. 147e. (1) From the appropriation in section 11, there is allocated for ~~2018-2019~~
18 ~~an amount not to exceed \$30,000,000.00 from the MPSERS retirement obligation reform reserve~~
19 ~~fund, and there is allocated for 2019-2020-2020-2021~~ an amount not to exceed \$1,900,000.00
20 ~~from the MPSERS retirement obligation reform reserve fund and \$40,671,000.00~~ **\$51,400,000.00**
21 from the state school aid fund for payments to participating entities.

22 (2) The payment to each participating entity under this section is the sum of the
23 amounts under this subsection as follows:

24 (a) An amount equal to the contributions made by a participating entity for the
25 additional contribution made to a qualified participant's Tier 2 account in an amount equal
26 to the contribution made by the qualified participant not to exceed 3% of the qualified
27 participant's compensation as provided for under section 131(6) of the public school
28 employees retirement act of 1979, 1980 PA 300, MCL 38.1431.

29 (b) Beginning October 1, 2017, an amount equal to the contributions made by a
30 participating entity for a qualified participant who is only a Tier 2 qualified participant
31 under section 81d of the public school employees retirement act of 1979, 1980 PA 300, MCL
32 38.1381d, not to exceed 4%, and, beginning February 1, 2018, not to exceed 1%, of the

1 qualified participant's compensation.

2 (c) An amount equal to the increase in employer normal cost contributions under
3 section 41b(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL
4 38.1341b, for a member that was hired after February 1, 2018 and chose to participate in
5 Tier 1, compared to the employer normal cost contribution for a member under section 41b(1)
6 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b.

7 (3) As used in this section:

8 (a) "Member" means that term as defined under the public school employees retirement
9 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

10 (b) "Participating entity" means a district, intermediate district, or community
11 college that is a reporting unit of the Michigan public school employees' retirement system
12 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
13 38.1437, and that reports employees to the Michigan public school employees' retirement
14 system for the applicable fiscal year.

15 (c) "Qualified participant" means that term as defined under section 124 of the
16 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.

17 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v
18 State of Michigan, 486 Mich 468 (2010), from the state school aid fund money appropriated
19 in section 11, there is allocated for ~~2019-2020-2020-2021~~ an amount not to exceed
20 \$38,000,500.00 to be used solely for the purpose of paying necessary costs related to the
21 state-mandated collection, maintenance, and reporting of data to this state.

22 (2) From the allocation in subsection (1), the department shall make payments to
23 districts and intermediate districts in an equal amount per-pupil based on the total number
24 of pupils in membership in each district and intermediate district. The department shall
25 not make any adjustment to these payments after the final installment payment under section
26 17b is made.

27 Sec. 163. (1) Except as provided in the revised school code, the board of a district
28 or intermediate district shall not permit any of the following:

29 (a) ~~Except for an individual engaged to teach under section 1233b of the revised~~
30 ~~school code, MCL 380.1233b, an~~ **An individual who does not hold a** **is not appropriately**
31 **placed under a** valid certificate, ~~or who is not working under a~~ valid substitute permit,
32 authorization, or approval issued under rules promulgated by the department to teach in an

1 elementary or secondary school.

2 (b) An individual who does not satisfy the requirements of section 1233 of the
3 revised school code, MCL 380.1233, and rules promulgated by the department to provide
4 school counselor services to pupils in an elementary or secondary school.

5 (c) An individual who does not satisfy the requirements of section 1246 of the
6 revised school code, MCL 380.1246, or who is not working under a valid substitute permit
7 issued under rules promulgated by the department, to be employed as a superintendent,
8 principal, or assistant principal, or as an individual whose primary responsibility is to
9 administer instructional programs in an elementary or secondary school, or in a district or
10 intermediate district.

11 (2) Except as provided in the revised school code, a district or intermediate
12 district employing individuals in violation of this section shall have deducted the sum
13 equal to the amount paid the individuals for the period of employment. Each intermediate
14 superintendent shall notify the department of the name of the individual employed in
15 violation of this section, and the district employing that individual and the amount of
16 salary the individual was paid within a constituent district.

17 (3) If a school official is notified by the department that he or she is employing an
18 individual in violation of this section and knowingly continues to employ that individual,
19 the school official is guilty of a misdemeanor punishable by a fine of \$1,500.00 for each
20 incidence. This penalty is in addition to all other financial penalties otherwise specified
21 in this article.

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Article II

State Aid to Community Colleges

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2020-2021~~, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$414,719,000.00~~ **\$433,792,400.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$414,719,000.00~~ **\$433,792,400.00**.

1 (b) The sources of the adjusted gross appropriation described in subdivision (a) are
2 as follows:

3 (i) Total federal revenues, \$0.00.

4 (ii) Total local revenues, \$0.00.

5 (iii) Total private revenues, \$0.00.

6 (iv) Total other state restricted revenues, ~~\$414,719,000.00~~ **\$433,792,400.00**.

7 (v) State general fund/general purpose money, \$0.00.

8 (2) Subject to subsection (3), the amount appropriated for community college
9 operations is ~~\$325,473,400.00~~ **\$333,564,800.00**, allocated as follows:

10 (a) The appropriation for Alpena Community College is ~~\$5,772,600.00~~ **\$5,953,600.00**,
11 ~~\$5,696,800.00~~ **\$5,753,300.00** for operations, ~~\$56,500.00~~ **\$181,000.00** for performance funding,
12 and \$19,300.00 for costs incurred under the North American Indian tuition waiver.

13 (b) The appropriation for Bay de Noc Community College is ~~\$5,740,700.00~~
14 **\$5,955,300.00**, ~~\$5,548,600.00~~ **\$5,602,800.00** for operations, ~~\$54,200.00~~ **\$214,600.00** for
15 performance funding, and \$137,900.00 for costs incurred under the North American Indian
16 tuition waiver.

17 (c) The appropriation for Delta College is ~~\$15,201,400.00~~ **\$15,548,300.00**,
18 ~~\$15,058,600.00~~ **\$15,160,500.00** for operations, ~~\$101,900.00~~ **\$346,900.00** for performance
19 funding, and \$40,900.00 for costs incurred under the North American Indian tuition waiver.

20 (d) The appropriation for Glen Oaks Community College is ~~\$2,652,400.00~~ **\$2,768,400.00**,
21 ~~\$2,616,600.00~~ **\$2,651,200.00** for operations, ~~\$34,600.00~~ **\$116,000.00** for performance funding,
22 and \$1,200.00 for costs incurred under the North American Indian tuition waiver.

23 (e) The appropriation for Gogebic Community College is ~~\$4,933,600.00~~ **\$5,077,300.00**,
24 ~~\$4,828,700.00~~ **\$4,873,700.00** for operations, ~~\$45,000.00~~ **\$143,700.00** for performance funding,
25 and \$59,900.00 for costs incurred under the North American Indian tuition waiver.

26 (f) The appropriation for Grand Rapids Community College is ~~\$19,013,400.00~~
27 **\$19,499,900.00**, ~~\$18,628,700.00~~ **\$18,773,100.00** for operations, ~~\$144,400.00~~ **\$486,500.00** for
28 performance funding, and \$240,300.00 for costs incurred under the North American Indian
29 tuition waiver.

30 (g) The appropriation for Henry Ford College is ~~\$22,574,700.00~~ **\$23,067,200.00**,
31 ~~\$22,382,000.00~~ **\$22,533,100.00** for operations, ~~\$151,100.00~~ **\$492,500.00** for performance
32 funding, and \$41,600.00 for costs incurred under the North American Indian tuition waiver.

1 (h) The appropriation for Jackson College is ~~\$12,802,900.00~~ **\$13,065,200.00**,
2 ~~\$12,679,800.00~~ **\$12,756,200.00** for operations, ~~\$76,400.00~~ **\$262,300.00** for performance
3 funding, and \$46,700.00 for costs incurred under the North American Indian tuition waiver.

4 (i) The appropriation for Kalamazoo Valley Community College is ~~\$13,155,900.00~~
5 **\$13,465,100.00**, ~~\$13,009,500.00~~ **\$13,099,900.00** for operations, ~~\$90,400.00~~ **\$309,200.00** for
6 performance funding, and \$56,000.00 for costs incurred under the North American Indian
7 tuition waiver.

8 (j) The appropriation for Kellogg Community College is ~~\$10,346,500.00~~ **\$10,580,300.00**,
9 ~~\$10,199,600.00~~ **\$10,267,100.00** for operations, ~~\$67,500.00~~ **\$233,800.00** for performance
10 funding, and \$79,400.00 for costs incurred under the North American Indian tuition waiver.

11 (k) The appropriation for Kirtland Community College is ~~\$3,393,000.00~~ **\$3,486,000.00**,
12 ~~\$3,311,600.00~~ **\$3,358,400.00** for operations, ~~\$46,800.00~~ **\$93,000.00** for performance funding,
13 and \$34,600.00 for costs incurred under the North American Indian tuition waiver.

14 (l) The appropriation for Lake Michigan College is ~~\$5,714,000.00~~ **\$5,868,000.00**,
15 ~~\$5,663,300.00~~ **\$5,702,700.00** for operations, ~~\$39,400.00~~ **\$154,000.00** for performance funding,
16 and \$11,300.00 for costs incurred under the North American Indian tuition waiver.

17 (m) The appropriation for Lansing Community College is ~~\$33,005,900.00~~ **\$33,675,500.00**,
18 ~~\$32,652,300.00~~ **\$32,852,000.00** for operations, ~~\$199,700.00~~ **\$669,600.00** for performance
19 funding, and \$153,900.00 for costs incurred under the North American Indian tuition waiver.

20 (n) The appropriation for Macomb Community College is ~~\$34,312,100.00~~ **\$35,093,600.00**,
21 ~~\$34,043,100.00~~ **\$34,276,100.00** for operations, ~~\$233,000.00~~ **\$781,500.00** for performance
22 funding, and \$36,000.00 for costs incurred under the North American Indian tuition waiver.

23 (o) The appropriation for Mid Michigan Community College is ~~\$5,324,500.00~~
24 **\$5,595,300.00**, ~~\$5,100,400.00~~ **\$5,184,400.00** for operations, ~~\$84,000.00~~ **\$270,800.00** for
25 performance funding, and \$140,100.00 for costs incurred under the North American Indian
26 tuition waiver.

27 (p) The appropriation for Monroe County Community College is ~~\$4,747,100.00~~
28 **\$4,869,900.00**, ~~\$4,706,500.00~~ **\$4,746,200.00** for operations, ~~\$39,700.00~~ **\$122,800.00** for
29 performance funding, and \$900.00 for costs incurred under the North American Indian tuition
30 waiver.

31 (q) The appropriation for Montcalm Community College is ~~\$3,576,300.00~~ **\$3,718,000.00**,
32 ~~\$3,541,400.00~~ **\$3,570,600.00** for operations, ~~\$29,200.00~~ **\$141,700.00** for performance funding,

1 and \$5,700.00 for costs incurred under the North American Indian tuition waiver.

2 (r) The appropriation for C.S. Mott Community College is ~~\$16,453,400.00~~
3 **\$16,824,500.00**, ~~\$16,325,800.00~~ **\$16,440,000.00** for operations, ~~\$114,200.00~~ **\$371,100.00** for
4 performance funding, and \$13,400.00 for costs incurred under the North American Indian
5 tuition waiver.

6 (s) The appropriation for Muskegon Community College is ~~\$9,366,400.00~~ **\$9,569,800.00**,
7 ~~\$9,230,500.00~~ **\$9,289,100.00** for operations, ~~\$58,600.00~~ **\$203,400.00** for performance funding,
8 and \$77,300.00 for costs incurred under the North American Indian tuition waiver.

9 (t) The appropriation for North Central Michigan College is ~~\$3,567,200.00~~
10 **\$3,669,000.00**, ~~\$3,358,100.00~~ **\$3,389,300.00** for operations, ~~\$31,200.00~~ **\$101,800.00** for
11 performance funding, and \$177,900.00 for costs incurred under the North American Indian
12 tuition waiver.

13 (u) The appropriation for Northwestern Michigan College is ~~\$9,813,800.00~~
14 **\$10,031,200.00**, ~~\$9,503,400.00~~ **\$9,567,100.00** for operations, ~~\$63,700.00~~ **\$217,400.00** for
15 performance funding, and \$246,700.00 for costs incurred under the North American Indian
16 tuition waiver.

17 (v) The appropriation for Oakland Community College is ~~\$22,235,400.00~~ **\$22,792,300.00**,
18 ~~\$22,033,100.00~~ **\$22,211,700.00** for operations, ~~\$178,600.00~~ **\$556,900.00** for performance
19 funding, and \$23,700.00 for costs incurred under the North American Indian tuition waiver.

20 (w) The appropriation for Schoolcraft College is ~~\$13,263,200.00~~ **\$13,620,000.00**,
21 ~~\$13,080,600.00~~ **\$13,196,200.00** for operations, ~~\$115,600.00~~ **\$356,800.00** for performance
22 funding, and \$67,000.00 for costs incurred under the North American Indian tuition waiver.

23 (x) The appropriation for Southwestern Michigan College is ~~\$7,019,100.00~~
24 **\$7,156,600.00**, ~~\$6,932,700.00~~ **\$6,979,400.00** for operations, ~~\$46,700.00~~ **\$137,500.00** for
25 performance funding, and \$39,700.00 for costs incurred under the North American Indian
26 tuition waiver.

27 (y) The appropriation for St. Clair County Community College is ~~\$7,393,700.00~~
28 **\$7,588,100.00**, ~~\$7,329,600.00~~ **\$7,385,200.00** for operations, ~~\$55,600.00~~ **\$194,400.00** for
29 performance funding, and \$8,500.00 for costs incurred under the North American Indian
30 tuition waiver.

31 (z) The appropriation for Washtenaw Community College is ~~\$13,886,900.00~~
32 **\$14,327,600.00**, ~~\$13,730,300.00~~ **\$13,855,900.00** for operations, ~~\$125,600.00~~ **\$440,700.00** for

1 performance funding, and \$31,000.00 for costs incurred under the North American Indian
2 tuition waiver.

3 (aa) The appropriation for Wayne County Community College is ~~\$17,601,900.00~~
4 **\$18,005,800.00**, ~~\$17,459,700.00~~ **\$17,593,400.00** for operations, ~~\$133,700.00~~ **\$403,900.00** for
5 performance funding, and \$8,500.00 for costs incurred under the North American Indian
6 tuition waiver.

7 (bb) The appropriation for West Shore Community College is ~~\$2,605,400.00~~
8 **\$2,693,000.00**, ~~\$2,566,100.00~~ **\$2,585,600.00** for operations, ~~\$19,500.00~~ **\$87,600.00** for
9 performance funding, and \$19,800.00 for costs incurred under the North American Indian
10 tuition waiver.

11 (3) The amount appropriated in subsection (2) for community college operations is
12 ~~\$325,473,400.00~~ **\$333,564,800.00** and is appropriated from the state school aid fund.

13 (4) From the appropriations described in subsection (1), both of the following apply:

14 (a) Subject to section 207a, the amount appropriated for fiscal year ~~2019-2020-2020-~~
15 **2021** to offset certain fiscal year ~~2019-2020-2020-2021~~ retirement contributions is
16 \$1,733,600.00, appropriated from the state school aid fund.

17 (b) For fiscal year ~~2019-2020-2020-2021~~, there is allocated an amount not to exceed
18 ~~\$12,212,000.00~~ **\$12,394,000.00** for payments to participating community colleges,
19 appropriated from the state school aid fund. A community college that receives money under
20 this subdivision shall use that money solely for the purpose of offsetting the normal cost
21 contribution rate.

22 (5) From the appropriations described in subsection (1), subject to section 207b, the
23 amount appropriated for payments to community colleges that are participating entities of
24 the retirement system is ~~\$73,100,000.00~~ **\$83,900,000.00**, appropriated from the state school
25 aid fund.

26 (6) From the appropriations described in subsection (1), subject to section 207c, the
27 amount appropriated for renaissance zone tax reimbursements is \$2,200,000.00, appropriated
28 from the state school aid fund. **Each community college receiving funds in this subsection**
29 **shall accrue these payments to its institutional fiscal year ending June 30, 2021.**

30 Sec. 202a. As used in this article:

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

1 (b) "Michigan renaissance zone act" means the Michigan renaissance zone act, 1996 PA
2 376, MCL 125.2681 to 125.2696.

3 (c) "Participating college" means a community college that is a reporting unit of the
4 retirement system and that reports employees to the retirement system for the state fiscal
5 year.

6 (d) "Retirement board" means the board that administers the retirement system under
7 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

8 (e) "Retirement system" means the Michigan public school employees' retirement system
9 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
10 38.1437.

11 ~~(f) "Workforce development agency" means the workforce development agency within the~~
12 ~~department of talent and economic development--talent investment agency~~

13 Sec.203. Unless otherwise specified, a community college that receives
14 appropriations in section 201, ~~the workforce development agency,~~ and the center shall use
15 the internet to fulfill the reporting requirements of this article. This requirement may
16 include transmission of reports via electronic mail to the recipients identified for each
17 reporting requirement or it may include placement of reports on an internet or intranet
18 site.

19 Sec. 204. **To the extent possible under MCL 388.1804:**

20 (a) Funds appropriated in section 201 shall not be used for the purchase of foreign
21 goods or services, or both, if competitively priced and of comparable quality American
22 goods or services, or both, are available.

23 (b) Preference should be given to goods or services, or both, manufactured or
24 provided by Michigan businesses, if they are competitively priced and of comparable
25 quality.

26 (c) ~~In addition, preference~~ **Preference** should be given to goods or services, or both,
27 that are manufactured or provided by Michigan businesses that are owned and operated by
28 veterans, if they are competitively priced and of comparable quality.

29 Sec. 205. ~~The~~ **To the extent possible under 388.1805,** the principal executive officer
30 of each community college that receives appropriations in section 201 shall take all
31 reasonable steps to ensure businesses in deprived and depressed communities compete for and
32 perform contracts to provide services or supplies, or both. Each principal executive

1 officer shall strongly encourage businesses with which the community college contracts to
2 subcontract with certified businesses in depressed and deprived communities for services or
3 supplies, or both.

4 Sec. 206. (1) The funds appropriated in section 201 are appropriated for community
5 colleges with fiscal years ending June 30, ~~2020-2021~~ and shall be paid out of the state
6 treasury and distributed by the state treasurer to the respective community colleges in 11
7 monthly installments on the sixteenth of each month, or the next succeeding business day,
8 beginning with October 16, ~~2019-2020~~. Each community college shall accrue its July and
9 August ~~2020-2021~~ payments to its institutional fiscal year ending June 30, ~~2020-2021~~. **Each**
10 **community college receiving funds in section 201 (6) for renaissance zone tax**
11 **reimbursements shall accrue these payments to its institutional fiscal year ending June 30,**
12 **2021.**

13 (2) If the state budget director determines that a community college failed to submit
14 any of the information described in subdivisions (a) to (f) in the form and manner
15 specified by the center, the state treasurer shall, subject to subdivision (g), withhold
16 the monthly installments from that community college until those data are submitted:

17 (a) The Michigan community colleges verified data inventory data for the preceding
18 academic year to the center by the first business day of November of each year as specified
19 in section 217.

20 (b) The college credit opportunity data set as specified in section 209.

21 (c) The longitudinal data set for the preceding academic year to the center as
22 specified in section 219.

23 (d) The annual independent audit as specified in section 222.

24 (e) Tuition and mandatory fees information for the current academic year as specified
25 in section 225.

26 (f) The number and type of associate degrees and other certificates awarded during
27 the previous academic year as specified in section 226.

28 ~~(g) The state budget director shall notify the chairs of the house and senate~~
29 ~~appropriations subcommittees on community colleges at least 10 days before withholding~~
30 ~~funds from any community college.~~

31 Sec. 207a. All of the following apply to the allocation of the fiscal year ~~2019-2020~~
32 **2020-2021** appropriations described in section 201(4):

1 (a) A community college that receives money under section 201(4) shall use that money
2 solely for the purpose of offsetting a portion of the retirement contributions owed by the
3 college for that fiscal year.

4 (b) The amount allocated to each participating community college under section 201(4)
5 shall be based on each college's percentage of the total covered payroll for all community
6 colleges that are participating colleges in the immediately preceding fiscal year.

7 Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2019-2020~~
8 **2020-2021** appropriations described in section 201(5) for payments to community colleges
9 that are participating entities of the retirement system:

10 (a) The amount of a payment under section 201(5) shall be the difference between the
11 unfunded actuarial accrued liability contribution rate as calculated under section 41 of
12 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated
13 without taking into account the maximum employer rate of 20.96% included in section 41 of
14 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
15 maximum employer rate of 20.96% under section 41 of the public school employees retirement
16 act of 1979, 1980 PA 300, MCL 38.1341.

17 (b) The amount allocated to each community college under section 201(5) shall be
18 based on each community college's percentage of the total covered payroll for all community
19 colleges that are participating colleges in the immediately preceding fiscal year. A
20 community college that receives funds under this subdivision shall use the funds solely for
21 the purpose of retirement contributions under section 201(5).

22 (c) Each participating college that receives funds under section 201(5) shall forward
23 an amount equal to the amount allocated under subdivision (b) to the retirement system in a
24 form and manner determined by the retirement system.

25 Sec. 207c. All of the following apply to the allocation of the appropriations
26 described in section 201(6) to community colleges described in section 12(3) of the
27 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

28 (a) The amount allocated to each community college under section 201(6) for fiscal
29 year ~~2019-2020~~**2020-2021** shall be based on that community college's proportion of total
30 revenue lost by community colleges as a result of the exemption of property taxes levied in
31 ~~2019-2020~~ under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

32 (b) The appropriations described in section 201(6) shall be made to each eligible

1 community college within 60 days after the department of treasury certifies to the state
2 budget director that it has received all necessary information to properly determine the
3 amounts payable to each eligible community college under section 12 of the Michigan
4 renaissance zone act, 1996 PA 376, MCL 125.2692.

5 Sec. 209. (1) Within 30 days after the board of a community college adopts its annual
6 operating budget for the following fiscal year, or after the board adopts a subsequent
7 revision to that budget, the community college shall make all of the following available
8 through a link on its website homepage:

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

10 (b) A link to the most recent "Michigan Community College Data Inventory Report".

11 (c) General fund revenue and expenditure projections for the current fiscal year and
12 the next fiscal year.

13 (d) A listing of all debt service obligations, detailed by project, anticipated
14 payment of each project, and total outstanding debt for the current fiscal year.

15 (e) Links to all of the following for the community college:

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

17 (ii) Each health care benefits plan, including, but not limited to, medical, dental,
18 vision, disability, long-term care, or any other type of benefits that would constitute
19 health care services, offered to any bargaining unit or employee of the community college.

20 (iii) Audits and financial reports for the most recent fiscal year for which they
21 are available.

22 (iv) A copy of the board of trustees resolution regarding compliance with best
23 practices for the local strategic value component described in section 230(2).

24 (f) A map that includes the boundaries of the community college district.

25 (2) For statewide consistency and public visibility, community colleges must use the
26 icon badge provided by the department of technology, management, and budget consistent with
27 the icon badge developed by the department of education for K-12 school districts. It must
28 appear on the front of each community college's homepage. The size of the icon may be
29 reduced to 150 x 150 pixels.

30 ~~(3) The state budget director shall determine whether a community college has~~
31 ~~complied with this section. The state budget director may withhold a community college's~~
32 ~~monthly installments described in section 206 until the community college complies with~~

1 ~~this section. The state budget director shall notify the chairs of the house and senate~~
2 ~~appropriations subcommittee on community colleges at least 10 days before withholding funds~~
3 ~~from any community college.~~

4 ~~(4) Each community college shall report the following information to the senate and~~
5 ~~house appropriations subcommittees on community colleges, the senate and house fiscal~~
6 ~~agencies, and the state budget office by November 15 of each fiscal year and post that~~
7 ~~information on its website as required under subsection (1):~~

8 ~~(a) Budgeted current fiscal year general fund revenue from tuition and fees.~~

9 ~~(b) Budgeted current fiscal year general fund revenue from state appropriations.~~

10 ~~(c) Budgeted current fiscal year general fund revenue from property taxes.~~

11 ~~(d) Budgeted current fiscal year total general fund revenue.~~

12 ~~(e) Budgeted current fiscal year total general fund expenditures.~~

13 ~~(5) By the first business day of November of each year, a community college shall~~
14 ~~report the following information to the center and post the information on its website~~
15 ~~under the budget transparency icon badge:~~

16 ~~(a) Opportunities for earning college credit through the following programs:~~

17 ~~(i) State approved career and technical education or a tech prep articulated program~~
18 ~~of study.~~

19 ~~(ii) Direct college credit or concurrent enrollment.~~

20 ~~(iii) Dual enrollment.~~

21 ~~(iv) An early college/middle college program.~~

22 ~~(b) For each program described in subdivision (a) that the community college offers,~~
23 ~~all of the following information:~~

24 ~~(i) The number of high school students participating in the program.~~

25 ~~(ii) The number of school districts that participate in the program with the~~
26 ~~community college.~~

27 ~~(iii) Whether a college professor, qualified local school district employee, or other~~
28 ~~individual teaches the course or courses in the program.~~

29 ~~(iv) The total cost to the community college to operate the program.~~

30 ~~(v) The cost per credit hour for the course or courses in the program.~~

31 ~~(vi) The location where the course or courses in the program are held.~~

32 ~~(vii) Instructional resources offered to the program instructors.~~

1 ~~(viii) Resources offered to the student in the program.~~

2 ~~(ix) Transportation services provided to students in the program.~~

3 Sec. 209a. (1) A public community college shall develop, maintain, and update a
4 "campus safety information and resources" link, prominently displayed on the homepage of
5 its website, to a section of its website containing all of the information required under
6 subsection (2).

7 (2) The "campus safety information and resources" section of a public community
8 college's website shall include, but not be limited to, all of the following information:

9 (a) Emergency contact numbers for police, fire, health, and other services.

10 (b) Hours, locations, phone numbers, and electronic mail contacts for campus public
11 safety offices and title IX offices.

12 (c) A list of safety and security services provided by the community college,
13 including transportation, escort services, building surveillance, anonymous tip lines, and
14 other available security services.

15 (d) A public community college's policies applicable to minors on community college
16 property.

17 (e) A directory of resources available at the community college or surrounding
18 community for students or employees who are survivors of sexual assault or sexual abuse.

19 (f) An electronic copy of "A Resource Handbook for Campus Sexual Assault Survivors,
20 Friends and Family", published in 2018 by the office of the governor in conjunction with
21 the first lady of Michigan.

22 (g) Campus security policies and crime statistics pursuant to the student right-to-
23 know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall include
24 all material prepared pursuant to the public information reporting requirements under the
25 crime awareness and campus security act of 1990, title II of the student right-to-know and
26 campus security act, Public Law 101-542, 104 Stat 2381.

27 (3) A community college shall certify to the state budget director by October 1, ~~2019~~
28 ~~and the last business day of each August thereafter, 2020~~ that it is in compliance with
29 this section. The state budget director may withhold a public community college's monthly
30 installments described in section 206 until the public community college complies with this
31 section.

32 Sec. 217. (1) The center shall do all of the following:

1 (a) Establish, maintain, and coordinate the state community college database commonly
2 known as the "Michigan Community College Data Inventory".

3 (b) Collect data concerning community colleges and community college programs in this
4 state, including data required by law.

5 (c) Establish procedures to ensure the validity and reliability of the data and the
6 collection process.

7 (d) Develop model data collection policies, including, but not limited to, policies
8 that ensure the privacy of any individual student data. Privacy policies shall ensure that
9 student social security numbers are not released to the public for any purpose.

10 (e) Provide data in a useful manner to allow state policymakers and community college
11 officials to make informed policy decisions.

12 (f) Compile and publish electronically the demographic enrollment profile.

13 (g) Compile and publish the community college performance improvement and performance
14 completion rate data to support the performance funding formula metrics specified in
15 section 230(1)(c) and (e).

16 (2) There is created within the center the Michigan Community College Data Inventory
17 advisory committee. The committee shall provide advice to the director of the center
18 regarding the management of the state community college database, including, but not
19 limited to:

20 (a) Determining what data are necessary to collect and maintain to enable state and
21 community college officials to make informed policy decisions.

22 (b) Defining the roles of all stakeholders in the data collection system.

23 (c) Recommending timelines for the implementation and ongoing collection of data.

24 (d) Establishing and maintaining data definitions, data transmission protocols, and
25 system specifications and procedures for the efficient and accurate transmission and
26 collection of data.

27 (e) Establishing and maintaining a process for ensuring the accuracy of the data.

28 (f) Establishing and maintaining policies related to data collection, including, but
29 not limited to, privacy policies related to individual student data.

30 (g) Ensuring that the data are made available to state policymakers and citizens of
31 this state in the most useful format possible.

32 (h) Addressing other matters as determined by the director of the center or as

1 required by law.

2 (3) The Michigan Community College Data Inventory advisory committee created in
3 subsection (2) shall consist of the following members:

4 (a) One representative from the house fiscal agency, appointed by the director of the
5 house fiscal agency.

6 (b) One representative from the senate fiscal agency, appointed by the director of
7 the senate fiscal agency.

8 (c) One representative from the ~~workforce development agency~~ **department of labor and**
9 **economic opportunity**, appointed by the director of the ~~workforce development agency~~
10 **department of labor and economic opportunity**.

11 (d) One representative from the center, appointed by the director of the center.

12 (e) One representative from the state budget office, appointed by the state budget
13 director.

14 (f) One representative from the governor's policy office, appointed by that office.

15 (g) Four representatives of the Michigan Community College Association, appointed by
16 the president of the association, that represent a diverse mix of college sizes.

17 Sec. 225. Each community college shall report to the center by the last business day
18 of August of each year the tuition and mandatory fees paid by a full-time in-district
19 student and a full-time out-of-district student as established by the college governing
20 board for the current academic year. ~~This report should also include the annual cost of~~
21 ~~tuition and fees based on a full-time course load of 30 credits.~~ This report must also
22 specify the amount that tuition and fees have increased for each institution from the prior
23 academic year. Each community college shall also report any revisions to the reported
24 current academic year tuition and mandatory fees adopted by the college governing board to
25 the center within 15 days of being adopted. The center shall provide this information and
26 any revisions to the house and senate fiscal agencies and the state budget director.

27 Sec. 226. Each community college shall report to the center by October 15 of each
28 year the numbers and type of associate degrees and other certificates awarded by the
29 community college during the previous academic year ~~using the~~ **for inclusion in the**
30 **statewide** P-20 longitudinal data system.

31 Sec. 229a. Included in the fiscal year ~~2019-2020~~ **2020-2021** appropriations for the
32 department of technology, management, and budget are appropriations totaling ~~\$34,181,600.00~~

1 **\$35,696,200.00** to provide funding for the state share of costs for previously constructed
2 capital projects for community colleges. Those appropriations for state building authority
3 rent represent additional state general fund support for community colleges, and the
4 following is an estimate of the amount of that support to each community college:

- 5 (a) Alpena Community College, ~~\$702,500.00~~ **\$701,800.00**.
- 6 (b) Bay de Noc Community College, ~~\$679,000.00~~ **\$686,600.00**.
- 7 (c) Delta College, ~~\$3,905,300.00~~ **\$3,845,000.00**.
- 8 (d) Glen Oaks Community College, ~~\$123,400.00~~ **\$124,700.00**.
- 9 (e) Gogebic Community College, ~~\$56,200.00~~ **\$56,800.00**.
- 10 (f) Grand Rapids Community College, ~~\$2,208,700.00~~ **\$2,604,800.00**.
- 11 (g) Henry Ford College, ~~\$1,031,000.00~~ **\$1,042,600.00**.
- 12 (h) Jackson College, ~~\$2,170,400.00~~ **\$2,194,800.00**.
- 13 (i) Kalamazoo Valley Community College, ~~\$1,947,700.00~~ **\$1,969,600.00**.
- 14 (j) Kellogg Community College, ~~\$715,300.00~~ **\$688,600.00**.
- 15 (k) Kirtland Community College, ~~\$639,100.00~~ **\$228,200.00**.
- 16 (l) Lake Michigan College, ~~\$532,300.00~~ **\$1,032,500.00**.
- 17 (m) Lansing Community College, ~~\$1,144,300.00~~ **\$1,157,200.00**.
- 18 (n) Macomb Community College, ~~\$1,653,900.00~~ **\$1,672,400.00**.
- 19 (o) Mid Michigan Community College, ~~\$1,619,700.00~~ **\$1,637,900.00**.
- 20 (p) Monroe County Community College, ~~\$1,604,900.00~~ **\$1,585,200.00**.
- 21 (q) Montcalm Community College, ~~\$973,900.00~~ **\$984,800.00**.
- 22 (r) C.S. Mott Community College, ~~\$1,808,300.00~~ **\$2,157,600.00**.
- 23 (s) Muskegon Community College, ~~\$1,076,800.00~~ **\$996,000.00**.
- 24 (t) North Central Michigan College, ~~\$490,900.00~~ **\$694,700.00**.
- 25 (u) Northwestern Michigan College, ~~\$1,471,300.00~~ **\$1,857,000.00**.
- 26 (v) Oakland Community College, ~~\$466,400.00~~ **\$471,600.00**.
- 27 (w) Schoolcraft College, ~~\$1,550,600.00~~ **\$1,770,800.00**.
- 28 (x) Southwestern Michigan College, ~~\$890,100.00~~ **\$834,200.00**.
- 29 (y) St. Clair County Community College, ~~\$799,300.00~~ **\$758,600.00**.
- 30 (z) Washtenaw Community College, ~~\$1,680,900.00~~ **\$1,699,800.00**.
- 31 (aa) Wayne County Community College, ~~\$1,466,300.00~~ **\$1,482,800.00**.
- 32 (bb) West Shore Community College, ~~\$773,100.00~~ **\$759,600.00**.

1 Sec. 230. (1) Money included in the appropriations for community college operations
2 under section 201(2) in fiscal year ~~2019-2020~~**2020-2021** for performance funding is
3 distributed based on the following formula:

4 (a) Allocated proportionate to fiscal year ~~2018-2019~~**2019-2020** base appropriations,
5 30%.

6 (b) Based on a weighted student contact hour formula as provided for in the 2016
7 recommendations of the performance indicators task force, 25%.

8 (c) Based on the performance improvement as provided for in the 2016 recommendations
9 of the performance indicators task force and based on data provided by the center, 10%.

10 (d) Based on the performance completion number as provided for in the 2016
11 recommendations of the performance indicators task force, 10%.

12 (e) Based on the performance completion rate as provided for in the 2016
13 recommendations of the performance indicators task force and based on data provided by the
14 center, 10%.

15 (f) Based on administrative costs, 5%.

16 (g) Based on the local strategic value component, as developed in cooperation with
17 the Michigan Community College Association and described in subsection (2), 5%.

18 (h) Based on the 6 community colleges with the lowest taxable values in the 2017-2018
19 Michigan community college data inventory report, weighted by fiscal year equated students,
20 5%.

21 (2) Money included in the appropriations for community college operations under
22 section 201(2) for local strategic value shall be allocated to each community college that
23 certifies to the state budget director, through a board of trustees resolution on or before
24 October 15, ~~2019-2020~~, that the college has met 4 out of 5 best practices listed in each
25 category described in subsection (3). The resolution shall provide specifics as to how the
26 community college meets each best practice measure within each category. One-third of
27 funding available under the strategic value component shall be allocated to each category
28 described in subsection (3). Amounts distributed under local strategic value shall be on a
29 proportionate basis to each college's fiscal year 2018-2019 operations funding. Payments to
30 community colleges that qualify for local strategic value funding shall be distributed with
31 the November installment payment described in section 206.

32 (3) For purposes of subsection (2), the following categories of best practices

1 reflect functional activities of community colleges that have strategic value to the local
2 communities and regional economies:

3 (a) For Category A, economic development and business or industry partnerships, the
4 following:

5 (i) The community college has active partnerships with local employers including
6 hospitals and health care providers.

7 (ii) The community college provides customized on-site training for area companies,
8 employees, or both.

9 (iii) The community college supports entrepreneurship through a small business
10 assistance center or other training or consulting activities targeted toward small
11 businesses.

12 (iv) The community college supports technological advancement through industry
13 partnerships, incubation activities, or operation of a Michigan technical education center
14 or other advanced technology center.

15 (v) The community college has active partnerships with local or regional workforce
16 and economic development agencies.

17 (b) For Category B, educational partnerships, the following:

18 (i) The community college has active partnerships with regional high schools,
19 intermediate school districts, and career-tech centers to provide instruction through dual
20 enrollment, concurrent enrollment, direct credit, middle college, or academy programs.

21 (ii) The community college hosts, sponsors, or participates in enrichment programs
22 for area K-12 students, such as college days, summer or after-school programming, or
23 Science Olympiad.

24 (iii) The community college provides, supports, or participates in programming to
25 promote successful transitions to college for traditional age students, including grant
26 programs such as talent search, upward bound, or other activities to promote college
27 readiness in area high schools and community centers.

28 (iv) The community college provides, supports, or participates in programming to
29 promote successful transitions to college for new or reentering adult students, such as
30 adult basic education, a high school equivalency test preparation program and testing, or
31 recruiting, advising, or orientation activities specific to adults. As used in this
32 subparagraph, "high school equivalency test preparation program" means that term as defined

1 in section 4.

2 (v) The community college has active partnerships with regional 4-year colleges and
3 universities to promote successful transfer, such as articulation, 2+2, or reverse transfer
4 agreements or operation of a university center.

5 (c) For Category C, community services, the following:

6 (i) The community college provides continuing education programming for leisure,
7 wellness, personal enrichment, or professional development.

8 (ii) The community college operates or sponsors opportunities for community members
9 to engage in activities that promote leisure, wellness, cultural or personal enrichment
10 such as community sports teams, theater or musical ensembles, or artist guilds.

11 (iii) The community college operates public facilities to promote cultural,
12 educational, or personal enrichment for community members, such as libraries, computer
13 labs, performing arts centers, museums, art galleries, or television or radio stations.

14 (iv) The community college operates public facilities to promote leisure or wellness
15 activities for community members, including gymnasiums, athletic fields, tennis courts,
16 fitness centers, hiking or biking trails, or natural areas.

17 (v) The community college promotes, sponsors, or hosts community service activities
18 for students, staff, or community members.

19 (4) Payments for performance funding under section 201(2) shall be made to a
20 community college only if that community college actively participates in the Michigan
21 Transfer Network sponsored by the Michigan Association of Collegiate Registrars and
22 Admissions Officers and submits timely updates, including updated course equivalencies at
23 least every 6 months, to the Michigan transfer network. The state budget director shall
24 determine if a community college has not satisfied this requirement. The state budget
25 director may withhold payments for performance funding until a community college is in
26 compliance with this section.

27 **Sec. 231. (1) Payments under section 230 for performance funding for fiscal year**
28 **2020-2021 shall only be made to a public community college that certifies to the state**
29 **budget director by the last business day of August that its board will not adopt an**
30 **increase in tuition and fee rates for in-district undergraduate students for the 2020-2021**
31 **academic year that is greater than 4.25%. As used in this subsection:**

32 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all

1 in-district students at least once during their enrollment at a public community college. A
2 community college increasing a fee that applies to a specific subset of students or courses
3 shall provide sufficient information to prove that the increase applied to that subset will
4 not cause the increase in the average amount of board-authorized total tuition and fees
5 paid by in-district students in the 2020-2021 academic year to exceed the limit established
6 in this section.

7 (b) "Tuition and fee rate" means the average of full-time rates paid by a majority of
8 students in each undergraduate class, based on an unweighted average of the rates
9 authorized by the community college board and actually charged to students, deducting any
10 uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-
11 time equated in-district enrollment during the academic year.

12 (2) The state budget director shall implement uniform reporting requirements to
13 ensure that a public community college receiving a payment under section 230 for
14 performance funding has satisfied the tuition restraint requirements of this section. The
15 state budget director shall have the sole authority to determine if a public community
16 college has met the requirements of this section. Information reported by a public
17 community college to the state budget director under this subsection shall also be reported
18 to the house and senate appropriations subcommittees on community colleges and the house
19 and senate fiscal agencies.

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ARTICLE III

State Aid for Universities and Student Financial Aid

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2020-2021~~, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,691,395,000.00~~ **\$1,743,845,600.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,691,395,000.00~~ **\$1,743,845,600.00**.

1 (b) The sources of the adjusted gross appropriation described in subdivision (a) are
2 as follows:

3 (i) Total federal revenues, ~~\$134,026,400.00~~ **\$116,026,400.00**.

4 (ii) Total local revenues, \$0.00.

5 (iii) Total private revenues, \$0.00.

6 (iv) Total other state restricted revenues, ~~\$349,419,300.00~~ **\$356,063,300.00**.

7 (v) State general fund/general purpose money, ~~\$1,207,949,300.00~~ **\$1,271,755,900.00**.

8 (2) Amounts appropriated for public universities are as follows:

9 (a) The appropriation for Central Michigan University is ~~\$89,227,800.00~~
10 **\$91,418,500.00**, ~~\$87,096,900.00~~ **\$87,629,700.00** for operations, ~~\$532,800.00~~ **\$2,190,700.00** for
11 ~~performance funding~~ **student affordability funding**, and \$1,598,100.00 for costs incurred
12 under the North American Indian tuition waiver.

13 (b) The appropriation for Eastern Michigan University is ~~\$77,556,000.00~~
14 **\$79,487,300.00**, ~~\$76,816,500.00~~ **\$77,253,700.00** for operations, ~~\$437,200.00~~ **\$1,931,300.00** for
15 ~~performance funding~~ **student affordability funding**, and \$302,300.00 for costs incurred under
16 the North American Indian tuition waiver.

17 (c) The appropriation for Ferris State University is ~~\$56,032,800.00~~ **\$57,408,400.00**,
18 ~~\$54,732,400.00~~ **\$55,025,500.00** for operations, ~~\$293,100.00~~ **\$1,375,600.00** for ~~performance~~
19 ~~funding~~ **student affordability funding**, and \$1,007,300.00 for costs incurred under the North
20 American Indian tuition waiver.

21 (d) The appropriation for Grand Valley State University is ~~\$73,388,500.00~~
22 **\$75,196,300.00**, ~~\$71,780,400.00~~ **\$72,313,500.00** for operations, ~~\$533,100.00~~ **\$1,807,800.00** for
23 ~~performance funding~~ **student affordability funding**, and \$1,075,000.00 for costs incurred
24 under the North American Indian tuition waiver.

25 (e) The appropriation for Lake Superior State University is ~~\$14,361,000.00~~
26 **\$14,696,200.00**, ~~\$13,349,300.00~~ **\$13,407,000.00** for operations, ~~\$57,700.00~~ **\$335,200.00** for
27 ~~performance funding~~ **student affordability funding**, and \$954,000.00 for costs incurred under
28 the North American Indian tuition waiver.

29 (f) The appropriation for Michigan State University is ~~\$353,872,800.00~~
30 **\$362,682,900.00**, ~~\$285,805,100.00~~ **\$287,331,700.00** for operations, ~~\$1,526,600.00~~
31 **\$7,183,300.00** for ~~performance funding~~ **student affordability funding**, \$1,467,700.00 for

1 costs incurred under the North American Indian tuition waiver, ~~\$34,937,300.00~~
2 **\$35,810,700.00** for MSU AgBioResearch, and ~~\$30,136,100.00~~ **\$30,889,500.00** for MSU Extension.

3 (g) The appropriation for Michigan Technological University is ~~\$50,568,100.00~~
4 **\$51,820,600.00**, ~~\$49,835,300.00~~ **\$50,101,600.00** for operations, ~~\$266,300.00~~ **\$1,252,500.00** for
5 ~~performance funding~~ **student affordability funding**, and \$466,500.00 for costs incurred under
6 the North American Indian tuition waiver.

7 (h) The appropriation for Northern Michigan University is ~~\$48,909,100.00~~
8 **\$50,104,300.00**, ~~\$47,576,200.00~~ **\$47,809,100.00** for operations, ~~\$232,900.00~~ **\$1,195,200.00** for
9 ~~performance funding~~ **student affordability funding**, and \$1,100,000.00 for costs incurred
10 under the North American Indian tuition waiver.

11 (i) The appropriation for Oakland University is ~~\$53,432,500.00~~ **\$54,761,200.00**,
12 ~~\$52,719,900.00~~ **\$53,147,400.00** for operations, ~~\$427,500.00~~ **\$1,328,700.00** for ~~performance~~
13 ~~funding~~ **student affordability funding**, and \$285,100.00 for costs incurred under the North
14 American Indian tuition waiver.

15 (j) The appropriation for Saginaw Valley State University is ~~\$30,807,700.00~~
16 **\$31,572,300.00**, ~~\$30,456,500.00~~ **\$30,583,800.00** for operations, ~~\$127,300.00~~ **\$764,600.00** for
17 ~~performance funding~~ **student affordability funding**, and \$223,900.00 for costs incurred under
18 the North American Indian tuition waiver.

19 (k) The appropriation for University of Michigan - Ann Arbor is ~~\$322,773,600.00~~
20 **\$330,822,900.00**, ~~\$320,255,800.00~~ **\$321,970,100.00** for operations, ~~\$1,714,300.00~~
21 **\$8,049,300.00** for ~~performance funding~~ **student affordability funding**, and \$803,500.00 for
22 costs incurred under the North American Indian tuition waiver.

23 (l) The appropriation for University of Michigan - Dearborn is ~~\$26,327,200.00~~
24 **\$26,981,400.00**, ~~\$25,986,400.00~~ **\$26,167,000.00** for operations, ~~\$180,600.00~~ **\$654,200.00** for
25 ~~performance funding~~ **student affordability funding**, and \$160,200.00 for costs incurred under
26 the North American Indian tuition waiver.

27 (m) The appropriation for University of Michigan - Flint is ~~\$23,893,200.00~~
28 **\$24,483,600.00**, ~~\$23,493,800.00~~ **\$23,616,200.00** for operations, ~~\$122,400.00~~ **\$590,400.00** for
29 ~~performance funding~~ **student affordability funding**, and \$277,000.00 for costs incurred under
30 the North American Indian tuition waiver.

31 (n) The appropriation for Wayne State University is ~~\$203,413,900.00~~ **\$208,488,800.00**,
32 ~~\$202,112,700.00~~ **\$202,996,700.00** for operations, ~~\$884,000.00~~ **\$5,074,900.00** for ~~performance~~

1 ~~funding~~ **student affordability funding**, and \$417,200.00 for costs incurred under the North
2 American Indian tuition waiver.

3 (c) The appropriation for Western Michigan University is ~~\$112,290,100.00~~
4 **\$115,078,200.00**, ~~\$110,976,000.00~~ **\$111,522,200.00** for operations, ~~\$546,200.00~~ **\$2,788,100.00**
5 for ~~performance funding~~ **student affordability funding**, and \$767,900.00 for costs incurred
6 under the North American Indian tuition waiver.

7 (3) The amount appropriated in subsection (2) for public universities is
8 ~~\$1,536,854,300.00~~ **\$1,575,002,900.00**, appropriated from the following:

9 (a) State school aid fund, \$343,168,300.00.

10 (b) State general fund/general purpose money, ~~\$1,193,686,000.00~~ **\$1,231,834,600.00**.

11 (4) The amount appropriated for Michigan public school employees' retirement system
12 reimbursement is ~~\$5,017,000.00~~ **\$11,695,000.00**, appropriated from the state school aid fund.

13 (5) The amount appropriated for state and regional programs is \$315,000.00,
14 appropriated from general fund/general purpose money and allocated as follows:

15 (a) Higher education database modernization and conversion, \$200,000.00.

16 (b) Midwestern Higher Education Compact, \$115,000.00.

17 (6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa
18 Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and
19 allocated as follows:

20 (a) Select student support services, \$1,956,100.00.

21 (b) Michigan college/university partnership program, \$586,800.00.

22 (c) Morris Hood, Jr. educator development program, \$148,600.00.

23 (7) Subject to subsection (8), the amount appropriated for grants and financial aid
24 is ~~\$145,283,200.00~~ **\$152,941,200.00**, allocated as follows:

25 (a) State competitive scholarships, \$38,361,700.00.

26 (b) Tuition grants, ~~\$38,021,500.00~~ **\$32,021,500.00**.

27 (c) Tuition incentive program, ~~\$64,300,000.00~~ **\$67,958,000.00**.

28 (d) Children of veterans and officer's survivor tuition grant programs,
29 \$1,400,000.00.

30 (e) Project GEAR-UP, \$3,200,000.00.

31 **(f) Michigan student loan refinance program, \$10,000,000.00.**

1 (8) The money appropriated in subsection (7) for grants and financial aid is
2 appropriated from the following:

3 (a) Federal revenues under the United States Department of Education, Office of
4 Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

5 (b) Federal revenues under the social security act, temporary assistance for needy
6 families, ~~\$130,826,400.00~~ **\$112,826,400.00**.

7 (c) State general fund/general purpose money, ~~\$11,256,800.00~~ **\$36,914,800.00**.

8 (9) For fiscal year ~~2019-2020~~ **only 2020-2021**, in addition to the allocation under
9 subsection (4), from the appropriations described in subsection (1), there is allocated an
10 amount not to exceed ~~\$1,234,000.00~~ **\$1,200,000.00** for payments to participating public
11 universities, appropriated from the state school aid fund. A university that receives money
12 under this subsection shall use that money solely for the purpose of offsetting the normal
13 cost contribution rate. As used in this subsection, "participating public universities"
14 means public universities that are a reporting unit of the Michigan public school
15 employees' retirement system under the public school employees retirement act of 1979, 1980
16 PA 300, MCL 38.1301 to 38.1437, and that pay contributions to the Michigan public school
17 employees' retirement system for the state fiscal year.

18 Sec. 236b. In addition to the funds appropriated in section 236, there is
19 appropriated for grants and financial aid in fiscal year ~~2019-2020~~ **2020-2021** an amount not
20 to exceed \$6,000,000.00 for federal contingency funds. These funds are not available for
21 expenditure until they have been transferred under section 393(2) of the management and
22 budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

23 Sec. 236c. In addition to the funds appropriated for fiscal year ~~2019-2020~~ **2020-2021**
24 in section 236, appropriations to the department of technology, management, and budget in
25 the act providing general appropriations for fiscal year ~~2019-2020~~ **2020-2021** for state
26 building authority rent, totaling an estimated ~~\$144,995,300.00~~ **\$145,848,500.00**, provide
27 funding for the state share of costs for previously constructed capital projects for state
28 universities. These appropriations for state building authority rent represent additional
29 state general fund support provided to public universities, and the following is an
30 estimate of the amount of that support to each university:

31 (a) Central Michigan University, ~~\$12,141,800.00~~ **\$13,078,900.00**.

32 (b) Eastern Michigan University, ~~\$7,673,600.00~~ **\$7,074,300.00**.

- 1 (c) Ferris State University, ~~\$8,434,200.00~~ **\$7,939,200.00**.
- 2 (d) Grand Valley State University, ~~\$6,752,400.00~~ **\$7,229,800.00**.
- 3 (e) Lake Superior State University, ~~\$1,856,100.00~~ **\$1,805,200.00**.
- 4 (f) Michigan State University, ~~\$15,514,900.00~~ **\$15,199,500.00**.
- 5 (g) Michigan Technological University, ~~\$6,912,500.00~~ **\$6,805,300.00**.
- 6 (h) Northern Michigan University, ~~\$7,449,600.00~~ **\$7,334,200.00**.
- 7 (i) Oakland University, ~~\$12,908,600.00~~ **\$12,708,600.00**.
- 8 (j) Saginaw Valley State University, ~~\$10,670,900.00~~ **\$7,907,100.00**.
- 9 (k) University of Michigan - Ann Arbor, ~~\$9,795,900.00~~ **\$9,644,100.00**.
- 10 (l) University of Michigan - Dearborn, ~~\$9,522,700.00~~ **\$11,106,100.00**.
- 11 (m) University of Michigan - Flint, ~~\$4,128,900.00~~ **\$6,413,000.00**.
- 12 (n) Wayne State University, ~~\$16,008,000.00~~ **\$16,610,900.00**.
- 13 (o) Western Michigan University, ~~\$15,225,200.00~~ **\$14,989,300.00**.

14 Sec. 237b. As used in this article+

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

17 ~~(b) "Workforce development agency" means the workforce development agency within the~~
18 ~~department of talent and economic development--talent investment agency.~~

19 Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section 236
20 to public universities shall be paid out of the state treasury and distributed by the state
21 treasurer to the respective institutions in 11 equal monthly installments on the sixteenth
22 of each month, or the next succeeding business day, beginning with October 16, ~~2019~~ **2020**.
23 Except for Wayne State University, each institution shall accrue its July and August ~~2020~~
24 **2021** payments to its institutional fiscal year ending June 30, ~~2020~~ **2021**.

25 (2) All public universities shall submit higher education institutional data
26 inventory (HEIDI) data and associated financial and program information requested by and in
27 a manner prescribed by the state budget director. For public universities with fiscal years
28 ending June 30, ~~2019~~ **2020**, these data shall be submitted to the state budget director by
29 October 15, ~~2019~~ **2020**. Public universities with a fiscal year ending September 30, ~~2019~~
30 **2020** shall submit preliminary HEIDI data by November 15, ~~2019~~ **2020** and final data by
31 December 15, ~~2019~~ **2020**. If a public university fails to submit HEIDI data and associated
32 financial aid program information in accordance with this reporting schedule, the state

1 treasurer may withhold the monthly installments under subsection (1) to the public
2 university until those data are submitted.

3 Sec. 242. Funds received by the state from the federal government or private sources
4 for the use of a college or university are appropriated for the purposes for which they are
5 provided. ~~The acceptance and use of federal or private funds do not place an obligation on~~
6 ~~the legislature to continue the purposes for which the funds are made available.~~

7 Sec. 245. (1) A public university shall maintain a public transparency website
8 available through a link on its website homepage. The public university shall update this
9 website within 30 days after the university's governing board adopts its annual operating
10 budget for the next academic year, or after the governing board adopts a subsequent
11 revision to that budget.

12 (2) The website required under subsection (1) shall include all of the following
13 concerning the public university:

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

15 (b) A summary of current expenditures for the most recent fiscal year for which they
16 are available, expressed as pie charts in the following 2 categories:

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

18 (A) Earnings and wages.

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

21 (C) Retirement benefit costs.

22 (D) All other personnel costs.

23 (ii) A chart of all current expenditures the public university reported as part of
24 its higher education institutional data inventory data under section 241(2), broken into
25 the same subcategories in which it reported those data.

26 (c) Links to all of the following for the public university:

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

28 (ii) Each health care benefits plan, including, but not limited to, medical, dental,
29 vision, disability, long-term care, or any other type of benefits that would constitute
30 health care services, offered to any bargaining unit or employee of the public university.

31 (iii) Audits and financial reports for the most recent fiscal year for which they are
32 available.

1 ~~(d) A list of all positions funded partially or wholly through institutional general~~
2 ~~fund revenue that includes the position title and annual salary or wage amount for each~~
3 ~~position.~~

4 **(d)** ~~(e)~~ General fund revenue and expenditure projections for the current fiscal year
5 and the next fiscal year.

6 **(e)** ~~(f)~~ A listing of all debt service obligations, detailed by project, anticipated
7 fiscal year payment for each project, and total outstanding debt for the current fiscal
8 year.

9 **(f)** ~~(g)~~ The institution's policy regarding the transferability of core college
10 courses between community colleges and the university.

11 **(g)** ~~(h)~~ A listing of all community colleges that have entered into reverse transfer
12 agreements with the university.

13 (3) On the website required under subsection (1), a public university shall provide a
14 dashboard or report card demonstrating the university's performance in several "best
15 practice" measures. The dashboard or report card shall include at least all of the
16 following for the 3 most recent academic years for which the data are available:

17 (a) Enrollment.

18 (b) Student retention rate.

19 (c) Six-year graduation rates.

20 (d) Number of Pell grant recipients and graduating Pell grant recipients.

21 (e) Geographic origination of students, categorized as in-state, out-of-state, and
22 international.

23 (f) Faculty to student ratios and total university employee to student ratios.

24 (g) Teaching load by faculty classification.

25 (h) Graduation outcome rates, including employment and continuing education.

26 (4) For statewide consistency and public visibility, public universities must use the
27 icon badge provided by the department of technology, management, and budget consistent with
28 the icon badge developed by the department of education for K-12 school districts. It must
29 appear on the front of each public university's homepage. The size of the icon may be
30 reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent
31 with other documents on each university's website.

1 ~~(5) The state budget director shall determine whether a public university has~~
2 ~~complied with this section. The state budget director may withhold a public university's~~
3 ~~monthly installments described in section 241 until the public university complies with~~
4 ~~this section.~~

5 ~~(6) By the first business day of November of each year, a public university shall~~
6 ~~report the following information to the center and post the information on its website~~
7 ~~under the budget transparency icon badge:~~

8 ~~(a) Opportunities for earning college credit through the following programs:~~

9 ~~(i) State approved career and technical education or a tech prep articulated program~~
10 ~~of study.~~

11 ~~(ii) Direct college credit or concurrent enrollment.~~

12 ~~(iii) Dual enrollment.~~

13 ~~(iv) An early college/middle college program.~~

14 ~~(b) For each program described in subdivision (a) that the public university offers,~~
15 ~~all of the following information:~~

16 ~~(i) The number of high school students participating in the program.~~

17 ~~(ii) The number of school districts that participate in the program with the public~~
18 ~~university.~~

19 ~~(iii) Whether a university professor, qualified local school district employee, or~~
20 ~~other individual teaches the course or courses in the program.~~

21 ~~(iv) The total cost to the public university to operate the program.~~

22 ~~(v) The cost per credit hour for the course or courses in the program.~~

23 ~~(vi) The location where the course or courses in the program are held.~~

24 ~~(vii) Instructional resources offered to the program instructors.~~

25 ~~(viii) Resources offered to the student in the program.~~

26 ~~(ix) Transportation services provided to students in the program.~~

27 **(5)** ~~(7)~~ A public university shall collect and report the number and percentage of all
28 enrolled students who complete the Free Application for Federal Student Aid, broken out by
29 undergraduate and graduate/professional classifications, to the center and post the
30 information on its website under the budget transparency icon badge.

31 Sec. 245a. (1) A public university shall develop, maintain, and update a "campus
32 safety information and resources" link, prominently displayed on the homepage of its

1 website, to a section of its website containing all of the information required under
2 subsection (2).

3 (2) The "campus safety information and resources" section of a public university's
4 website shall include, but not be limited to, all of the following information:

5 (a) Emergency contact numbers for police, fire, health, and other services.

6 (b) Hours, locations, phone numbers, and electronic mail contacts for campus public
7 safety offices and title IX offices.

8 (c) A listing of safety and security services provided by the university, including
9 transportation, escort services, building surveillance, anonymous tip lines, and other
10 available security services.

11 (d) A public university's policies applicable to minors on university property.

12 (e) A directory of resources available at the university or surrounding community for
13 students or employees who are survivors of sexual assault or sexual abuse.

14 (f) An electronic copy of "A Resource Handbook for Campus Sexual Assault Survivors,
15 Friends and Family", published in 2018. ~~by the office of the governor in conjunction with~~
16 ~~the first lady of Michigan.~~

17 (g) Campus security policies and crime statistics pursuant to the student right-to-
18 know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall include
19 all material prepared pursuant to the public information reporting requirements under the
20 crime awareness and campus security act of 1990, title II of the student right-to-know and
21 campus security act, Public Law 101-542, 104 Stat 2381.

22 (3) A public university shall certify to the state budget director by October 1, 2020
23 ~~and the last business day of each August thereafter~~ that it is in compliance with this
24 section. The state budget director may withhold a public university's monthly installments
25 described in section 241 until the public university complies with this section.

26 **Sec. 248. (1) The funds appropriated in section 236 for the Michigan student loan**
27 **refinance program shall be distributed as provided in this section.**

28 (2) **As used in this section:**

29 (a) **"Department" means the department of treasury.**

30 (b) **"Discharge" means to pay off a federal or nonfederal student loan and originate a**
31 **new loan under the program created in subsection (3).**

32 (c) **"Fund" means the Michigan student loan refinance fund created under section 248a.**

1 (d) "Michigan refinanced student loan" means a loan issued under subsection (3) to
2 discharge or reduce the sum of the unpaid principal, accrued unpaid interest, and unpaid
3 late charges of a qualified student loan.

4 (e) "Michigan student loan refinance program" means the loan refinance program
5 created under subsection (3).

6 (f) "Institution of higher education" means any of the following:

7 (i) A state university described in section 4, 5, or 6 of article VIII of the state
8 constitution of 1963.

9 (ii) A community college established under the community college act of 1966, 1966 PA
10 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL
11 380.1601 to 380.1607.

12 (iii) An independent nonprofit college or university in the state as described in
13 Section 1 of 1966 PA 313, MCL 390.991.

14 (g) "Qualified borrower" means an individual who meets all of the following:

15 (i) Has a qualified student loan.

16 (ii) Incurred the qualified student loan to help pay school expenses for attendance
17 at an institution of higher education.

18 (iii) Has resided in this state for the 12 months prior to the date of his or her
19 application for refinancing of the qualified student loan under subsection (3).

20 (iv) Has been current on payments on the qualified student loan for the 3 years prior
21 to the date of his or her application for refinancing the qualified student loan under
22 subsection (3), and is in good standing on the qualified student loan as of that date.

23 (h) "Qualified student loan" means a loan issued to a student under a federal student
24 loan program supported by the federal government or a nonfederal loan issued by a lender
25 such as a bank, savings and loan association, or credit union to help students pay school
26 expenses for attendance at an institution of higher education.

27 (i) "Reduce" means to pay down the balance of a federal or nonfederal student loan
28 until the terms described in subsection (3) (a) are met.

29 (3) The Michigan student loan refinance program is created in the department and is
30 to be administered by the department. Upon application of a qualified borrower who has a
31 qualified student loan, the department, subject to subsection (4), may issue the borrower a
32 loan under this section in accordance with all of the following:

1 (a) The amount of the loan issued under this section must be a minimum of \$5,000.00
2 but may not exceed the lesser of the following:

3 (i) The sum of the unpaid principal, accrued unpaid interest, and unpaid late charges
4 of the qualified student loan.

5 (ii) \$50,000.00.

6 (b) The department shall pay the proceeds of the loan issued under this section to
7 the lender of the qualified student loan, in order to discharge or reduce the outstanding
8 balance of the qualified student loan described in subdivision (a)(i).

9 (c) The interest rate for the Michigan refinanced student loan is a fixed rate
10 applicable to all Michigan refinanced student loans issued under this section during the
11 current fiscal year, which the department shall establish as minimally necessary to recoup
12 the costs of the Michigan student loan refinance program, including any start-up costs
13 incurred to implement or grow the program and to ensure the growth and ongoing
14 sustainability of the program.

15 (4) The total of all loans issued to a qualified borrower as Michigan refinanced
16 student loans under subsection (3) may not be less than \$5,000.00 and may not exceed
17 \$50,000.00.

18 (5) Student loans originated under this section are not eligible to be discharged in
19 bankruptcy.

20 (6) This section does not guarantee an individual a right to the benefits provided
21 under this section.

22 (7) The department shall promulgate any rules necessary to implement and administer
23 the Michigan student loan refinance program. The department shall promulgate those rules
24 under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

25 (8) By December 1 of each year, the department shall submit a report to the state
26 budget director, the house and senate appropriations subcommittees on community colleges and
27 higher education, and the house and senate fiscal agencies for the preceding fiscal year on
28 all of the following:

29 (a) The total number of Michigan refinanced student loans issued and the total amount
30 loaned.

31 (b) The interest rate applied to those loans.

32 (c) The range of interest rates that were applicable to the refinanced qualified

1 student loans.

2 (d) Default rates on Michigan refinanced student loans.

3 (e) The financial status of the Michigan student loan refinance program.

4 Sec. 248a. (1) The Michigan student loan refinance fund is created within the state
5 treasury.

6 (2) The state treasurer may receive money or other assets from any source for deposit
7 into the fund including repayments of loans made from the fund. The state treasurer shall
8 direct the investment of the fund. The state treasurer shall credit to the fund interest and
9 earnings from fund investments.

10 (3) Money in the fund at the close of the fiscal year remains in the fund and does
11 not lapse to the general fund.

12 (4) The department is the administrator of the fund for auditing purposes.

13 (5) All funds in the restricted Michigan student loan refinance fund are appropriated
14 and available for expenditure to support the Michigan student loan refinance program.

15 (6) For the fiscal year ending September 30, 2021 only, \$10,000,000.00 in state
16 general fund/general purpose money appropriated in section 236 shall be deposited into the
17 fund to pay start-up costs incurred by the Michigan student loan refinance program.

18 (7) Any unexpended and unencumbered funds remaining on September, 30, 2021 from the
19 amounts appropriated in section 236 for the Michigan student loan refinance program for
20 fiscal year 2020-2021 do not lapse on September 30, 2021, but continue to be available for
21 expenditure for the Michigan student loan refinance program in the 2021-2022 fiscal year
22 under a work project account.

23 Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant
24 program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

25 (2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in
26 undergraduate degree programs who are qualified and who apply by March 1 of each year for
27 the next academic year.

28 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections (6)
29 and (7), the department of treasury shall determine an actual maximum tuition grant award
30 per student, which shall be no less than \$2,800.00, that ensures that the aggregate
31 payments for the tuition grant program do not exceed the appropriation contained in section
32 236 for the state tuition grant program. If the department determines that insufficient

1 funds are available to establish an award amount equal to \$2,800.00, the department shall
2 immediately report to the house and senate appropriations subcommittees on higher
3 education, the house and senate fiscal agencies, and the state budget director regarding
4 the estimated amount of additional funds necessary to establish a \$2,800.00 award amount.
5 If the department determines that sufficient funds are available to establish an award
6 amount equal to \$2,800.00, the department shall immediately report to the house and senate
7 appropriations subcommittees on higher education, the house and senate fiscal agencies, and
8 the state budget director regarding the award amount established and the projected amount
9 of any projected year-end appropriation balance based on that award amount. By February 18
10 of each fiscal year, the department shall analyze the status of award commitments, shall
11 make any necessary adjustments, and shall confirm that those award commitments will not
12 exceed the appropriation contained in section 236 for the tuition grant program. The
13 determination and actions shall be reported to the state budget director and the house and
14 senate fiscal agencies no later than the final day of February of each year. If award
15 adjustments are necessary, the students shall be notified of the adjustment by March 4 of
16 each year.

17 (4) The department of treasury shall continue a proportional tuition grant award
18 level for recipients enrolled less than full-time in a given semester or term.

19 (5) If the department of treasury increases the award per eligible student from that
20 provided in the previous fiscal year, it shall not have the effect of reducing the number
21 of eligible students receiving awards in relation to the total number of eligible
22 applicants. Any increase in the grant shall be proportional for all eligible students
23 receiving awards for that fiscal year.

24 (6) The department of treasury shall not award more than \$4,800,000.00 in tuition
25 grants to eligible students enrolled in the same independent nonprofit college or
26 university in this state. Any decrease in the grant shall be proportional for all eligible
27 students enrolled in that college or university, as determined by the department. ~~The limit~~
28 ~~described in this subsection does not apply to any other student financial aid program or~~
29 ~~in combination with any other student financial aid program.~~

30 (7) The department of treasury shall not award tuition grants to otherwise eligible
31 students enrolled in an independent college or university that does not report, in a form

1 and manner directed by and satisfactory to the department of treasury, by October 31 of
2 each year, all of the following:

3 (a) The number of students in the most recently completed academic year who in any
4 academic year received a state tuition grant at the reporting institution and successfully
5 completed a program or graduated.

6 (b) The number of students in the most recently completed academic year who in any
7 academic year received a state tuition grant at the reporting institution and took a
8 remedial education class.

9 (c) The number of students in the most recently completed academic year who in any
10 academic year received a Pell grant at the reporting institution and successfully completed
11 a program or graduated.

12 (8) By February of each year, each independent college and university participating
13 in the tuition grant program shall report to the senate and house appropriations
14 subcommittees on higher education, the senate and house fiscal agencies, and the state
15 budget director on its efforts to develop and implement sexual assault response training
16 for the institution's title IX coordinator, campus law enforcement personnel, campus public
17 safety personnel, and any other campus personnel charged with responding to on-campus
18 incidents, including information on sexual assault response training materials and the
19 status of implementing sexual assault response training for institutional personnel.

20 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program
21 shall be distributed as provided in this section and pursuant to the administrative
22 procedures for the 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 program defined as the
25 academic period of 80 semester or 120 term credits, or less, leading to an associate degree
26 or certificate. Students must be enrolled in a certificate or associate degree program and
27 taking classes within the program of study for a certificate or associate degree. Tuition
28 will not be covered for courses outside of a certificate or associate degree program.

29 (b) "Phase II" means the second part of the tuition incentive program which provides
30 assistance in the third and fourth year of 4-year degree programs.

31 (c) "Department" means the department of treasury.

32 (d) "High school equivalency certificate" means that term as defined in section 4.

1 (3) An individual shall meet the following basic criteria and financial thresholds to
2 be eligible for tuition incentive program benefits:

3 (a) To be eligible for phase I, an individual shall meet all of the following
4 criteria:

5 (i) Apply for certification to the department any time after he or she begins the
6 sixth grade but before August 31 of the school year in which he or she graduates from high
7 school or before achieving a high school equivalency certificate.

8 (ii) Be less than 20 years of age at the time he or she graduates from high school
9 with a diploma or certificate of completion or achieves a high school equivalency
10 certificate or, for students attending a 5-year middle college approved by the Michigan
11 department of education, be less than 21 years of age when he or she graduates from high
12 school.

13 (iii) Be a United States citizen and a resident of this state according to
14 institutional criteria.

15 (iv) Be at least a half-time student, earning less than 80 semester or 120 term
16 credits at a participating educational institution within 4 years of high school graduation
17 or achievement of a high school equivalency certificate. All program eligibility expires 6
18 years from high school graduation or achievement of a high school equivalency certificate.

19 (v) Meet the satisfactory academic progress policy of the educational institution he
20 or she attends.

21 (b) To be eligible for phase II, an individual shall meet either of the following
22 criteria in addition to the criteria in subdivision (a):

23 (i) Complete at least 56 transferable semester or 84 transferable term credits.

24 (ii) Obtain an associate degree or certificate at a participating institution.

25 (c) To be eligible for phase I or phase II, an individual must be financially
26 eligible as determined by the department. An individual is financially eligible for the
27 tuition incentive program if he or she was eligible for Medicaid from this state for 24
28 months within the 36 consecutive months before application. The department shall accept
29 certification of Medicaid eligibility only from the department of health and human services
30 for the purposes of verifying if a person is Medicaid eligible for 24 months within the 36
31 consecutive months before application. Certification of eligibility may begin in the sixth
32 grade.

1 (4) For phase I, the department shall provide payment on behalf of a person eligible
2 under subsection (3). The department shall only accept standard per-credit hour tuition
3 billings and shall reject billings that are excessive or outside the guidelines for the
4 type of educational institution.

5 (5) For phase I, all of the following apply:

6 (a) Payments for associate degree or certificate programs shall not be made for more
7 than 80 semester or 120 term credits for any individual student at any participating
8 institution.

9 (b) For persons enrolled at a Michigan community college, the department shall pay
10 the current in-district tuition and mandatory fees. For persons residing in an area that is
11 not included in any community college district, the out-of-district tuition rate may be
12 authorized.

13 (c) For persons enrolled at a Michigan public university, the department shall pay
14 ~~lower division resident tuition and~~ mandatory fees for the current year- **and a per-credit**
15 **payment that does not exceed 2.5 times the average community college in-district per-credit**
16 **tuition rate as reported on the last business day of August, for the immediately preceding**
17 **academic year.**

18 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting college
19 or university, or a Michigan federal tribally controlled community college, or Focus: HOPE,
20 the department shall pay mandatory fees for the current year and a per-credit payment that
21 does not exceed the average community college in-district per-credit tuition rate as
22 reported ~~on August 1~~ **by the last business day of August,** for the immediately preceding
23 academic year.

24 (6) A person participating in phase II may be eligible for additional funds not to
25 exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the
26 following conditions:

27 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year
28 college or university.

29 (b) The tuition reimbursement is for coursework completed within 30 months of
30 completion of the phase I requirements.

1 (7) The department shall work closely with participating institutions to develop an
2 application and eligibility determination process that will provide the highest level of
3 participation and ensure that all requirements of the program are met.

4 (8) Applications for the tuition incentive program may be approved at any time after
5 the student begins the sixth grade. If a determination of financial eligibility is made,
6 that determination is valid as long as the student meets all other program requirements and
7 conditions.

8 (9) Each institution shall ensure that all known available restricted grants for
9 tuition and fees are used prior to billing the tuition incentive program for any portion of
10 a student's tuition and fees.

11 (10) The department shall ensure that the tuition incentive program is well
12 publicized and that eligible Medicaid clients are provided information on the program. The
13 department shall provide the necessary funding and staff to fully operate the program.

14 ~~(11) Any unexpended and unencumbered funds remaining on September 30, 2020 from the~~
15 ~~amounts appropriated in section 236 for the tuition incentive program for fiscal year 2019-~~
16 ~~2020 do not lapse on September 30, 2020, but continue to be available for expenditure for~~
17 ~~tuition incentive program funds under a work project account.~~

18 (11) ~~(12)~~ The department of treasury shall collaborate with the center to use the P-
19 20 longitudinal data system to report the following information for each qualified
20 postsecondary institution:

21 (a) The number of phase I students in the most recently completed academic year who
22 in any academic year received a tuition incentive program award and who successfully
23 completed a degree or certificate program. Cohort graduation rates for phase I students
24 shall be calculated using the established success rate methodology developed by the center
25 in collaboration with the postsecondary institutions.

26 (b) The number of students in the most recently completed academic year who in any
27 academic year received a Pell grant at the reporting institution and who successfully
28 completed a degree or certificate program. Cohort graduation rates for students who
29 received Pell grants shall be calculated using the established success rate methodology
30 developed by the center in collaboration with the postsecondary institutions.

31 ~~(13) If a qualified postsecondary institution does not report the data necessary to~~
32 ~~comply with subsection (12) to the P-20 longitudinal data system, the institution shall~~

1 ~~report, in a form and manner satisfactory to the department of treasury and the center, all~~
2 ~~of the information needed to comply with subsection (12) by December 1 2020.~~

3 (12) ~~(14) Beginning in fiscal year 2020-2021, if~~ **If** a qualified postsecondary
4 institution does not report the data necessary to complete the reporting in subsection ~~(12)~~
5 **(11)** to the P-20 longitudinal data system by October 15 for the prior academic year, the
6 department of treasury shall not award phase I tuition incentive program funding to
7 otherwise eligible students enrolled in that institution until the data are submitted.

8 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2019-2020~~
9 **2020-2021** for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in
10 section 236 for MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN is
11 intended to address critical regulatory, food safety, economic, and environmental problems
12 faced by this state's plant-based agriculture, forestry, and processing industries.
13 "GREEN" is an acronym for Generating Research and Extension to Meet Environmental and
14 Economic Needs.

15 (2) The department of agriculture and rural development and Michigan State
16 University, in consultation with agricultural commodity groups and other interested
17 parties, shall develop Project GREEN and its program priorities.

18 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2019-2020~~
19 **2020-2021** for Michigan State University is \$80,000.00 for the Michigan Future Farmers of
20 America Association. This \$80,000.00 allocation shall not supplant any existing support
21 that Michigan State University provides to the Michigan Future Farmers of America
22 Association.

23 Sec. 265. (1) Payments under section 265a for ~~performance funding~~ **student**
24 **affordability funding** for fiscal ~~years 2019-2020, 2020-2021, and 2021-2022~~ **year 2020-2021**
25 shall only be made to a public university that certifies to the state budget director by
26 ~~October 1, 2019~~ **the last business day of august** that its board did not adopt an increase in
27 tuition and fee rates for resident undergraduate students after September 1, ~~2018-2019~~ for
28 the ~~2018-2019-2019-2020~~ academic year and that its board will not adopt an increase in
29 tuition and fee rates for resident undergraduate students for the ~~2019-2020-2020-2021~~
30 academic year that is greater than ~~4.4%~~ **4.25%** or ~~\$587.00~~ **\$586.00**, whichever is greater. As
31 used in this subsection:

1 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all
2 resident undergraduate students at least once during their enrollment at a public
3 university, as described in the higher education institutional data inventory (HEIDI) user
4 manual. A university increasing a fee that applies to a specific subset of students or
5 courses shall provide sufficient information to prove that the increase applied to that
6 subset will not cause the increase in the average amount of board-authorized total tuition
7 and fees paid by resident undergraduate students in the 2019-2020 academic year to exceed
8 the limit established in this subsection.

9 (b) "Tuition and fee rate" means the average of full-time rates paid by a majority of
10 students in each undergraduate class, based on an unweighted average of the rates
11 authorized by the university board and actually charged to students, deducting any
12 uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-
13 time equated resident undergraduate enrollment during the academic year, as described in
14 the higher education institutional data inventory (HEIDI) user manual.

15 (2) The state budget director shall implement uniform reporting requirements to
16 ensure that a public university receiving a payment under section 265a for ~~performance~~
17 ~~funding~~ **student affordability funding** has satisfied the tuition restraint requirements of
18 this section. The state budget director shall have the sole authority to determine if a
19 public university has met the requirements of this section. Information reported by a
20 public university to the state budget director under this subsection shall also be reported
21 to the house and senate appropriations subcommittees on higher education and the house and
22 senate fiscal agencies.

23 ~~(3) Universities that exceed the tuition and fee rate cap described in subsection (1)~~
24 ~~shall not receive a planning or construction authorization for a state-funded capital~~
25 ~~outlay project in fiscal years 2020-2021, 2021-2022, or 2022-2023.~~

26 ~~(4) Notwithstanding any other provision of this act, the legislature may at any time~~
27 ~~adjust appropriations for a university that adopts an increase in tuition and fee rates for~~
28 ~~resident undergraduate students that exceeds the rate cap established in subsection (1).~~

29 Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal ~~years~~
30 ~~2019-2020, 2020-2021, and 2021-2022~~ **year 2020-2021** for ~~performance funding~~ **student**
31 **affordability funding** shall be paid only to a public university that complies with section
32 265 and certifies to the state budget director, the house and senate appropriations

1 subcommittees on higher education, and the house and senate fiscal agencies by October 1,
2 ~~2019~~ **2020** that it complies with all of the following requirements:

3 (a) The university participates in reverse transfer agreements described in section
4 286 with at least 3 Michigan community colleges.

5 (b) The university does not and will not consider whether dual enrollment credits
6 earned by an incoming student were utilized towards his or her high school graduation
7 requirements when making a determination as to whether those credits may be used by the
8 student toward completion of a university degree or certificate program.

9 (c) The university actively participates in and submits timely updates to the
10 Michigan Transfer Network created as part of the Michigan Association of Collegiate
11 Registrars and Admissions Officers transfer agreement.

12 (2) Any ~~performance funding~~ **student affordability funding** amounts under section 236
13 that are not paid to a public university because it did not comply with 1 or more
14 requirements under subsection (1) are unappropriated and reappropriated for ~~performance~~
15 ~~funding~~ **student affordability funding** to those public universities that meet the
16 requirements under subsection (1), distributed in proportion to their ~~performance funding~~
17 **student affordability funding** appropriation amounts under section 236.

18 (3) The state budget director shall report to the house and senate appropriations
19 subcommittees on higher education and the house and senate fiscal agencies by October 15,
20 ~~2019~~ **2020**, regarding any ~~performance funding~~ **student affordability funding** amounts that are
21 not paid to a public university because it did not comply with 1 or more requirements under
22 subsection (1) and any reappropriation of funds under subsection (2).

23 (4) ~~Performance funding~~ **Student affordability funding** amounts described in section
24 236 are distributed ~~based on the following formula:~~ **across-the-board proportional to each**
25 **university's share of total operations funding appropriated in fiscal year 2019-2020.**

26 ~~(a) Proportional to each university's share of total operations funding appropriated~~
27 ~~in fiscal year 2010-2011, 50%.~~

28 ~~(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.~~

29 ~~(c) Based on research and development expenditures, for universities classified in~~
30 ~~Carnegie classifications as doctoral universities: moderate research activity, doctoral~~
31 ~~universities: higher research activity, or doctoral universities: highest research activity~~
32 ~~only, 5.6%.~~

1 ~~(d) Based on 6-year graduation rate, total degree completions, and institutional~~
2 ~~support as a percentage of core expenditures, and the percentage of students receiving Pell~~
3 ~~grants, scored against national Carnegie classification peers and weighted by total~~
4 ~~undergraduate fiscal year equated students, 33.3%.~~

5 ~~(5) For purposes of determining the score of a university under subsection (4)(d),~~
6 ~~each university is assigned 1 of the following scores:~~

7 ~~(a) A university classified as in the top 20%, a score of 3.~~

8 ~~(b) A university classified as above national median, a score of 2.~~

9 ~~(c) A university classified as improving, a score of 2. It is the intent of the~~
10 ~~legislature that, beginning in the 2020-2021 state fiscal year, a university classified as~~
11 ~~improving is assigned a score of 1.~~

12 ~~(d) A university that is not included in subdivision (a), (b), or (c), a score of 0.~~

13 ~~(6) As used in this section, "Carnegie classification" means the basic classification~~
14 ~~of the university according to the most recent version of the Carnegie classification of~~
15 ~~institutions of higher education, published by the Carnegie Foundation for the Advancement~~
16 ~~of Teaching.~~

17 ~~(7) It is the intent of the legislature to allocate more funding based on an updated~~
18 ~~set of performance metrics in future years. Updated metrics will be based on the outcome of~~
19 ~~joint hearings between the house and senate appropriations subcommittees on higher~~
20 ~~education and community colleges intended to be held in the fall of 2019.~~

21 Sec. 265b. (1) Appropriations to public universities in section 236 for the fiscal
22 year ending September 30, ~~2020-2021~~ for operations funding shall be reduced by 10% pursuant
23 to the procedures described in subdivision (a) for a public university that fails to submit
24 certification to the state budget director, the house and senate appropriations
25 subcommittees on higher education, and the house and senate fiscal agencies by October 1,
26 ~~2019-2020~~ that the university complies with sections 274c and 274d and that it complies
27 with all of the requirements described in subdivisions (b) to (i), as follows:

28 (a) If a university fails to submit certification, the state budget director shall
29 withhold 10% of that university's annual operations funding until the university submits
30 certification. If a university fails to submit certification by the end of the fiscal year,
31 the 10% of its annual operations funding that is withheld shall lapse to the general fund.

1 (b) For title IX investigations of alleged sexual misconduct, the university
2 prohibits the use of medical experts that have an actual or apparent conflict of interest.

3 (c) For title IX investigations of alleged sexual misconduct, the university
4 prohibits the issuance of divergent reports to complainants, respondents, and
5 administration and instead requires that identical reports be issued to them.

6 (d) Consistent with the university's obligations under 20 USC 1092(f), the university
7 notifies each individual who reports having experienced sexual assault by a student,
8 faculty member, or staff member of the university that the individual has the option to
9 report the matter to law enforcement, to the university, to both, or to neither, as the
10 individual may choose.

11 (e) The university provides both of the following:

12 (i) For all freshmen and incoming transfer students enrolled, an in-person sexual
13 misconduct prevention presentation or course, which must include contact information for
14 the title IX office of the university.

15 (ii) For all students not considered freshmen or incoming transfer students, an
16 online or electronic sexual misconduct prevention presentation or course.

17 (f) The university prohibits seeking compensation from the recipient of any medical
18 procedure, treatment, or care provided by a medical professional who has been convicted of
19 a felony arising out of the medical procedure, treatment, or care.

20 (g) The university had a third party review its title IX compliance office and
21 related policies and procedures by the end of the 2018-2019 academic year. A copy of the
22 third-party review shall be transmitted to the state budget director, the house and senate
23 appropriations subcommittees on higher education, and the house and senate fiscal agencies.
24 After the third-party review has been conducted for the 2018-2019 academic year, the
25 university shall have a third-party review once every three years and a copy of the third-
26 party review shall be transmitted to the state budget director, the house and senate
27 appropriations subcommittees on higher education, and the house and senate fiscal agencies.

28 (h) The university requires that the governing board and the president or chancellor
29 of the university receive not less than quarterly reports from their title IX coordinator
30 or title IX office. The report shall contain aggregated data of the number of sexual
31 misconduct reports that the office received for the academic year, the types of reports
32 received, including reports received against employees, and a summary of the general

1 outcomes of the reports and investigations. A member of the governing board may request to
2 review a title IX investigation report involving a complaint against an employee, and the
3 university shall provide the report in a manner it considers appropriate. The university
4 shall protect the complainant's anonymity, and the report shall not contain specific
5 identifying information.

6 (i) If allegations against an employee are made in more than 1 title IX complaint
7 that resulted in the university finding that no misconduct occurred, the university
8 requires that the title IX officer promptly notify the president or chancellor and a member
9 of the university's governing board in writing and take all appropriate steps to ensure
10 that the matter is being investigated thoroughly, including hiring an outside investigator
11 for future cases involving that employee. A third-party title IX investigation under this
12 subdivision does not prohibit the university from simultaneously conducting its own title
13 IX investigation through its own title IX coordinator.

14 (2) Each public university that receives an appropriation in section 236 shall also
15 certify that its president or chancellor and a member of its governing board has reviewed
16 all title IX reports involving the alleged sexual misconduct of an employee of the
17 university, and shall send the certification to the house and senate appropriations
18 subcommittees on higher education, the house and senate fiscal agencies, and the state
19 budget director by October 1, ~~2019~~**2020**.

20 (3) For purposes of this section, "sexual misconduct" includes, but is not limited
21 to, any of the following:

- 22 (a) Intimate partner violence.
- 23 (b) Nonconsensual sexual conduct.
- 24 (c) Sexual assault.
- 25 (d) Sexual exploitation.
- 26 (e) Sexual harassment.
- 27 (f) Stalking.

28 Sec. 267. All public universities shall submit the amount of tuition and fees
29 actually charged to a full-time resident undergraduate student for academic year ~~2019-2020~~
30 **2020-2021** as part of their higher education institutional data inventory (HEIDI) data by
31 ~~October 1, 2019, and by August 31 of each year thereafter~~ **the last business day of August.**

1 A public university shall report any revisions for any semester of the reported academic
2 year ~~2019-2020-2020-2021~~ tuition and fee charges to HEIDI within 15 days of being adopted.

3 Sec. 268. ~~(1) For the fiscal year ending September 30, 2020, it is the intent of the
4 legislature that funds be allocated for unfunded North American Indian tuition waiver costs
5 incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the
6 general fund.~~

7 ~~(1) (2)~~ By February 15 of each year, the department of civil rights shall annually
8 submit to the state budget director, the house and senate appropriations subcommittees on
9 higher education, and the house and senate fiscal agencies a report on North American
10 Indian tuition waivers for the preceding academic year that includes, but is not limited
11 to, all of the following information:

12 (a) The number of waiver applications received and the number of waiver applications
13 approved.

14 (b) For each university submitting information under subsection (3), all of the
15 following:

16 (i) The number of graduate and undergraduate North American Indian students enrolled
17 each term for the previous academic year.

18 (ii) The number of North American Indian waivers granted each term, including to
19 continuing education students, and the monetary value of the waivers for the previous
20 academic year.

21 (iii) The number of graduate and undergraduate students attending under a North
22 American Indian tuition waiver who withdrew from the university each term during the
23 previous academic year. For purposes of this subparagraph, a withdrawal occurs when a
24 student who has been awarded the waiver withdraws from the institution at any point during
25 the term, regardless of enrollment in subsequent terms.

26 (iv) The number of graduate and undergraduate students attending under a North
27 American Indian tuition waiver who successfully complete a degree or certificate program,
28 separated by degree or certificate level, and the graduation rate for graduate and
29 undergraduate students attending under a North American Indian tuition waiver who complete
30 a degree or certificate within 150% of the normal time to complete, separated by the level
31 of the degree or certificate.

1 (2) ~~(3)~~—A public university that receives funds under section 236 shall provide to
2 the department of civil rights any information necessary for preparing the report detailed
3 in subsection ~~(2)~~, ~~(1)~~, using guidelines and procedures developed by the department of
4 civil rights.

5 (3) ~~(4)~~ The department of civil rights may consolidate the report required under this
6 section with the report required under section 223, but a consolidated report must
7 separately identify data for universities and data for community colleges.

8 Sec. 269. For fiscal year ~~2019-2020~~ **2020-2021**, from the amount appropriated in
9 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to
10 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians
11 under 1976 PA 174, MCL 390.1251 to 390.1253.

12 Sec. 270. For fiscal year ~~2019-2020~~ **2020-2021**, from the amount appropriated in
13 section 236 to Lake Superior State University for operations, \$100,000.00 shall be paid to
14 Bay Mills Community College for the costs of waiving tuition for North American Indians
15 under 1976 PA 174, MCL 390.1251 to 390.1253.

16 Sec. 276. (1) Included in the appropriation for fiscal year ~~2019-2020~~ **2020-2021** for
17 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
18 Chavez - Rosa Parks future faculty program that is intended to increase the pool of
19 academically or economically disadvantaged candidates pursuing faculty teaching careers in
20 postsecondary education. Preference may not be given to applicants on the basis of race,
21 color, ethnicity, gender, or national origin. Institutions should encourage applications
22 from applicants who would otherwise not adequately be represented in the graduate student
23 and faculty populations. Each public university shall apply the percentage change
24 applicable to every public university in the calculation of appropriations in section 236
25 to the amount of funds allocated to the future faculty program.

26 (2) The program shall be administered by each public university in a manner
27 prescribed by the ~~workforce development agency~~ **department of labor and economic**
28 **opportunity**. The ~~workforce development agency~~ **department of labor and economic opportunity**
29 shall use a good faith effort standard to evaluate whether a fellowship is in default.

30 Sec. 277. (1) Included in the appropriation for fiscal year ~~2019-2020~~ **2020-2021** for
31 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
32 Chavez - Rosa Parks college day program that is intended to introduce academically or

1 economically disadvantaged schoolchildren to the potential of a college education.
2 Preference may not be given to participants on the basis of race, color, ethnicity, gender,
3 or national origin. Public universities should encourage participation from those who would
4 otherwise not adequately be represented in the student population.

5 (2) Individual program plans of each public university shall include a budget of
6 equal contributions from this program, the participating public university, the
7 participating school district, and the participating independent degree-granting college.
8 College day funds shall not be expended to cover indirect costs. Not more than 20% of the
9 university match shall be attributable to indirect costs. Each public university shall
10 apply the percentage change applicable to every public university in the calculation of
11 appropriations in section 236 to the amount of funds allocated to the college day program.

12 (3) The program described in this section shall be administered by each public
13 university in a manner prescribed by the ~~workforce development agency~~ **department of labor**
14 **and economic opportunity.**

15 Sec. 278. (1) Included in section 236 for fiscal year ~~2019-2020~~ **2020-2021** is funding
16 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services
17 program for developing academically or economically disadvantaged student retention
18 programs for 4-year public and independent educational institutions in this state.
19 Preference may not be given to participants on the basis of race, color, ethnicity, gender,
20 or national origin. Institutions should encourage participation from those who would
21 otherwise not adequately be represented in the student population.

22 (2) An award made under this program to any 1 institution shall not be greater than
23 \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or
24 university basis.

25 (3) The program described in this section shall be administered by the ~~workforce~~
26 ~~development agency~~ **department of labor and economic opportunity.**

27 Sec. 279. (1) Included in section 236 for fiscal year ~~2019-2020~~ **2020-2021** is funding
28 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership
29 program between 4-year public and independent colleges and universities and public
30 community colleges, which is intended to increase the number of academically or
31 economically disadvantaged students who transfer from community colleges into baccalaureate
32 programs. Preference may not be given to participants on the basis of race, color,

1 ethnicity, gender, or national origin. Institutions should encourage participation from
2 those who would otherwise not adequately be represented in the transfer student population.

3 (2) The grants shall be made under the program described in this section to Michigan
4 public and independent colleges and universities. An award to any 1 institution shall not
5 be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30%
6 college or university basis.

7 (3) The program described in this section shall be administered by the ~~workforce~~
8 ~~development agency~~ **department of labor and economic opportunity**.

9 Sec. 280. (1) Included in the appropriation for fiscal year ~~2019-2020-2020-2021~~ for
10 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar
11 Chavez - Rosa Parks visiting professors program which is intended to increase the number of
12 instructors in the classroom to provide role models for academically or economically
13 disadvantaged students. Preference may not be given to participants on the basis of race,
14 color, ethnicity, gender, or national origin. Public universities should encourage
15 participation from those who would otherwise not adequately be represented in the student
16 population.

17 (2) The program described in this section shall be administered by the ~~workforce~~
18 ~~development agency~~ **department of labor and economic opportunity**.

19 Sec. 281. (1) Included in the appropriation for fiscal year ~~2019-2020-2020-2021~~ in
20 section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
21 initiative for the Morris Hood, Jr. educator development program which is intended to
22 increase the number of academically or economically disadvantaged students who enroll in
23 and complete K-12 teacher education programs at the baccalaureate level. Preference may not
24 be given to participants on the basis of race, color, ethnicity, gender, or national
25 origin. Institutions should encourage participation from those who would otherwise not
26 adequately be represented in the teacher education student population.

27 (2) The program described in this section shall be administered by each state-
28 approved teacher education institution in a manner prescribed by the ~~workforce development~~
29 ~~agency~~ **department of labor and economic opportunity**.

30 (3) Approved teacher education institutions may and are encouraged to use student
31 support services funding in coordination with the Morris Hood, Jr. funding to achieve the
32 goals of the program described in this section.

1 Sec. 282. Each institution receiving funds for fiscal year ~~2019-2020-2020-2021~~ under
2 section 278, 279, or 281 shall provide to the ~~workforce development agency~~ **department of**
3 **labor and economic opportunity** by April 15, 2020 the unobligated and unexpended funds as of
4 March 31, 2020 and a plan to expend the remaining funds by the end of the fiscal year.
5 Notwithstanding the award limitations in sections 278 and 279, the amount of funding
6 reported as not being expended will be reallocated to the institutions that intend to
7 expend all funding received under section 278, 279, or 281.

8 Sec. 289. (1) ~~At~~ **In accordance with section 299(4) of the management and budget act,**
9 **1984 PA 431, MCL 18.1299, at** least once every 4 years, the auditor general shall audit
10 higher education institutional data inventory (HEIDI) data submitted by all public
11 universities under section 241 and may perform audits of selected public universities if
12 determined necessary. The audits shall be based upon the definitions, requirements, and
13 uniform reporting categories established by the state budget director in consultation with
14 the HEIDI advisory committee. The auditor general shall submit a report of findings to the
15 house and senate appropriations committees and the state budget director no later than July
16 1 of each year an audit takes place.

17 (2) Student credit hours reports shall not include the following:

18 (a) Student credit hours generated through instructional activity by faculty or staff
19 in classrooms located outside Michigan, with the exception of instructional activity
20 related to study-abroad programs or field programs.

21 (b) Student credit hours generated through credit by examination.

22 (c) Student credit hours generated in new degree programs created on or after January
23 1, 1975 and before January 1, 2013, that were not specifically authorized for funding by
24 the legislature, except spin-off programs converted from existing core programs, and
25 student credit hours generated in any new degree programs created after January 1, 2013,
26 that are specifically excluded from reporting by the legislature under this section.

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Article V

Summary of Anticipated Appropriations

Sec. 298. (1) Subject to the conditions set forth in this act, the amounts appropriated in this act for the fiscal year ending September 30, 2021 for the public schools, intermediate school districts, community colleges and public universities of this state, and certain other state purposes relating to education are anticipated to be the same amounts appropriated for the fiscal year ending September 30, 2022, with the following exceptions:

(2) Appropriations for School Aid (Article I)

		For Fiscal Year Ending Sept. 30, 2021	For Fiscal Year Ending Sept. 30, 2022
1	Proposal A Obligation Payment	\$ 4,839,000,000	\$ 4,746,000,000
2	Discretionary Payment	4,831,000,000	4,813,000,000
3	Reorganization and Cooperative Activities Grants	5,000,000	0
4	School Meals Debt Forgiveness	1,000,000	0
5	Special Education Foundations	308,000,000	321,700,000
6	Special Education Headlee Obligation	718,000,000	751,500,000
7	School Infrastructure Grants	40,000,000	0
8	Teacher Professional Development Grants	5,000,000	0
9	Teacher Supply Purchasing Program	25,000,000	0
10	Michigan Public School Employees Retirement System	1,551,406,000	1,653,089,000
11	(3) Appropriations for Community Colleges (Article II)		
12	Michigan Public School Employees Retirement System	\$ 98,027,600	\$ 103,844,600
13	(4) Appropriations for Universities and Student Financial Aid (Article III)		
14	Michigan Student Loan Refinance Program	\$ 10,000,000	\$ 0
15	Michigan Public School Employees Retirement System	\$ 12,895,000	\$ 14,080,000

1 Enacting section 1. (1) In accordance with section 30 of article I of the state
2 constitution of 1963, total state spending on school aid under article I as amended by this
3 amendatory act from state sources for fiscal year 2020-2021 is estimated at
4 \$14,116,258,600.00 and state appropriations for school aid to be paid to local units of
5 government for fiscal year 2020-2021 are estimated at \$13,908,147,100.00.

6 (2) In accordance with section 30 of article IX of the state constitution of 1963,
7 total state spending from state sources for community colleges for fiscal year 2020-2021
8 under article II as amended by this amendatory act is estimated at \$433,792,400.00 and the
9 amount of that state spending from state sources to be paid to local units of government
10 for fiscal year 2020-2021 is estimated at \$433,792,400.00.

11 (3) In accordance with section 30 of article IX of the state constitution of 1963,
12 total state spending from state sources for higher education for fiscal year 2020-2021
13 under article III as amended by this amendatory act is estimated at \$1,627,819,200.00 and
14 the amount of that state spending from state sources to be paid to local units of
15 government for fiscal year 2020-2021 is estimated at \$0.

16 Enacting section 2. Sections 17c, 25f, 25g, 31b, 35b, 35c, 54e, 55, 61c, 61f, 64d,
17 74a, 95a, 95b, 97, 99t, 99u, 99v, 99w, 99x, 102d, 104d, 152b, 164g, 164h, 166, 201a, 208,
18 210f, 212, 220, 228, 236a, 261, 265c, 265e, 271a, 274, 275a, 275d, and 291 of the state
19 school aid act of 1979, 1979 PA 94, MCL 388.1617c, 388.1625f, 388.1625g, 388.1631b,
20 388.1635b, 388.1635c, 388.1654e, 388.1655, 388.1661c, 388.1661f, 388.1664d, 388.1674a,
21 388.1695a, 388.1695b, 388.1697, 388.1699t, 388.1699u, 388.1699v, 388.1699w, 388.1699x,
22 388.1702d, 388.1704d, 388.1752b, 388.1764g, 388.1764h, 388.1766, 388.1801a, 388.1808,
23 388.1810f, 388.1812, 388.1820, 388.1828, 388.1836a, 388.1861, 388.1865c, 388.1865e,
24 388.1871a, 388.1874, 388.1875a, 388.1875d, and 388.1891 are repealed effective October 1,
25 2020.

26 Enacting section 3. Article V of the state school aid act of 1979, MCL 388.1897 to
27 388.1897l, is repealed.

28 Enacting section 4. (1) Except as otherwise provided in subsection (2), this
29 amendatory act takes effect October 1, 2020.

30 (2) Section 31n of the state school aid act of 1979, 1979 PA 94, MCL 388.1631n, as
31 amended by this amendatory act, takes effect upon enactment of this amendatory act.