

DRAFT 1
SUBSTITUTE FOR
HOUSE BILL NO. 5576

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 19,
20, 20d, 20f, 21f, 21h, 21j, 22a, 22b, 22d, 22m, 22n, 24, 24a, 24c,
25e, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 32d, 32p,
32q, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b,
61c, 62, 64b, 64d, 65, 67, 67a, 74, 81, 94, 94a, 95b, 98, 99h, 99k,
99r, 99s, 99t, 99u, 102d, 104, 104c, 104d, 104e, 107, 147, 147a,
147b, 147c, 147e, 152a, 152b, and 166b (MCL 388.1606, 388.1611,
388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1615,
388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1621f,
388.1621h, 388.1621j, 388.1622a, 388.1622b, 388.1622d, 388.1622m,
388.1622n, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f,
388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b,



388.1631d, 388.1631f, 388.1631j, 388.1632d, 388.1632p, 388.1632q, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1664d, 388.1665, 388.1667, 388.1667a, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695b, 388.1698, 388.1699h, 388.1699k, 388.1699r, 388.1699s, 388.1699t, 388.1699u, 388.1702d, 388.1704, 388.1704c, 388.1704d, 388.1704e, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1747e, 388.1752a, 388.1752b, and 388.1766b), sections 6, 11a, 11j, 11k, 11m, 11s, 15, 18, 20, 20d, 20f, 22a, 22b, 22d, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31b, 31d, 31f, 32p, 32q, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99s, 104, 104d, 147, 147b, 147c, 152a, and 152b as amendeded and sections 21h, 21j, 22m, 22n, 99k, and 147e as added by 2017 PA 108, sections 11, 21f, 25e, 31a, 31j, 32d, 35a, 61c, 64d, 67a, 95b, 99h, 99r, 99t, 102d, 104c, 107, 147a, and 166b as amendeded and sections 99u and 104e as added by 2017 PA 143, and section 19 as amendeded by 2016 PA 533, and by adding sections 17c, 22o, 35b, 54d, 68, 68a, 68b, 68c, and 110; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
 2 district or by an intermediate district for special education
 3 pupils from several districts in programs for pupils with autism
 4 spectrum disorder, pupils with severe cognitive impairment, pupils
 5 with moderate cognitive impairment, pupils with severe multiple
 6 impairments, pupils with hearing impairment, pupils with visual



1 impairment, and pupils with physical impairment or other health
2 impairment. Programs for pupils with emotional impairment housed in
3 buildings that do not serve regular education pupils also qualify.
4 Unless otherwise approved by the department, a center program
5 either shall serve all constituent districts within an intermediate
6 district or shall serve several districts with less than 50% of the
7 pupils residing in the operating district. In addition, special
8 education center program pupils placed part-time in noncenter
9 programs to comply with the least restrictive environment
10 provisions of section 612 of part B of the individuals with
11 disabilities education act, 20 USC 1412, may be considered center
12 program pupils for pupil accounting purposes for the time scheduled
13 in either a center program or a noncenter program.

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

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

23 (4) "Membership", except as otherwise provided in this
24 article, means for a district, a public school academy, or an
25 intermediate district the sum of the product of .90 times the
26 number of full-time equated pupils in grades K to 12 actually
27 enrolled and in regular daily attendance on the pupil membership



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



1 district, a public school academy, or an intermediate district:

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

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

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

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

26 (e) A pupil enrolled in the Michigan Schools for the Deaf and
27 Blind shall be counted in membership in the pupil's intermediate



1 district of residence.

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

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

10 (h) For the purposes of this section and section 6a, for a
11 cyber school, as defined in section 551 of the revised school code,
12 MCL 380.551, that is in compliance with section 553a of the revised
13 school code, MCL 380.553a, a pupil's participation in the cyber
14 school's educational program is considered regular daily
15 attendance, and for a district or public school academy, a pupil's
16 participation in a virtual course as defined in section 21f is
17 considered regular daily attendance.

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

22 (i) If operations begin before the pupil membership count day
23 for the fiscal year, membership is the average number of full-time
24 equated pupils in grades K to 12 actually enrolled and in regular
25 daily attendance on the pupil membership count day for the current
26 school year and on the supplemental count day for the current
27 school year, as determined by the department and calculated by



1 adding the number of pupils registered for attendance on the pupil
2 membership count day plus pupils received by transfer and minus
3 pupils lost as defined by rules promulgated by the superintendent,
4 and as corrected by a subsequent department audit, plus the final
5 audited count from the supplemental count day for the current
6 school year, and dividing that sum by 2.

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

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

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

26 (l) To be counted in membership, a pupil shall meet the
27 minimum age requirement to be eligible to attend school under



1 section 1147 of the revised school code, MCL 380.1147, or shall be
2 enrolled under subsection (3) of that section, and shall be less
3 than 20 years of age on September 1 of the school year except as
4 follows:

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

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

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

16 (B) Had dropped out of school.

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

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

27 (m) An individual who has achieved a high school diploma shall

1 not be counted in membership. An individual who has achieved a high
2 school equivalency certificate shall not be counted in membership
3 unless the individual is a student with a disability as defined in
4 R 340.1702 of the Michigan Administrative Code. An individual
5 participating in a job training program funded under former section
6 107a or a jobs program funded under former section 107b,
7 administered by the department of talent and economic development,
8 or participating in any successor of either of those 2 programs,
9 shall not be counted in membership.

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

22 (i) If the public school academy provides instruction for at
23 least 1/2 of the class hours required under section 101, the public
24 school academy shall receive as its prorated share of the full-time
25 equated membership for each of those pupils an amount equal to 1
26 times the product of the hours of instruction the public school
27 academy provides divided by the number of hours required under



1 section 101 for full-time equivalency, and the remainder of the
2 full-time membership for each of those pupils shall be allocated to
3 the district or intermediate district providing the remainder of
4 the hours of instruction.

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

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

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

22 (q) The number of class hours used to calculate full-time
23 equated memberships shall be consistent with section 101. In
24 determining full-time equated memberships for pupils who are
25 enrolled in a postsecondary institution, a pupil shall not be
26 considered to be less than a full-time equated pupil solely because
27 of the effect of his or her postsecondary enrollment, including



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

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

18 (s) For a district or a public school academy that has pupils
19 enrolled in a grade level that was not offered by the district or
20 public school academy in the immediately preceding school year, the
21 number of pupils enrolled in that grade level to be counted in
22 membership is the average of the number of those pupils enrolled
23 and in regular daily attendance on the pupil membership count day
24 and the supplemental count day of the current school year, as
25 determined by the department. Membership shall be calculated by
26 adding the number of pupils registered for attendance in that grade
27 level on the pupil membership count day plus pupils received by

1 transfer and minus pupils lost as defined by rules promulgated by
2 the superintendent, and as corrected by subsequent department
3 audit, plus the final audited count from the supplemental count day
4 for the current school year, and dividing that sum by 2.

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

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

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

27 (ii) The district provides instructional materials, resources,



1 and supplies that are comparable to those otherwise provided in the
2 district's alternative education program.

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

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

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

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

24 (x) If a district's membership for a particular fiscal year,
25 as otherwise calculated under this subsection, would be less than
26 1,550 pupils and the district has 4.5 or fewer pupils per square
27 mile, as determined by the department, and if the district does not

1 receive funding under section 22d(2), the district's membership
2 shall be considered to be the membership figure calculated under
3 this subdivision. If a district educates and counts in its
4 membership pupils in grades 9 to 12 who reside in a contiguous
5 district that does not operate grades 9 to 12 and if 1 or both of
6 the affected districts request the department to use the
7 determination allowed under this sentence, the department shall
8 include the square mileage of both districts in determining the
9 number of pupils per square mile for each of the districts for the
10 purposes of this subdivision. The membership figure calculated
11 under this subdivision is the greater of the following:

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

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

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



1 hours of service scheduled and provided per year per-pupil by 180.

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

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

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

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

25 (dd) For a pupil enrolled in a dropout recovery program that
26 meets the requirements of section 23a, the pupil shall be counted
27 as 1/12 of a full-time equated membership for each month that the



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

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

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

26 (ee) A pupil participating in a virtual course under section
27 21f shall be counted in membership in the district enrolling the



1 pupil.

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

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

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

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

25 (jj) A district that borders another state or a public school
26 academy that operates at least grades 9 to 12 and is located within
27 20 miles of a border with another state may count in membership a



1 pupil who is enrolled in a course at a college or university that
2 is located in the bordering state and within 20 miles of the border
3 with this state if all of the following are met:

4 (i) The pupil would meet the definition of an eligible student
5 under the postsecondary enrollment options act, 1996 PA 160, MCL
6 388.511 to 388.524, if the course were an eligible course under
7 that act.

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

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

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

26 (v) The district or public school academy awards high school
27 credit to a pupil who successfully completes a course as described



1 in this subdivision.

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

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

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

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

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

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

21 (d) A pupil enrolled in a district other than the pupil's
22 district of residence under an intermediate district schools of
23 choice pilot program as described in section 91a or former section
24 91 if the intermediate district and its constituent districts have
25 been exempted from section 105.

26 (e) A pupil enrolled in a district other than the pupil's
27 district of residence if the pupil is enrolled in accordance with



1 section 105 or 105c.

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

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

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

25 (g) A pupil whose district of residence changed after the
26 pupil membership count day and before the supplemental count day
27 and who continues to be enrolled on the supplemental count day as a



1 nonresident in the district in which he or she was enrolled as a
2 resident on the pupil membership count day of the same school year.

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

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

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

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

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

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

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

21 (k) An expelled pupil who has been denied reinstatement by the
22 expelling district and is reinstated by another school board under
23 section 1311 or 1311a of the revised school code, MCL 380.1311 and
24 380.1311a.

25 (l) A pupil enrolled in a district other than the pupil's
26 district of residence in a middle college program if the pupil's
27 district of residence and the enrolling district are both

1 constituent districts of the same intermediate district.

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

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

8 (o) A pupil who enrolls in a district other than the pupil's
9 district of residence as a result of the pupil's school not making
10 adequate yearly progress under the no child left behind act of
11 2001, Public Law 107-110, or the every student succeeds act, Public
12 Law 114-95.

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

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

23 (a) Except as provided in subdivision (b), the first Wednesday
24 in October each school year or, for a district or building in which
25 school is not in session on that Wednesday due to conditions not
26 within the control of school authorities, with the approval of the
27 superintendent, the immediately following day on which school is in



1 session in the district or building.

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

4 (i) Fourth Wednesday in July.

5 (ii) First Wednesday in October.

6 (iii) Second Wednesday in February.

7 (iv) Fourth Wednesday in April.

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



1 membership count day or supplemental count day shall only be
 2 counted as 1.0 full-time equated membership if the pupil resumed
 3 attendance in the district, intermediate district, or public school
 4 academy within 45 days after the pupil membership count day or
 5 supplemental count day of that particular year. Pupils not counted
 6 as 1.0 full-time equated membership due to an absence from a class
 7 shall be counted as a prorated membership for the classes the pupil
 8 attended. For purposes of this subsection, "class" means a period
 9 of time in 1 day when pupils and a certificated teacher or ~~legally~~
 10 ~~qualified~~ **AN INDIVIDUAL WORKING UNDER A VALID** substitute teacher
 11 **PERMIT, AUTHORIZATION, OR APPROVAL ISSUED BY THE DEPARTMENT,** are
 12 together and instruction is taking place.

13 (9) "Rule" means a rule promulgated pursuant to the
 14 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
 15 24.328.

16 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
 17 380.1852.

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

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

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

25 (14) "Superintendent", unless the context clearly refers to a
 26 district or intermediate district superintendent, means the
 27 superintendent of public instruction described in section 3 of



1 article VIII of the state constitution of 1963.

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

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

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

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

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

27 (20) "Total state aid" or "total state school aid" means the



total combined amount of all funds due to a district, intermediate district, or other entity under this article.

Sec. 11. (1) ~~For the fiscal year ending September 30, 2017,~~
~~there is appropriated for the public schools of this state and~~
~~certain other state purposes relating to education the sum of~~
~~\$12,069,644,300.00 from the state school aid fund, the sum of~~
~~\$179,100,000.00 from the general fund, an amount not to exceed~~
~~\$72,000,000.00 from the community district education trust fund~~
~~created under section 12 of the Michigan trust fund act, 2000 PA~~
~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~
~~emergency reserve fund.~~ For the fiscal year ending September 30,
2018, there is appropriated for the public schools of this state
and certain other state purposes relating to education the sum of
~~\$12,547,270,300.00~~ **\$12,561,077,200.00** from the state school aid
fund, the sum of ~~\$215,000,000.00~~ **\$190,000,000.00** from the general
fund, an amount not to exceed \$72,000,000.00 from the community
district education trust fund created under section 12 of the
Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to
exceed \$23,100,000.00 from the MPERS retirement obligation reform
reserve fund, and an amount not to exceed \$100.00 from the water
emergency reserve fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30,**
2019, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE
AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF
\$12,848,645,300.00 FROM THE STATE SCHOOL AID FUND, THE SUM OF
\$45,000,000.00 FROM THE GENERAL FUND, AN AMOUNT NOT TO EXCEED
\$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND
CREATED UNDER SECTION 12 OF THE MICHIGAN TRUST FUND ACT, 2000 PA



1 489, MCL 12.262, AN AMOUNT NOT TO EXCEED \$31,900,000.00 FROM THE
2 MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND, AN AMOUNT NOT TO
3 EXCEED \$100,000,000.00 FROM THE TALENT INVESTMENT FUND, AND AN
4 AMOUNT NOT TO EXCEED \$100.00 FROM THE WATER EMERGENCY RESERVE FUND.

5 In addition, all available federal funds are appropriated each
6 fiscal year for the fiscal years ending September 30, ~~2017-2018~~ and
7 September 30, ~~2018-2019~~.

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

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

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

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

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

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



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

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

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

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

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



(7) For ~~2016-2017 and for 2017-2018~~, **2018-2019**, in addition to the appropriations in section 11, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this article.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed \$125,500,000.00 for ~~2017-2018~~ **2018-2019** for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 296 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 11k. For ~~2017-2018~~, **2018-2019**, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriation in section 11, ~~there is allocated for 2016-2017 an amount not to exceed \$5,500,000.00 and~~ there is allocated for 2017-2018 an amount not to exceed ~~\$6,500,000.00~~ **\$18,000,000.00 AND THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$24,000,000.00** for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

Sec. 11s. (1) From the general fund appropriation in section



11, ~~there is allocated \$10,142,500.00 for 2016-2017 and there is~~
 allocated ~~\$8,730,000.00 for 2017-2018~~ **\$3,230,000.00 FOR 2018-2019**
 for the purpose of providing services and programs to children who
 reside within the boundaries of a district with the majority of its
 territory located within the boundaries of a city for which an
 executive proclamation of emergency is issued in the current or
 immediately preceding ~~2-3~~ fiscal years under the emergency
 management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding
 appropriated in section 11, there is allocated for ~~each fiscal year~~
~~for 2016-2017 and for 2017-2018~~ **2018-2019** \$100.00 from the water
 emergency reserve fund for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated
 to a district with the majority of its territory located within the
 boundaries of a city in which an executive proclamation of
 emergency is issued in the current or immediately preceding ~~2-3~~
 fiscal years and that has at least 4,500 pupils in membership for
 the 2016-2017 fiscal year or has at least 4,000 pupils in
 membership for a fiscal year after 2016-2017, an amount not to
 exceed ~~\$1,292,500.00 for 2016-2017 and an amount not to exceed~~
~~\$2,625,000.00 for 2017-2018~~ **FOR 2018-2019** for the purpose of
 employing school nurses and school social workers. The district
 shall provide a report to the department in a form, manner, and
 frequency prescribed by the department. The department shall
 provide a copy of that report to the governor, the house and senate
 school aid subcommittees, the house and senate fiscal agencies, and
 the state budget director within 5 days after receipt. The report
 shall provide at least the following information:



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

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

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

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

10 ~~—— (3) From the allocation in subsection (1), there is allocated~~
11 ~~to an intermediate district that has a constituent district~~
12 ~~described in subsection (2) an amount not to exceed \$1,195,000.00~~
13 ~~for 2016-2017 and an amount not to exceed \$2,500,000.00 for 2017-~~
14 ~~2018 to augment staff for the purpose of providing additional early~~
15 ~~childhood services and for nutritional services to children~~
16 ~~described in subsection (1), regardless of location of school of~~
17 ~~attendance. For 2016-2017, the early childhood services to be~~
18 ~~provided under this subsection are state early intervention~~
19 ~~services as described in subsection (4) and early literacy~~
20 ~~services. Beginning with 2017-2018, the early childhood services to~~
21 ~~be provided under this subsection are state early intervention~~
22 ~~services that are similar to the services described in the early on~~
23 ~~Michigan state plan, including ensuring that all children described~~
24 ~~in subsection (1) who are less than 4 years of age as of September~~
25 ~~1, 2016 are assessed and evaluated at least twice annually. In~~
26 ~~addition, funds allocated under this subsection may also be~~
27 ~~expended to provide informational resources to parents, educators,~~



~~1 and the community, and to coordinate services with other local
2 agencies. The intermediate district shall provide a report to the
3 department in a form, manner, and frequency approved by the
4 department. The department shall provide a copy of that report to
5 the governor, the house and senate school aid subcommittees, the
6 house and senate fiscal agencies, and the state budget director
7 within 5 days after receipt. The report shall provide at least the
8 following information:~~

~~9 — (a) How many personnel were hired using the funds appropriated
10 in this subsection.~~

~~11 — (b) A description of the services provided to children by
12 those personnel.~~

~~13 — (c) What types of additional nutritional services were
14 provided.~~

~~15 — (d) How many children received each type of service identified
16 in subdivisions (b) and (c).~~

~~17 — (e) What types of informational resources and coordination
18 efforts were provided.~~

~~19 — (f) Any other information the department considers necessary
20 to ensure that the children described in subsection (1) received
21 appropriate levels and types of services.~~

~~22 — (4) For 2016-2017 only, from the allocation in subsection (1),
23 there is allocated an amount not to exceed \$6,155,000.00 to
24 intermediate districts described in subsection (3) to provide state
25 early intervention services for children described in subsection
26 (1) who are less than 4 years of age as of September 1, 2016. The
27 intermediate district shall use these funds to provide state early~~



~~intervention services that are similar to the services described in the early on Michigan state plan, including ensuring that all children described in subsection (1) who are less than 4 years of age as of September 1, 2016 are assessed and evaluated at least twice annually.~~

~~— (5) From the allocation in subsection (1), there is allocated an amount not to exceed \$1,500,000.00 for 2016-2017 and an amount not to exceed \$3,000,000.00 for 2017-2018 to intermediate districts described in subsection (3) to enroll children described in subsection (1) in school-day great start readiness programs, regardless of household income eligibility requirements contained in section 39. The department shall administer this funding consistent with all other provisions of the great start readiness programs contained in section 32d and section 39.~~

(3) ~~(6)~~ For 2017-2018, **2018-2019**, from the allocation in subsection (1), there is allocated an amount not to exceed \$605,000.00 for nutritional services to children described in subsection (1).

(4) ~~(7)~~ In addition to other funding allocated and appropriated in this section, there is appropriated an amount not to exceed \$15,000,000.00 ~~each fiscal year for 2016-2017 and 2017-2018~~ **FOR 2018-2019** for state restricted contingency funds. These contingency funds are not available for expenditure until they have been transferred to a section within this article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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



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

24 (2) If the result of an audit conducted by or for the
25 department affects the current fiscal year membership, affected
26 payments shall be adjusted in the current fiscal year. A deduction
27 due to an adjustment made as a result of an audit conducted by or



1 for the department, or as a result of information obtained by the
2 department from the district, an intermediate district, the
3 department of treasury, or the office of auditor general, shall be
4 deducted from the district's apportionments when the adjustment is
5 finalized. At the request of the district and upon the district
6 presenting evidence satisfactory to the department of the hardship,
7 the department may grant up to an additional 9 years for the
8 adjustment and may advance payments to the district otherwise
9 authorized under this article if the district would otherwise
10 experience a significant hardship in satisfying its financial
11 obligations. At the request of a district and upon the district
12 presenting evidence satisfactory to the department of the hardship,
13 the department may waive all or a portion of the adjustments under
14 this subsection if the department determines that all of the
15 following apply:

16 (a) The district would otherwise experience a significant
17 hardship in satisfying its financial obligations.

18 (b) The district would otherwise experience a significant
19 hardship in satisfying its responsibility to provide instruction to
20 its pupils.

21 (c) The district has taken sufficient corrective action to
22 ensure that the circumstance or circumstances that necessitated the
23 adjustment under this subsection do not recur.

24 (3) If, based on an audit by the department or the
25 department's designee or because of new or updated information
26 received by the department, the department determines that the
27 amount paid to a district or intermediate district under this

1 article for the current fiscal year ~~or a prior fiscal year~~ was
2 incorrect, the department shall make the appropriate deduction or
3 payment in the district's or intermediate district's allocation in
4 the next apportionment after the adjustment is finalized. The
5 deduction or payment shall be calculated according to the law in
6 effect in the fiscal year in which the incorrect amount was paid.
7 If the district does not receive an allocation for the fiscal year
8 or if the allocation is not sufficient to pay the amount of any
9 deduction, the amount of any deduction otherwise applicable shall
10 be satisfied from the proceeds of a loan to the district under the
11 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,
12 or from the proceeds of millage levied or pledged under section
13 1211 of the revised school code, MCL 380.1211, as determined by the
14 department.

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

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

23 ~~—— (6) The department shall not deduct any funds from a district~~
24 ~~due to a pupil being counted in membership before the effective~~
25 ~~date of the amendatory act that added section 6(4) (jj), or~~
26 ~~otherwise reduce an allocation under this article to a district~~
27 ~~relative to the counting of a pupil in membership as provided under~~



~~section 6(4)(jj), if the district substantially complied with the requirements under section 6(4)(jj) in a previous fiscal year as if section 6(4)(jj) had been in effect in the previous fiscal year.~~

(6) ~~(7)~~—In addition to funds appropriated in section 11 for all programs and services, there is appropriated for ~~2017-2018~~ **2018-2019** for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

SEC. 17C. (1) EXCEPT AS OTHERWISE PROVIDED UNDER THIS ARTICLE, THE DEPARTMENT SHALL DO ALL OF THE FOLLOWING FOR FUNDS APPROPRIATED UNDER THIS ARTICLE FOR GRANTS TO DISTRICTS AND INTERMEDIATE DISTRICTS OR FOR CONTRACTS WITH ELIGIBLE ENTITIES:

(A) NOT LATER THAN AUGUST 1 OF EACH FISCAL YEAR, OPEN THE GRANT APPLICATION OR BID PROCESS FOR FUNDS APPROPRIATED FOR THE SUBSEQUENT FISCAL YEAR. THE DEPARTMENT SHALL ALSO PROVIDE TO DISTRICTS AND INTERMEDIATE DISTRICTS, AND POST ON ITS PUBLICLY ACCESSIBLE WEBSITE, THE GRANT APPLICATION, CONTRACT BID, AND AWARD PROCESS SCHEDULE AND THE LIST OF STATE GRANTS AND CONTRACTS AVAILABLE IN THE SUBSEQUENT FISCAL YEAR.

(B) ON OCTOBER 1 OF EACH FISCAL YEAR, CLOSE THE GRANT APPLICATION OR BID PROCESS UNDER SUBDIVISION (A) AND BEGIN THE AWARD PROCESS FOR FUNDS APPROPRIATED IN THAT FISCAL YEAR.

(C) NOT LATER THAN NOVEMBER 1 OF EACH FISCAL YEAR, PUBLISH GRANT OR CONTRACT AWARDS FOR FUNDS APPROPRIATED IN THAT FISCAL YEAR.

(2) GRANTS AND CONTRACTS AWARDED FROM FUNDS APPROPRIATED UNDER THIS ARTICLE ARE NOT SUBJECT TO APPROVAL BY THE STATE BOARD.



1 Sec. 18. (1) Except as provided in another section of this
2 article, each district or other entity shall apply the money
3 received by the district or entity under this article to salaries
4 and other compensation of teachers and other employees, tuition,
5 transportation, lighting, heating, ventilation, water service, the
6 purchase of textbooks, other supplies, and any other school
7 operating expenditures defined in section 7. However, not more than
8 20% of the total amount received by a district under sections 22a
9 and 22b or received by an intermediate district under section 81
10 may be transferred by the board to either the capital projects fund
11 or to the debt retirement fund for debt service. The money shall
12 not be applied or taken for a purpose other than as provided in
13 this section. The department shall determine the reasonableness of
14 expenditures and may withhold from a recipient of funds under this
15 article the apportionment otherwise due upon a violation by the
16 recipient.

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

27 (a) The annual operating budget and subsequent budget



1 revisions.

2 (b) Using data that have already been collected and submitted
3 to the department, a summary of district expenditures for the most
4 recent fiscal year for which they are available, expressed in the
5 following 2 ~~pie charts~~ **VISUAL DISPLAYS:**

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

8 (A) Salaries and wages.

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

12 (C) Retirement benefit costs.

13 (D) All other personnel costs.

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

16 (A) Instruction.

17 (B) Support services.

18 (C) Business and administration.

19 (D) Operations and maintenance.

20 (c) Links to all of the following:

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

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



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

3 (iv) The bids required under section 5 of the public employees
4 health ~~benefits~~ **BENEFIT** act, 2007 PA 106, MCL 124.75.

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

7 (vi) The district's written policy establishing specific
8 categories of reimbursable expenses, as described in section
9 1254(2) of the revised school code, MCL 380.1254.

10 (vii) Either the district's accounts payable check register
11 for the most recent school fiscal year or a statement of the total
12 amount of expenses incurred by board members or employees of the
13 district that were reimbursed by the district for the most recent
14 school fiscal year.

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

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

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

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

26 (h) Identification of all credit cards maintained by the
27 district as district credit cards, the identity of all individuals



1 authorized to use each of those credit cards, the credit limit on
2 each credit card, and the dollar limit, if any, for each
3 individual's authorized use of the credit card.

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

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

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

18 (a) The department shall require that each district and
19 intermediate district have an audit of the district's or
20 intermediate district's financial and pupil accounting records
21 conducted at least annually, and at such other times as determined
22 by the department, at the expense of the district or intermediate
23 district, as applicable. The audits must be performed by a
24 certified public accountant or by the intermediate district
25 superintendent, as may be required by the department, or in the
26 case of a district of the first class by a certified public
27 accountant, the intermediate superintendent, or the auditor general



1 of the city. A district or intermediate district shall retain these
2 records for the current fiscal year and from at least the 3
3 immediately preceding fiscal years.

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

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

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

23 (e) All of the following shall be done not later than November
24 1 each year for reporting the prior fiscal year data:

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

27 (ii) The intermediate district shall file the annual financial



1 audit reports for the intermediate district with the department.

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

6 (f) The annual financial audit reports and pupil accounting
7 procedures reports shall be available to the public in compliance
8 with the freedom of information act, 1976 PA 442, MCL 15.231 to
9 15.246.

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

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



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

12 (6) By September 30 of each year, each district and
13 intermediate district shall file with the ~~department~~**CENTER** the
14 special education actual cost report, known as "SE-4096", on a form
15 and in the manner prescribed by the ~~department~~**CENTER**.

16 (7) By October 7 of each year, each district and intermediate
17 district shall file with the center the transportation expenditure
18 report, known as "SE-4094", on a form and in the manner prescribed
19 by the center.

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

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

27 (10) If a district or intermediate district does not comply

1 with subsections (4), (5), (6), ~~and (7)~~, **AND (12)**, or if the
 2 department determines that the financial data required under
 3 subsection (5) are not consistent with audited financial
 4 statements, the department shall withhold all state school aid due
 5 to the district or intermediate district under this article,
 6 beginning with the next payment due to the district or intermediate
 7 district, until the district or intermediate district complies with
 8 subsections (4), (5), (6), ~~and (7)~~, **AND (12)**. If the district or
 9 intermediate district does not comply with subsections (4), (5),
 10 (6), ~~and (7)~~, **AND (12)** by the end of the fiscal year, the district
 11 or intermediate district forfeits the amount withheld.

12 (11) If a district or intermediate district does not comply
 13 with subsection (2), the department may withhold up to 10% of the
 14 total state school aid due to the district or intermediate district
 15 under this article, beginning with the next payment due to the
 16 district or intermediate district, until the district or
 17 intermediate district complies with subsection (2). If the district
 18 or intermediate district does not comply with subsection (2) by the
 19 end of the fiscal year, the district or intermediate district
 20 forfeits the amount withheld.

21 (12) By November 1 of each year, if a district or intermediate
 22 district offers virtual learning under section 21f, **OR FOR A SCHOOL**
 23 **OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF**
 24 **THE REVISED SCHOOL CODE, MCL 380.551**, the district or intermediate
 25 district shall submit to the department a report that details the
 26 per-pupil costs of operating the virtual learning by vendor type
 27 **AND VIRTUAL LEARNING MODEL**. The report shall include ~~at least all~~



~~of the following information concerning the operation of virtual learning for the immediately preceding school fiscal year:~~

~~—— (a) The name of the district operating the virtual learning and of each district that enrolled students in the virtual learning.~~

~~—— (b) The total number of students enrolled in the virtual learning and the total number of membership pupils enrolled in the virtual learning.~~

~~—— (c) For each pupil who is enrolled in a district other than the district offering virtual learning, the name of that district.~~

~~—— (d) The district in which the pupil was enrolled before enrolling in the district offering virtual learning.~~

~~—— (e) The number of participating students who had previously dropped out of school.~~

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

~~—— (g) The total cost to enroll a student in the program. This cost shall be reported on a per-pupil, per-course, per-semester or trimester basis by vendor type. The total shall include costs broken down by cost for content development, content licensing, training, virtual instruction and instructional support, personnel, hardware and software, payment to each virtual learning provider, and other costs associated with operating virtual learning.~~

~~—— (h) The name of each virtual education provider contracted by the district and the state in which each virtual education provider is headquartered.~~

YEAR, INCLUDING INFORMATION CONCERNING SUMMER PROGRAMMING. INFORMATION MUST BE COLLECTED IN A FORM AND MANNER



1 DETERMINED BY THE DEPARTMENT AND MUST BE COLLECTED IN THE MOST
 2 EFFICIENT MANNER POSSIBLE TO REDUCE THE ADMINISTRATIVE BURDEN ON
 3 REPORTING ENTITIES.

4 (13) By March 31 of each year, the department shall submit to
 5 the house and senate appropriations subcommittees on state school
 6 aid, the state budget director, and the house and senate fiscal
 7 agencies a report summarizing the per-pupil costs by vendor type of
 8 virtual courses available under section 21f **AND VIRTUAL COURSES**
 9 **PROVIDED BY A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS**
 10 **DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551.**

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

13 (a) Virtual courses provided by the Michigan Virtual
 14 University.

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

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

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

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

25 (16) Beginning October 1, 2017, ~~and not less than once every 3~~
 26 ~~months after that date, the~~ **2018, AND ANNUALLY THEREAFTER, THE**
 27 department shall submit to the senate and house subcommittees on



1 school aid and to the senate and house standing committees on
2 education an itemized list of allocations under this article to any
3 association or consortium consisting of associations **IN THE**
4 **IMMEDIATELY PRECEDING FISCAL YEAR.** The report shall detail the
5 recipient or recipients, the amount allocated, and the purpose for
6 which the funds were distributed.

7 Sec. 19. (1) A district or intermediate district shall comply
8 with all applicable reporting requirements specified in state and
9 federal law. Data provided to the center, in a form and manner
10 prescribed by the center, shall be aggregated and disaggregated as
11 required by state and federal law. In addition, a district or
12 intermediate district shall cooperate with all measures taken by
13 the center to establish and maintain a statewide P-20 longitudinal
14 data system.

15 (2) Each district shall furnish to the center not later than 5
16 weeks after the pupil membership count day and by ~~June 30~~ **THE LAST**
17 **BUSINESS DAY IN JUNE** of the school fiscal year ending in the fiscal
18 year, in a manner prescribed by the center, the information
19 necessary for the preparation of the district and high school
20 graduation report **AND FOR THE PREPARATION OF THE STATE AND FEDERAL**
21 **ACCOUNTABILITY REPORTS.** This information shall meet requirements
22 established in the pupil auditing manual approved and published by
23 the department. The center shall calculate an annual graduation and
24 pupil dropout rate for each high school, each district, and this
25 state, in compliance with nationally recognized standards for these
26 calculations. The center shall report all graduation and dropout
27 rates to the senate and house education committees and



1 appropriations committees, the state budget director, and the
2 department not later than 30 days after the publication of the list
3 described in subsection (5). Before reporting these graduation and
4 dropout rates, the department shall allow a school or district to
5 appeal the calculations. The department shall consider and act upon
6 the appeal within 30 days after it is submitted and shall not
7 report these graduation and dropout rates until after all appeals
8 have been considered and decided.

9 (3) By the first business day in December and by ~~June 30~~ **THE**
10 **LAST BUSINESS DAY IN JUNE** of each year, a district shall furnish to
11 the center, in a manner prescribed by the center, information
12 related to educational personnel as necessary for reporting
13 required by state and federal law. For the purposes of this
14 subsection, the center shall only require districts and
15 intermediate districts to report information that is not already
16 available from the office of retirement services in the department
17 of technology, management, and budget.

18 (4) If a district or intermediate district fails to meet the
19 requirements of this section, the department shall withhold 5% of
20 the total funds for which the district or intermediate district
21 qualifies under this article until the district or intermediate
22 district complies with all of those subsections. If the district or
23 intermediate district does not comply with all of those subsections
24 by the end of the fiscal year, the department shall place the
25 amount withheld in an escrow account until the district or
26 intermediate district complies with all of those subsections.

27 (5) Before publishing a list of school or district



1 accountability designations as required by the no child left behind
 2 act of 2001, Public Law 107-110, or the every student succeeds act,
 3 Public Law 114-95, **USING DATA CERTIFIED AS ACCURATE AND COMPLETE**
 4 **AFTER DISTRICTS AND INTERMEDIATE DISTRICTS ADHERED TO DEADLINES,**
 5 **DATA QUALITY REVIEWS, AND CORRECTION PROCESSES LEADING TO LOCAL**
 6 **CERTIFICATION OF FINAL STUDENT DATA IN SUBSECTION (2),** the
 7 department shall allow a school or district to appeal ~~that~~
 8 ~~determination.~~ **ANY CALCULATION ERRORS USED IN THE PREPARATION OF**
 9 **ACCOUNTABILITY METRICS.** The department shall consider and act upon
 10 the appeal within 30 days after it is submitted and shall not
 11 publish the list until after all appeals have been considered and
 12 decided.

13 (6) Beginning in 2016-2017, the department shall implement
 14 statewide standard reporting requirements for education data
 15 approved by the department in conjunction with the center. The
 16 department shall work with the center, intermediate districts,
 17 districts, and other interested stakeholders to implement this
 18 policy change. A district or intermediate district shall implement
 19 the statewide standard reporting requirements not later than 2017-
 20 2018 or when a district or intermediate district updates its
 21 education data reporting system, whichever is later.

22 Sec. 20. (1) For ~~2017-2018,~~ **2018-2019**, both of the following
 23 apply:

24 (a) The basic foundation allowance is ~~\$8,289.00.~~ **\$8,409.00.**

25 (b) The minimum foundation allowance is ~~\$7,631.00.~~ **\$7,871.00.**

26 (2) The amount of each district's foundation allowance shall
 27 be calculated as provided in this section, using a basic foundation



1 allowance in the amount specified in subsection (1).

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

6 (a) Except as otherwise provided in this subdivision, for a
7 district that had a foundation allowance for the immediately
8 preceding state fiscal year that was at least equal to the minimum
9 foundation allowance for the immediately preceding state fiscal
10 year, but less than the basic foundation allowance for the
11 immediately preceding state fiscal year, the district shall receive
12 a foundation allowance in an amount equal to the sum of the
13 district's foundation allowance for the immediately preceding state
14 fiscal year plus the difference between twice the dollar amount of
15 the adjustment from the immediately preceding state fiscal year to
16 the current state fiscal year made in the basic foundation
17 allowance and [(the difference between the basic foundation
18 allowance for the current state fiscal year and basic foundation
19 allowance for the immediately preceding state fiscal year minus
20 ~~\$20.00~~—\$40.00) times (the difference between the district's
21 foundation allowance for the immediately preceding state fiscal
22 year and the minimum foundation allowance for the immediately
23 preceding state fiscal year) divided by the difference between the
24 basic foundation allowance for the current state fiscal year and
25 the minimum foundation allowance for the immediately preceding
26 state fiscal year.] However, the foundation allowance for a
27 district that had less than the basic foundation allowance for the



1 immediately preceding state fiscal year shall not exceed the basic
2 foundation allowance for the current state fiscal year.

3 (b) Except as otherwise provided in this subsection, for a
4 district that in the immediately preceding state fiscal year had a
5 foundation allowance in an amount equal to the amount of the basic
6 foundation allowance for the immediately preceding state fiscal
7 year, the district shall receive a foundation allowance for ~~2017-~~
8 ~~2018-2018-2019~~ in an amount equal to the basic foundation allowance
9 for ~~2017-2018-2018-2019~~.

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

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



(e) For a district that received a foundation allowance supplemental payment calculated under section 20m and paid under section 22b for ~~2016-2017~~, **2017-2018**, the district's ~~2016-2017~~ **2017-2018** foundation allowance is considered to have been an amount equal to the sum of the district's actual ~~2016-2017~~ **2017-2018** foundation allowance as otherwise calculated under this section plus the lesser of the per pupil amount of the district's supplemental payment for ~~2016-2017~~ **2017-2018** as calculated under section 20m or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States ~~consumer price index~~ **CONSUMER PRICE INDEX** in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(4) Except as otherwise provided in this subsection, beginning in 2014-2015, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the local portion of the district's foundation allowance. For a district described in subsection (3)(c), beginning in 2014-2015, the state portion of the district's foundation allowance is an amount equal to \$6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the local portion of the district's foundation allowance. For a district that has a millage reduction required

1 under section 31 of article IX of the state constitution of 1963,
2 the state portion of the district's foundation allowance shall be
3 calculated as if that reduction did not occur. For a receiving
4 district, if school operating taxes continue to be levied on behalf
5 of a dissolved district that has been attached in whole or in part
6 to the receiving district to satisfy debt obligations of the
7 dissolved district under section 12 of the revised school code, MCL
8 380.12, the taxable value per membership pupil of property in the
9 receiving district used for the purposes of this subsection does
10 not include the taxable value of property within the geographic
11 area of the dissolved district. For a community district, if school
12 operating taxes continue to be levied by a qualifying school
13 district under section 12b of the revised school code, MCL 380.12b,
14 with the same geographic area as the community district, the
15 taxable value per membership pupil of property in the community
16 district to be used for the purposes of this subsection does not
17 include the taxable value of property within the geographic area of
18 the community district.

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



1 district of residence, the allocation calculated under this section
2 shall be based on the foundation allowance of the educating
3 district if the educating district's foundation allowance is
4 greater than the foundation allowance of the pupil's district of
5 residence. The calculation under this subsection shall take into
6 account a district's per-pupil allocation under section 20m.

7 (6) Except as otherwise provided in this subsection, for
8 pupils in membership, other than special education pupils, in a
9 public school academy, the allocation calculated under this section
10 is an amount per membership pupil other than special education
11 pupils in the public school academy equal to the foundation
12 allowance of the district in which the public school academy is
13 located or the state maximum public school academy allocation,
14 whichever is less. Except as otherwise provided in this subsection,
15 for pupils in membership, other than special education pupils, in a
16 public school academy that is a cyber school and is authorized by a
17 school district, the allocation calculated under this section is an
18 amount per membership pupil other than special education pupils in
19 the public school academy equal to the foundation allowance of the
20 district that authorized the public school academy or the state
21 maximum public school academy allocation, whichever is less.

22 However, a public school academy that had an allocation under this
23 subsection before 2009-2010 that was equal to the sum of the local
24 school operating revenue per membership pupil other than special
25 education pupils for the district in which the public school
26 academy is located and the state portion of that district's
27 foundation allowance shall not have that allocation reduced as a



1 result of the 2010 amendment to this subsection. Notwithstanding
2 section 101, for a public school academy that begins operations
3 after the pupil membership count day, the amount per membership
4 pupil calculated under this subsection shall be adjusted by
5 multiplying that amount per membership pupil by the number of hours
6 of pupil instruction provided by the public school academy after it
7 begins operations, as determined by the department, divided by the
8 minimum number of hours of pupil instruction required under section
9 101(3). The result of this calculation shall not exceed the amount
10 per membership pupil otherwise calculated under this subsection.

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

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



1 original or affected districts plus \$100.00 or the highest
2 foundation allowance among the original or affected districts. This
3 subsection does not apply to a receiving district unless there is a
4 subsequent consolidation or annexation that affects the district.
5 The calculation under this subsection shall take into account a
6 district's per-pupil allocation under section 20m.

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

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

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

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

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

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

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



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

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

10 (14) As used in this section:

11 (a) "Certified mills" means the lesser of 18 mills or the
12 number of mills of school operating taxes levied by the district in
13 1993-94.

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

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

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

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

27 (f) "Immediately preceding state fiscal year" means the state



1 fiscal year immediately preceding the current state fiscal year.

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

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

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

25 (j) "Maximum public school academy allocation", except as
26 otherwise provided in this subdivision, means the maximum per-pupil
27 allocation as calculated by adding the highest per-pupil allocation



1 among all public school academies for the immediately preceding
 2 state fiscal year plus the difference between twice the amount of
 3 the difference between the basic foundation allowance for the
 4 current state fiscal year and the basic foundation allowance for
 5 the immediately preceding state fiscal year and [(the amount of the
 6 difference between the basic foundation allowance for the current
 7 state fiscal year and the basic foundation allowance for the
 8 immediately preceding state fiscal year minus ~~\$20.00~~ **\$40.00**) times
 9 (the difference between the highest per-pupil allocation among all
 10 public school academies for the immediately preceding state fiscal
 11 year and the minimum foundation allowance for the immediately
 12 preceding state fiscal year) divided by the difference between the
 13 basic foundation allowance for the current state fiscal year and
 14 the minimum foundation allowance for the immediately preceding
 15 state fiscal year.] For the purposes of this subdivision, for ~~2017-~~
 16 ~~2018, 2018-2019~~, the maximum public school academy allocation is
 17 ~~\$7,631.00~~ **\$7,871.00**.

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

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

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



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

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

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

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

14 (q) "Tax increment financing acts" means 1975 PA 197, MCL
15 125.1651 to 125.1681, the tax increment finance authority act, 1980
16 PA 450, MCL 125.1801 to 125.1830, the local development financing
17 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
18 redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~
19 **125.1670**, or the corridor improvement authority act, 2005 PA 280,
20 MCL 125.2871 to 125.2899.

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

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



1 former section 20a of a district's combined state and local revenue
2 per membership pupil in 1993-94 and in making calculations under
3 section 20 for ~~2017-2018~~, **2018-2019**, the department and the
4 department of treasury shall comply with all of the following:

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

21 (b) If a district had an adjustment made to its 1993-94 total
22 state school aid that excluded payments made under former section
23 146 and under section 147 on behalf of the district's employees who
24 provided direct services for intermediate district center programs
25 operated by the district under sections 51 to 56, if nonresident
26 pupils attending the center programs were included in the
27 district's membership for purposes of calculating the combined



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

11 Sec. 20f. (1) From the funds appropriated in section 11, there
12 is allocated an amount not to exceed \$18,000,000.00 for ~~2017-2018~~
13 **2018-2019** for payments to eligible districts under this section.

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

19 (a) The increase in the district's foundation allowance or
20 per-pupil payment as calculated under section 20 from 2012-2013 to
21 2013-2014.

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

24 (c) The quotient of the district's allocation under section
25 147a for 2012-2013 divided by the district's membership pupils for
26 2012-2013 minus the quotient of the district's allocation under
27 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
3 subsection (2) is an amount per membership pupil equal to the
4 amount per membership pupil the district received under this
5 section in 2013-2014.

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

9 (a) The increase in the district's foundation allowance or
10 per-pupil payment as calculated under section 20 from 2014-2015 to
11 2015-2016.

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

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

16 (d) The quotient of the district's allocation under section
17 31a for 2015-2016 divided by the district's membership pupils for
18 2015-2016 minus the quotient of the district's allocation under
19 section 31a for 2014-2015 divided by the district's membership
20 pupils for 2014-2015.

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

24 (a) The increase in the district's foundation allowance or
25 per-pupil payment as calculated under section 20 from 2014-2015 to
26 2015-2016.

27 (b) The decrease in the district's best practices per-pupil



1 funding under former section 22f from 2014-2015 to 2015-2016.

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

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

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

13 Sec. 21f. (1) A primary district shall enroll an eligible
14 pupil in virtual courses in accordance with the provisions of this
15 section. A primary district shall not offer a virtual course to an
16 eligible pupil unless the virtual course is published in the
17 primary district's catalog of board-approved courses or in the
18 statewide catalog of virtual courses maintained by the Michigan
19 Virtual University pursuant to section 98. The primary district
20 shall also provide on its publicly accessible website a link to the
21 statewide catalog of virtual courses maintained by the Michigan
22 Virtual University. Unless the pupil is at least age 18 or is an
23 emancipated minor, a pupil shall not be enrolled in a virtual
24 course without the consent of the pupil's parent or legal guardian.

25 (2) Subject to subsection (3), a primary district shall enroll
26 an eligible pupil in up to 2 virtual courses as requested by the
27 pupil during an academic term, semester, or trimester.



1 (3) A pupil may be enrolled in more than 2 virtual courses in
2 a specific academic term, semester, or trimester if all of the
3 following conditions are met:

4 (a) The primary district has determined that it is in the best
5 interest of the pupil.

6 (b) The pupil agrees with the recommendation of the primary
7 district.

8 (c) The primary district, in collaboration with the pupil, has
9 developed an education development plan, in a form and manner
10 specified by the department, that is kept on file by the district.
11 Beginning October 1, 2016, this subdivision does not apply to a
12 pupil enrolled as a part-time pupil under section 166b.

13 (4) If the number of applicants eligible for acceptance in a
14 virtual course does not exceed the capacity of the provider to
15 provide the virtual course, the provider shall accept for
16 enrollment all of the applicants eligible for acceptance. If the
17 number of applicants exceeds the provider's capacity to provide the
18 virtual course, the provider shall use a random draw system,
19 subject to the need to abide by state and federal
20 antidiscrimination laws and court orders. A primary district that
21 is also a provider shall determine whether or not it has the
22 capacity to accept applications for enrollment from nonresident
23 applicants in virtual courses and may use that limit as the reason
24 for refusal to enroll a nonresident applicant.

25 (5) A primary district may not establish additional
26 requirements beyond those specified in this subsection that would
27 prohibit a pupil from taking a virtual course. A pupil's primary



1 district may deny the pupil enrollment in an online course if any
2 of the following apply, as determined by the district:

3 (a) The pupil is enrolled in any of grades K to 5.

4 (b) The pupil has previously gained the credits that would be
5 provided from the completion of the virtual course.

6 (c) The virtual course is not capable of generating academic
7 credit.

8 (d) The virtual course is inconsistent with the remaining
9 graduation requirements or career interests of the pupil.

10 (e) The pupil has not completed the prerequisite coursework
11 for the requested virtual course or has not demonstrated
12 proficiency in the prerequisite course content.

13 (f) The pupil has failed a previous virtual course in the same
14 subject during the 2 most recent academic years.

15 (g) The virtual course is of insufficient quality or rigor. A
16 primary district that denies a pupil enrollment request for this
17 reason shall enroll the pupil in a virtual course in the same or a
18 similar subject that the primary district determines is of
19 acceptable rigor and quality.

20 (h) The cost of the virtual course exceeds the amount
21 identified in subsection ~~(9)~~, **(10)**, unless the pupil or the pupil's
22 parent or legal guardian agrees to pay the cost that exceeds this
23 amount.

24 (i) The request for a virtual course enrollment did not occur
25 within the same timelines established by the primary district for
26 enrollment and schedule changes for regular courses.

27 (j) The request for a virtual course enrollment was not made



1 in the academic term, semester, trimester, or summer preceding the
2 enrollment. This subdivision does not apply to a request made by a
3 pupil who is newly enrolled in the primary district.

4 (6) If a pupil is denied enrollment in a virtual course by the
5 pupil's primary district, the primary district shall provide
6 written notification to the pupil of the denial, the reason or
7 reasons for the denial pursuant to subsection (5), and a
8 description of the appeal process. The pupil may appeal the denial
9 by submitting a letter to the superintendent of the intermediate
10 district in which the pupil's primary district is located. The
11 letter of appeal shall include the reason provided by the primary
12 district for not enrolling the pupil and the reason why the pupil
13 is claiming that the enrollment should be approved. The
14 intermediate district superintendent or designee shall respond to
15 the appeal within 5 days after it is received. If the intermediate
16 district superintendent or designee determines that the denial of
17 enrollment does not meet 1 or more of the reasons specified in
18 subsection (5), the primary district shall enroll the pupil in the
19 virtual course.

20 (7) To provide a virtual course to an eligible pupil under
21 this section, a provider shall do all of the following:

22 (a) Ensure that the virtual course has been published in the
23 pupil's primary district's catalog of board-approved courses or
24 published in the statewide catalog of virtual courses maintained by
25 the Michigan Virtual University.

26 (b) Assign to each pupil a teacher of record and provide the
27 primary district with the personnel identification code assigned by



1 the center for the teacher of record. If the provider is a
2 community college, the virtual course must be taught by an
3 instructor employed by or contracted through the providing
4 community college.

5 (c) Offer the virtual course on an open entry and exit method,
6 or aligned to a semester, trimester, or accelerated academic term
7 format.

8 (d) If the virtual course is offered to eligible pupils in
9 more than 1 district, the following additional requirements must
10 also be met:

11 (i) Provide the Michigan Virtual University with a course
12 syllabus that meets the definition under subsection (14)(g) in a
13 form and manner prescribed by the Michigan Virtual University for
14 inclusion in a statewide catalog of virtual courses.

15 (ii) Not later than October 1 of each fiscal year, provide the
16 Michigan Virtual University with an aggregated count of enrollments
17 for each virtual course the provider delivered to pupils pursuant
18 to this section during the immediately preceding school year, and
19 the number of enrollments in which the pupil earned 60% or more of
20 the total course points for each virtual course.

21 (8) To provide an online course under this section, a
22 community college shall ensure that each online course it provides
23 under this section generates postsecondary credit.

24 (9) For any virtual course a pupil enrolls in under this
25 section, the pupil's primary district must assign to the pupil a
26 mentor and shall supply the provider with the mentor's contact
27 information.



1 (10) For a pupil enrolled in 1 or more virtual courses, the
2 primary district shall use foundation allowance or per-pupil funds
3 calculated under section 20 to pay for the expenses associated with
4 the virtual course or courses. A primary district is not required
5 to pay toward the cost of a virtual course an amount that exceeds
6 6.67% of the minimum foundation allowance for the current fiscal
7 year as calculated under section 20.

8 (11) A virtual learning pupil shall have the same rights and
9 access to technology in his or her primary district's school
10 facilities as all other pupils enrolled in the pupil's primary
11 district. The department shall establish standards for hardware,
12 software, and Internet access for pupils who are enrolled in more
13 than 2 virtual courses in an academic term, semester, or trimester
14 taken at a location other than a school facility.

15 (12) If a pupil successfully completes a virtual course, as
16 determined by the pupil's primary district, the pupil's primary
17 district shall grant appropriate academic credit for completion of
18 the course and shall count that credit toward completion of
19 graduation and subject area requirements. A pupil's school record
20 and transcript shall identify the virtual course title as it
21 appears in the virtual course syllabus.

22 (13) The enrollment of a pupil in 1 or more virtual courses
23 shall not result in a pupil being counted as more than 1.0 full-
24 time equivalent pupils under this article. The minimum requirements
25 to count the pupil in membership are those established by the pupil
26 accounting manual as it was in effect for the 2015-2016 school year
27 or as subsequently amended by the department if the department

1 notifies the legislature about the proposed amendment at least 60
2 days before the amendment becomes effective.

3 (14) As used in this section:

4 (a) "Instructor" means an individual who is employed by or
5 contracted through a community college.

6 (b) "Mentor" means a professional employee of the primary
7 district who monitors the pupil's progress, ensures the pupil has
8 access to needed technology, is available for assistance, and
9 ensures access to the teacher of record. A mentor may also serve as
10 the teacher of record if the primary district is the provider for
11 the virtual course and the mentor meets the requirements under
12 subdivision (e).

13 (c) "Primary district" means the district that enrolls the
14 pupil and reports the pupil for pupil membership purposes.

15 (d) "Provider" means the district, intermediate district, or
16 community college that the primary district pays to provide the
17 virtual course or the Michigan Virtual University if it is
18 providing the virtual course.

19 (e) "Teacher of record" means a teacher who meets all of the
20 following:

21 (i) Holds a valid Michigan teaching certificate or a teaching
22 permit recognized by the department.

23 (ii) If applicable, is endorsed in the subject area and grade
24 of the virtual course.

25 (iii) Is responsible for providing instruction, determining
26 instructional methods for each pupil, diagnosing learning needs,
27 assessing pupil learning, prescribing intervention strategies and



1 modifying lessons, reporting outcomes, and evaluating the effects
2 of instruction and support strategies.

3 (iv) Has a personnel identification code provided by the
4 center.

5 (v) If the provider is a community college, is an instructor
6 employed by or contracted through the providing community college.

7 (f) "Virtual course" means a course of study that is capable
8 of generating a credit or a grade and that is provided in an
9 interactive learning environment where the majority of the
10 curriculum is delivered using the Internet and in which pupils may
11 be separated from their instructor or teacher of record by time or
12 location, or both.

13 (g) "Virtual course syllabus" means a document that includes
14 all of the following:

15 (i) An alignment document detailing how the course meets
16 applicable state standards or, if the state does not have state
17 standards, nationally recognized standards.

18 (ii) The virtual course content outline.

19 (iii) The virtual course required assessments.

20 (iv) The virtual course prerequisites.

21 (v) Expectations for actual instructor or teacher of record
22 contact time with the virtual learning pupil and other
23 communications between a pupil and the instructor or teacher of
24 record.

25 (vi) Academic support available to the virtual learning pupil.

26 (vii) The virtual course learning outcomes and objectives.

27 (viii) The name of the institution or organization providing

1 the virtual content.

2 (ix) The name of the institution or organization providing the
3 instructor or teacher of record.

4 (x) The course titles assigned by the provider and the course
5 titles and course codes from the National Center for Education
6 Statistics (NCES) school codes for the exchange of data (SCED).

7 (xi) The number of eligible pupils that will be accepted by
8 the provider in the virtual course. A primary district that is also
9 the provider may limit the enrollment to those pupils enrolled in
10 the primary district.

11 (xii) The results of the virtual course quality review using
12 the guidelines and model review process published by the Michigan
13 Virtual University.

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

16 Sec. 21h. (1) From the appropriation in section 11, there is
17 allocated \$6,000,000.00 for ~~2017-2018~~ **2018-2019** for assisting
18 districts assigned by the superintendent to participate in a
19 partnership to improve student achievement. The purpose of the
20 partnership is to identify district needs, develop intervention
21 plans, and partner with public, private, and nonprofit
22 organizations to coordinate resources and improve student
23 achievement. Assignment of a district to a partnership is at the
24 sole discretion of the superintendent.

25 (2) A district assigned to a partnership by the superintendent
26 is eligible for funding under this section if the district includes
27 at least 1 school that has been rated with a grade of "F", or



1 comparable performance rating, in the most recent state
2 accountability system rating, that is not under the supervision of
3 the state school reform/redesign office, and that does all of the
4 following:

5 (a) Completes a comprehensive needs evaluation in
6 collaboration with an intermediate school district, community
7 members, education organizations, and postsecondary institutions,
8 as applicable and approved by the superintendent, within 90 days of
9 assignment to the partnership described in this section. The
10 comprehensive needs evaluation shall include at least all of the
11 following:

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

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

17 (iii) A review of classroom, instructional, and operational
18 practices and curriculum to ensure alignment with research-based
19 instructional practices and state curriculum standards.

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

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

26 (ii) Specific measurable benchmarks that will be met within 18
27 months to improve student achievement and identification of



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

3 (3) Upon approval of the intervention plan developed under
4 subsection (2), the department shall assign a team of individuals
5 with expertise in comprehensive school and district reform to
6 partner with the district, the intermediate district, community
7 organizations, education organizations, and postsecondary
8 institutions identified in the intervention plan to review the
9 district's use of existing financial resources to ensure that those
10 resources are being used as efficiently and effectively as possible
11 to improve student academic achievement.

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

23 (5) The department shall annually report to the legislature on
24 the activities funded under this section and how those activities
25 impacted student achievement in eligible districts that received
26 funds under this section.

27 Sec. 21j. (1) From the ~~general fund~~ **TALENT INVESTMENT FUND**



1 appropriation in section 11, there is allocated an amount not to
 2 exceed ~~\$500,000.00 for 2017-2018~~ **\$2,500,000.00 FOR 2018-2019** for
 3 competitive grants to districts **OR CONSORTIA OF 2 OR MORE DISTRICTS**
 4 for the design and implementation of competency-based education
 5 programs. ~~to provide enhanced choice to pupils and parents for the~~
 6 ~~completion of the requirements for kindergarten through a high~~
 7 ~~school diploma, including the Michigan merit standard under~~
 8 ~~sections 1278a and 1278b of the revised school code, MCL 380.1278a~~
 9 ~~and 380.1278b.~~

10 (2) A GRANT UNDER THIS SECTION SHALL NOT EXCEED \$100,000.00.

11 (3) ~~(2)~~ A district seeking a grant under this section shall
 12 apply in a form and manner prescribed by the department.

13 Applications under this section shall contain all of the following:

14 (a) An educational model that allows the use of multiple and
 15 innovative methods to determine pupils' achievement of grade-level
 16 competencies and credit under the Michigan merit curriculum in a
 17 subject area or combined subject areas, including, at least, public
 18 presentations, submission of research papers, attaining marketable
 19 workforce credentials, and mentoring other students. Competency
 20 assessments used to determine mastery must be aligned to Michigan's
 21 academic standards.

22 (b) Curriculum that allows for a majority of instructional
 23 time to be spent on student-driven projects, including a capstone
 24 project as part of high school graduation requirements, if
 25 applicable. These projects shall include multiple subject areas and
 26 21st century skills such as leadership, teamwork, problem solving,
 27 and communication. Instruction time may be during a nontraditional



1 school calendar.

2 (c) A comprehensive formative assessment system to monitor
3 student academic achievement pace and ensure that students receive
4 timely, differentiated academic support based on their individual
5 learning needs in different subject areas.

6 (d) An innovative partnership with employers or institutes of
7 higher education, or both, to provide contextualized learning
8 opportunities that emphasize attainment of competencies that
9 include application and creation of knowledge, along with the
10 development of work-ready skills.

11 (e) A plan for the transition away from a grade-level system
12 of student promotion to a competency-based system of student
13 promotion. This plan shall include messaging to parents describing
14 the benefits of, and steps taken to implement, a competency-based
15 instructional model.

16 (f) A plan for a scope and timeline of professional
17 development for school instructional and administrative staff.

18 (g) A commitment to maintain participation in statewide
19 assessment and accountability systems for students being served by
20 programs funded under this section.

21 **(H) A DESCRIPTION OF HOW THE APPLICANT WILL BE AN AMBASSADOR**
22 **FOR COMPETENCY-BASED LEARNING, INCLUDING A COMMITMENT TO MENTOR**
23 **OTHER DISTRICTS THAT WISH TO CONVERT TO A COMPETENCY-BASED**
24 **INSTRUCTIONAL MODEL.**

25 **(I)** ~~(h)~~ Any other information determined by the department to
26 be necessary to evaluate the grant proposals.

27 **(4)** ~~(3)~~ Not later than ~~March 31, 2018,~~ **JANUARY 31, 2019**, the



department, **IN COLLABORATION WITH THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT**, shall announce grant recipients. The department shall provide any necessary and applicable waivers to grant recipients for the purpose of implementing the proposals, **WITH THE EXCEPTION OF ANY WAIVER RELATED TO STATE ASSESSMENTS.**

(5) ~~(4) Grants funded under this section for 2017-2018 are intended to be the first of 3 years of funding. Upon completion of the planning phase described in this section, the department shall collect information necessary from grant recipients to compile a report. The report shall include, at least, the following information:~~

~~—— (a) A description of program implementation, including when implementation will begin, identification of competencies to be included, identified best practices for adoption and implementation, and types of assessments used to evaluate a student's mastery of those competencies.~~

~~—— (b) The number of students participating.~~

~~—— (c) Identification of specific barriers for students and districts in implementing a competency-based learning instructional model and ways to address those barriers.~~

~~—— (d) The feasibility of expanding competency-based education models statewide, including needed policy changes.~~

~~—— (e) Increases in student achievement, postsecondary attainment, employment, and 21st century skills acquisition as a result of the transition to competency-based learning and how these outcomes can be improved by other districts adopting the model.~~

(A) A DESCRIPTION OF SUCCESSES AND CHALLENGES IMPLEMENTING



1 COMPETENCY-BASED INSTRUCTIONAL MODELS, INCLUDING THE IDENTIFICATION
 2 OF SPECIFIC BARRIERS FOR PUPILS AND DISTRICTS IN IMPLEMENTING A
 3 COMPETENCY-BASED LEARNING INSTRUCTIONAL MODEL AND WAYS TO ADDRESS
 4 THOSE BARRIERS.

5 (B) AN IDENTIFICATION OF BEST PRACTICES FOR ADOPTION AND
 6 IMPLEMENTATION OF A COMPETENCY-BASED LEARNING INSTRUCTIONAL MODEL.

7 (C) RECOMMENDATIONS FOR COMPETENCIES TO BE INCLUDED IN A HIGH-
 8 QUALITY COMPETENCY-BASED LEARNING INSTRUCTIONAL MODEL.

9 (D) THE TYPES OF ASSESSMENTS USED TO EVALUATE A PUPIL'S
 10 MASTERY OF THOSE COMPETENCIES.

11 (E) INCREASES IN PUPIL ACHIEVEMENT, POSTSECONDARY ATTAINMENT,
 12 EMPLOYMENT, AND THE ACQUISITION OF SKILLS SUCH AS LEADERSHIP,
 13 CRITICAL THINKING, AND PERSEVERANCE AS A RESULT OF THE TRANSITION
 14 TO COMPETENCY-BASED LEARNING AND HOW THESE OUTCOMES CAN BE REALIZED
 15 BY OTHER DISTRICTS ADOPTING THE MODEL.

16 (F) THE FEASIBILITY OF EXPANDING COMPETENCY-BASED EDUCATION
 17 MODELS STATEWIDE, INCLUDING NEEDED POLICY CHANGES.

18 (6) ~~(5)~~—The report required under this section shall be
 19 provided by the department to the DEPARTMENT OF TALENT AND ECONOMIC
 20 DEVELOPMENT, THE house and senate appropriations subcommittees on
 21 school aid, THE HOUSE AND SENATE FISCAL AGENCIES, and the state
 22 budget director no later than December 1, ~~2018~~-2020.

23 (7) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN SECTION
 24 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$450,000.00 FOR
 25 STATEWIDE SUPPORTS AND \$50,000.00 FOR ADMINISTRATION OF GRANTS
 26 UNDER THIS SECTION. THE DEPARTMENT SHALL DEVELOP THE NECESSARY
 27 CAPACITY-BUILDING INFRASTRUCTURE, TOOLS, TRANSCRIPTS, AND REPORTING



1 MECHANISMS TO SUPPORT THE IMPLEMENTATION OF COMPETENCY-BASED
 2 EDUCATION MODELS IN DISTRICTS AND CONSORTIA OF DISTRICTS RECEIVING
 3 FUNDING UNDER SUBSECTION (1) WITH THE GOAL OF OFFERING THESE TOOLS
 4 STATEWIDE. THE DEPARTMENT SHALL COLLABORATE WITH GRANT RECIPIENTS
 5 TO SUPPORT THE STATEWIDE IMPLEMENTATION OF COMPETENCY-BASED
 6 EDUCATION, UTILIZING THE INFORMATION COLLECTED FROM THE REPORTING
 7 REQUIREMENTS IN SUBSECTION (5).

8 Sec. 22a. (1) From the appropriation in section 11, ~~there is~~
 9 ~~allocated an amount not to exceed \$5,207,000,000.00 for 2016-2017~~
 10 ~~and there is allocated an amount not to exceed \$5,181,800,000.00~~
 11 **\$5,176,000,000.00** for 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT**
 12 **NOT TO EXCEED \$5,122,000,000.00 FOR 2018-2019** for payments to
 13 districts and qualifying public school academies to guarantee each
 14 district and qualifying public school academy an amount equal to
 15 its 1994-95 total state and local per pupil revenue for school
 16 operating purposes under section 11 of article IX of the state
 17 constitution of 1963. Pursuant to section 11 of article IX of the
 18 state constitution of 1963, this guarantee does not apply to a
 19 district in a year in which the district levies a millage rate for
 20 school district operating purposes less than it levied in 1994.
 21 However, subsection (2) applies to calculating the payments under
 22 this section. Funds allocated under this section that are not
 23 expended in the state fiscal year for which they were allocated, as
 24 determined by the department, may be used to supplement the
 25 allocations under sections 22b and 51c in order to fully fund those
 26 calculated allocations for the same fiscal year.

27 (2) To ensure that a district receives an amount equal to the



1 district's 1994-95 total state and local per pupil revenue for
2 school operating purposes, there is allocated to each district a
3 state portion of the district's 1994-95 foundation allowance in an
4 amount calculated as follows:

5 (a) Except as otherwise provided in this subsection, the state
6 portion of a district's 1994-95 foundation allowance is an amount
7 equal to the district's 1994-95 foundation allowance or \$6,500.00,
8 whichever is less, minus the difference between the sum of the
9 product of the taxable value per membership pupil of all property
10 in the district that is nonexempt property times the district's
11 certified mills and, for a district with certified mills exceeding
12 12, the product of the taxable value per membership pupil of
13 property in the district that is commercial personal property times
14 the certified mills minus 12 mills and the quotient of the ad
15 valorem property tax revenue of the district captured under tax
16 increment financing acts divided by the district's membership. For
17 a district that has a millage reduction required under section 31
18 of article IX of the state constitution of 1963, the state portion
19 of the district's foundation allowance shall be calculated as if
20 that reduction did not occur. For a receiving district, if school
21 operating taxes are to be levied on behalf of a dissolved district
22 that has been attached in whole or in part to the receiving
23 district to satisfy debt obligations of the dissolved district
24 under section 12 of the revised school code, MCL 380.12, taxable
25 value per membership pupil of all property in the receiving
26 district that is nonexempt property and taxable value per
27 membership pupil of property in the receiving district that is



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

15 (b) For a district that had a 1994-95 foundation allowance
16 greater than \$6,500.00, the state payment under this subsection
17 shall be the sum of the amount calculated under subdivision (a)
18 plus the amount calculated under this subdivision. The amount
19 calculated under this subdivision shall be equal to the difference
20 between the district's 1994-95 foundation allowance minus \$6,500.00
21 and the current year hold harmless school operating taxes per
22 pupil. If the result of the calculation under subdivision (a) is
23 negative, the negative amount shall be an offset against any state
24 payment calculated under this subdivision. If the result of a
25 calculation under this subdivision is negative, there shall not be
26 a state payment or a deduction under this subdivision. The taxable
27 values per membership pupil used in the calculations under this



1 subdivision are as adjusted by ad valorem property tax revenue
2 captured under tax increment financing acts divided by the
3 district's membership. For a receiving district, if school
4 operating taxes are to be levied on behalf of a dissolved district
5 that has been attached in whole or in part to the receiving
6 district to satisfy debt obligations of the dissolved district
7 under section 12 of the revised school code, MCL 380.12, ad valorem
8 property tax revenue captured under tax increment financing acts do
9 not include ad valorem property tax revenue captured within the
10 geographic boundaries of the dissolved district under tax increment
11 financing acts.

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

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

22 (5) Except as otherwise provided in this subsection, for a
23 district that is formed or reconfigured after June 1, 2000 by
24 consolidation of 2 or more districts or by annexation, the
25 resulting district's 1994-95 foundation allowance under this
26 section beginning after the effective date of the consolidation or
27 annexation shall be the average of the 1994-95 foundation



1 allowances of each of the original or affected districts,
2 calculated as provided in this section, weighted as to the
3 percentage of pupils in total membership in the resulting district
4 in the state fiscal year in which the consolidation takes place who
5 reside in the geographic area of each of the original districts. If
6 an affected district's 1994-95 foundation allowance is less than
7 the 1994-95 basic foundation allowance, the amount of that
8 district's 1994-95 foundation allowance shall be considered for the
9 purpose of calculations under this subsection to be equal to the
10 amount of the 1994-95 basic foundation allowance. This subsection
11 does not apply to a receiving district unless there is a subsequent
12 consolidation or annexation that affects the district.

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

14 (7) As used in this section:

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

19 (b) "Certified mills" means the lesser of 18 mills or the
20 number of mills of school operating taxes levied by the district in
21 1993-94.

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

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



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

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

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



1 include school operating taxes levied within the geographic area of
2 the dissolved district.

3 (g) "Homestead", "qualified agricultural property", "qualified
4 forest property", "supportive housing property", "industrial
5 personal property", and "commercial personal property" mean those
6 terms as defined in section 1211 of the revised school code, MCL
7 380.1211.

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

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

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

19 (k) "Receiving district" means a district to which all or part
20 of the territory of a dissolved district is attached under section
21 12 of the revised school code, MCL 380.12.

22 (l) "School operating taxes" means local ad valorem property
23 taxes levied under section 1211 of the revised school code, MCL
24 380.1211, and retained for school operating purposes as defined in
25 section 20.

26 (m) "Tax increment financing acts" means 1975 PA 197, MCL
27 125.1651 to 125.1681, the tax increment finance authority act, 1980



1 PA 450, MCL 125.1801 to 125.1830, the local development financing
2 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
3 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
4 or the corridor improvement authority act, 2005 PA 280, MCL
5 125.2871 to 125.2899.

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

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

25 (ii) For the number of mills of school operating taxes that
26 may be levied on all property as provided in section 1211(2) of the
27 revised school code, MCL 380.1211, the taxable value of all



property for the calendar year ending in the current state fiscal year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

Sec. 22b. (1) For discretionary nonmandated payments to districts under this section, there is allocated for ~~2016-2017 an amount not to exceed \$3,841,000,000.00 from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed \$72,000,000.00 from the community district education trust fund appropriation in section 11, and there is allocated for 2017-2018 an amount not to exceed \$3,965,500,000.00~~ **\$3,947,000,000.00** from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed \$72,000,000.00 from the community district education trust fund appropriation in section 11, **AND THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$4,239,600,000.00 FROM THE STATE SCHOOL AID FUND AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND APPROPRIATION IN SECTION 11.** Except for money allocated from the community district trust fund, money allocated under this section that is not expended in the state fiscal year for which it was allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to



1 fully fund those calculated allocations for the same fiscal year.

2 (2) Subject to subsection (3) and section 296, the allocation
3 to a district under this section shall be an amount equal to the
4 sum of the amounts calculated under sections 20, 20m, 51a(2),
5 51a(3), and 51a(11), minus the sum of the allocations to the
6 district under sections 22a and 51c. For a community district, the
7 allocation as otherwise calculated under this section shall be
8 increased by an amount equal to the amount of local school
9 operating tax revenue that would otherwise be due to the community
10 district if not for the operation of section 386 of the revised
11 school code, MCL 380.386, and this increase shall be paid from the
12 community district education trust fund allocation in subsection
13 (1) in order to offset the absence of local school operating
14 revenue in a community district in the funding of the state portion
15 of the foundation allowance under section 20(4).

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

18 (a) Comply with section 1280b of the revised school code, MCL
19 380.1280b.

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

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

25 (d) Comply with section 1230g of the revised school code, MCL
26 380.1230g.

27 (e) Comply with section 21f.



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

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

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

19 (7) It is the intent of the legislature that all
20 constitutional obligations of this state have been fully funded
21 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
22 an entity receiving funds under this article that challenges the
23 legislative determination of the adequacy of this funding or
24 alleges that there exists an unfunded constitutional requirement,
25 the state budget director may escrow or allocate from the
26 discretionary funds for nonmandated payments under this section the
27 amount as may be necessary to satisfy the claim before making any



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

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

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

24 (10) If payments resulting from a final determination by the
25 local claims review board or a court of competent jurisdiction that
26 there has been a violation of section 29 of article IX of the state
27 constitution of 1963 exceed the amount allocated for discretionary



1 nonmandated payments under this section, the legislature shall
 2 provide for adequate funding for this state's constitutional
 3 obligations at its next legislative session.

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

22 Sec. 22d. (1) From the appropriation in section 11, an amount
 23 not to exceed \$5,000,000.00 is allocated for ~~2017-2018~~ **2018-2019**
 24 for supplemental payments to rural districts under this section.

25 (2) From the allocation under subsection (1), there is
 26 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
 27 \$957,300.00 for payments under this subsection to districts that



1 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
5 least 1 of the following:

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

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

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

26 (4) Subject to subsection (6), from the allocation in
27 subsection (1), there is allocated for ~~2017-2018~~**2018-2019** an



1 amount not to exceed \$4,042,700.00 for payments under this
2 subsection to districts that have 7.3 or fewer pupils per square
3 mile as determined by the department.

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

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

8 Sec. 22m. (1) From the appropriations in section 11, there is
9 allocated for ~~2017-2018~~**2018-2019** an amount not to exceed
10 \$2,200,000.00 for supporting the integration of local data systems
11 into the Michigan data hub network based on common standards and
12 applications that are in compliance with section 19(6).

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

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

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



1 this state.

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

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

11 (7) ~~Participation~~ **ALL DISTRICTS MUST PARTICIPATE** in a data hub
12 region in the Michigan data hub network under this section ~~is~~
13 ~~voluntary and is not required.~~ **BY 2020-2021.**

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

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

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

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

27 (d) Promoting 100% district adoption of the Michigan data hub



1 network. ~~by September 30, 2018.~~

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

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

7 (g) Creating a governance model to facilitate sustainable
8 operations of the infrastructure in the future, including
9 administration, legal agreements, documentation, staffing, hosting,
10 and funding.

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

14 (9) Not later than January 1 ~~, 2018,~~ **OF EACH FISCAL YEAR,** the
15 center shall prepare a summary report of information provided by
16 each entity that received funds under this section that includes
17 measurable outcomes based on the objectives described under this
18 section. The report shall include a summary of compiled data from
19 each entity to provide a means to evaluate the effectiveness of the
20 project. The center shall submit the report to the house and senate
21 appropriations subcommittees on state school aid and to the house
22 and senate fiscal agencies.

23 Sec. 22n. (1) From the appropriation in section 11, there is
24 allocated an amount not to exceed \$11,000,000.00 for ~~2017-2018~~
25 **2018-2019** for additional payments to districts for the higher
26 instructional costs of educating high school pupils.

27 (2) A district is eligible for a payment under this section if



1 it educates pupils in 1 or more of grades 9 to 12.

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

9 **SEC. 22o. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**
10 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2018-2019 TO**
11 **ELIGIBLE DISTRICTS FOR PUPIL TRANSPORTATION.**

12 **(2) A DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER THIS SECTION IF**
13 **THE DISTRICT PROVIDES TRANSPORTATION TO GENERAL EDUCATION PUPILS.**

14 **(3) PAYMENTS TO ELIGIBLE DISTRICTS UNDER THIS SECTION MUST BE**
15 **AN AMOUNT EQUAL TO \$25.00 MULTIPLIED BY THE DISTRICT'S TOTAL**
16 **GENERAL EDUCATION RIDERS FOR THE CURRENT FISCAL YEAR. IF THE**
17 **ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND**
18 **PAYMENTS UNDER THIS SUBSECTION, THE DEPARTMENT SHALL PRORATE**
19 **PAYMENTS UNDER THIS SUBSECTION ON AN EQUAL PER-RIDER BASIS.**

20 Sec. 24. (1) From the appropriation in section 11, there is
21 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
22 \$8,000,000.00 for payments to the educating district or
23 intermediate district for educating pupils assigned by a court or
24 the department of health and human services to reside in or to
25 attend a juvenile detention facility or child caring institution
26 licensed by the department of health and human services and
27 approved by the department to provide an on-grounds education



1 program. The amount of the payment under this section to a district
2 or intermediate district shall be calculated as prescribed under
3 subsection (2).

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

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

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



1 the department to be funded under this section for that fiscal year
2 for the district or intermediate district.

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

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

14 Sec. 24a. From the appropriation in section 11, there is
15 allocated an amount not to exceed ~~\$1,339,000.00 for 2017-2018~~
16 **\$1,355,700.00 FOR 2018-2019** for payments to intermediate districts
17 for pupils who are placed in juvenile justice service facilities
18 operated by the department of health and human services. Each
19 intermediate district shall receive an amount equal to the state
20 share of those costs that are clearly and directly attributable to
21 the educational programs for pupils placed in facilities described
22 in this section that are located within the intermediate district's
23 boundaries. The intermediate districts receiving payments under
24 this section shall cooperate with the department of health and
25 human services to ensure that all funding allocated under this
26 section is utilized by the intermediate district and department of
27 health and human services for educational programs for pupils



1 described in this section. Pupils described in this section are not
2 eligible to be funded under section 24. However, a program
3 responsibility or other fiscal responsibility associated with these
4 pupils shall not be transferred from the department of health and
5 human services to a district or intermediate district unless the
6 district or intermediate district consents to the transfer.

7 Sec. 24c. From the appropriation in section 11, there is
8 allocated an amount not to exceed ~~\$1,528,400.00 for 2017-2018~~
9 **\$1,545,400.00 FOR 2018-2019** for payments to districts for pupils
10 who are enrolled in a nationally administered community-based
11 education and youth mentoring program, known as the youth challenge
12 program, that is administered by the department of military and
13 veterans affairs. Both of the following apply to a district
14 receiving payments under this section:

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

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

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

25 (2) If a pupil counted in membership for the pupil membership
26 count day transfers from a district or intermediate district to
27 enroll in another district or intermediate district after the pupil



1 membership count day and before the supplemental count day and, due
2 to the pupil's enrollment and attendance status as of the pupil
3 membership count day, the pupil was not counted in membership in
4 the educating district or intermediate district, the educating
5 district or intermediate district may report the enrollment and
6 attendance information to the center through the pupil transfer
7 process within 30 days after the transfer or within 30 days after
8 the pupil membership count certification date, whichever is later.

9 Pupil transfers may be submitted no earlier than the first day
10 after the certification deadline for the pupil membership count day
11 and before the supplemental count day. Upon receipt of the transfer
12 information under this subsection indicating that a pupil has
13 enrolled and is in attendance in an educating district or
14 intermediate district as described in this subsection, the pupil
15 transfer process shall do the following:

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

18 (b) Notify both the pupil auditing staff of the intermediate
19 district in which the educating district is located and the pupil
20 auditing staff of the intermediate district in which the district
21 that previously enrolled the pupil is located. The pupil auditing
22 staff shall investigate a representative sample based on required
23 audit sample sizes in the pupil auditing manual and may deny the
24 pupil membership transfer.

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

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



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

20 (b) Adjust the membership calculation for the educating
21 district or intermediate district in which the pupil is enrolled
22 and is in attendance so that the district's or intermediate
23 district's membership is increased to allow the district or
24 intermediate district to receive an amount equal to the difference
25 between the full-time equated membership claimed in the fall pupil
26 membership count and the sum of the adjustments calculated under
27 subdivision (a) for each district or intermediate district in which



1 the pupil was previously enrolled and in attendance. The educating
2 district or intermediate district shall receive a prorated
3 foundation allowance in an amount equal to the product of the
4 adjustment under this subdivision for the educating district or
5 intermediate district multiplied by the per-pupil payment as
6 calculated under section 20 for the educating district or
7 intermediate district. The foundation allowance or per-pupil
8 payment shall be adjusted by the pupil's full-time equated status
9 as affected by the membership definition under section 6(4).

10 (4) The changes in calculation of state school aid required
11 under subsection (3) shall take effect as of the date that the
12 pupil becomes enrolled and in attendance in the educating district
13 or intermediate district, and the department shall base all
14 subsequent payments under this article for the fiscal year to the
15 affected districts or intermediate districts on this recalculation
16 of state school aid.

17 (5) If a pupil enrolls in an educating district or
18 intermediate district as described in subsection (2), the district
19 or intermediate district in which the pupil is counted in
20 membership or another educating district or intermediate district
21 that received an adjustment in its membership calculation under
22 subsection (3), if any, and the educating district or intermediate
23 district shall provide to the center and the department all
24 information they require to comply with this section.

25 (6) The portion of the full-time equated pupil membership for
26 which a pupil is enrolled in 1 or more online courses under section
27 21f that is representative of the amount that the primary district

1 paid in course costs to the course provider shall not be counted or
2 transferred under the pupil transfer process under this section.

3 ~~—— (7) It is the intent of the legislature that the center~~
4 ~~determine the number of pupils who did not reside in this state as~~
5 ~~of the 2018-2019 pupil membership count day but who newly enrolled~~
6 ~~in a district or intermediate district after that pupil membership~~
7 ~~count day and before the 2018-2019 supplemental count day. It is~~
8 ~~the intent of the legislature that the center further determine the~~
9 ~~number of pupils who were counted in membership for the 2018-2019~~
10 ~~pupil membership count day but who left this state before the 2018-~~
11 ~~2019 supplemental count day. In 2019-2020, the center shall provide~~
12 ~~a report to the senate and house appropriations subcommittees on~~
13 ~~state school aid, and to the senate and house fiscal agencies,~~
14 ~~detailing the number of pupils transferring in from another state~~
15 ~~or transferring out from this state between the pupil membership~~
16 ~~count day and supplemental count day as described in this~~
17 ~~subsection. The center shall include in the report a discussion of~~
18 ~~benefits and obstacles to developing a pupil enrollment process for~~
19 ~~pupils who newly enroll in a district or intermediate district~~
20 ~~after the pupil membership count day and before the supplemental~~
21 ~~count day, and developing a process for deducting pupils who were~~
22 ~~counted on the pupil membership count day and transfer out of this~~
23 ~~state before the supplemental count day.~~

24 (7) ~~(8)~~ As used in this section:

25 (a) "Educating district or intermediate district" means the
26 district or intermediate district in which a pupil enrolls after
27 the pupil membership count day or after an adjustment was made in



1 another district's or intermediate district's membership
2 calculation under this section due to the pupil's enrollment and
3 attendance.

4 (b) "Pupil" means that term as defined under section 6 and
5 also children receiving early childhood special education programs
6 and services.

7 Sec. 25f. (1) From the state school aid fund money
8 appropriated in section 11, there is allocated an amount not to
9 exceed ~~\$750,000.00~~ **\$1,000,000.00** for ~~2017-2018~~ **2018-2019** for
10 payments to strict discipline academies established under sections
11 1311b to 1311m of the revised school code, MCL 380.1311b to
12 380.1311m, as provided under this section.

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

17 (3) The total amount allocated to a strict discipline academy
18 under this section ~~is an amount equal to~~ **MUST FIRST BE DISTRIBUTED**
19 **AS** the lesser of the strict discipline academy's added cost or the
20 department's approved per-pupil allocation for the strict
21 discipline academy. **ANY FUNDS REMAINING AFTER THE FIRST**
22 **DISTRIBUTION MUST BE DISTRIBUTED BY PRORATING ON AN EQUAL PER-PUPIL**
23 **MEMBERSHIP BASIS, NOT TO EXCEED A STRICT DISCIPLINE ACADEMY'S ADDED**
24 **COST.** However, the sum of the amounts received by a strict
25 discipline academy under this section and under section 24 shall
26 not exceed the product of the strict discipline academy's per-pupil
27 allocation calculated under section 20 multiplied by the strict



1 discipline academy's full-time equated membership. The department
2 shall allocate funds to strict discipline academies under this
3 section on a monthly basis. For the purposes of this subsection:

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

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

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

24 (5) If the funds allocated under this section are insufficient
25 to fully fund the adjustments under subsection (3), payments under
26 this section shall be prorated on an equal per-pupil basis.

27 (6) Payments to districts under this section shall be made



1 according to the payment schedule under section 17b.

2 Sec. 25g. (1) From the state school aid fund money
3 appropriated in section 11, there is allocated an amount not to
4 exceed ~~\$750,000.00~~ **\$1,000,000.00** for ~~2017-2018~~ **2018-2019** for the
5 purposes of this section. If the operation of the special
6 membership counting provisions under section 6(4)(dd) and the other
7 membership counting provisions under section 6(4) result in a pupil
8 being counted as more than 1.0 FTE in a fiscal year, then the
9 payment made for the pupil under sections 22a and 22b shall not be
10 based on more than 1.0 FTE for that pupil, and that portion of the
11 FTE that exceeds 1.0 shall be paid under this section in an amount
12 equal to that portion multiplied by the educating district's
13 foundation allowance or per-pupil payment calculated under section
14 20.

15 (2) Special education pupils funded under section 53a shall
16 not be funded under this section.

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

20 (4) Payments to districts under this section shall be made
21 according to the payment schedule under section 17b.

22 Sec. 26a. From the funds appropriated in section 11, there is
23 allocated an amount not to exceed ~~\$17,000,000.00 each fiscal year~~
24 ~~for 2016-2017 and~~ **\$15,000,000.00** for 2017-2018 **AND THERE IS**
25 **ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR 2018-2019** to
26 reimburse districts and intermediate districts pursuant to section
27 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,



1 for taxes levied in ~~2016 and 2017~~ **2017 AND 2018**, as applicable. The
 2 allocations shall be made not later than 60 days after the
 3 department of treasury certifies to the department and to the state
 4 budget director that the department of treasury has received all
 5 necessary information to properly determine the amounts due to each
 6 eligible recipient.

7 Sec. 26b. (1) From the appropriation in section 11, there is
 8 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
 9 \$4,405,100.00 for payments to districts, intermediate districts,
 10 and community college districts for the portion of the payment in
 11 lieu of taxes obligation that is attributable to districts,
 12 intermediate districts, and community college districts ~~pursuant to~~
 13 **UNDER** section 2154 of the natural resources and environmental
 14 protection act, 1994 PA 451, MCL 324.2154.

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

19 Sec. 26c. (1) From the appropriation in section 11, there is
 20 allocated an amount not to exceed ~~\$1,500,000.00~~ **\$1,600,000.00** for
 21 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
 22 **\$3,000,000.00 FOR 2018-2019** to the promise zone fund created in
 23 subsection (3). The funds allocated under this section reflect the
 24 amount of revenue from the collection of the state education tax
 25 captured under section 17(2) of the Michigan promise zone authority
 26 act, 2008 PA 549, MCL 390.1677.

27 (2) Funds allocated to the promise zone fund under this



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

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

16 (a) The state treasurer shall direct the investment of the
17 promise zone fund. The state treasurer shall credit to the promise
18 zone fund interest and earnings from fund investments.

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

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



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

3 Sec. 31a. (1) From the state school aid fund money
4 appropriated in section 11, there is allocated for ~~2017-2018-2018-~~
5 ~~2019~~ an amount not to exceed \$510,207,300.00 for payments to
6 eligible districts and eligible public school academies for the
7 purposes of ensuring that pupils are proficient in English language
8 arts by the end of grade 3, that pupils are proficient in
9 mathematics by the end of grade 8, that pupils are attending school
10 regularly, that high school graduates are career and college ready,
11 and for the purposes under subsections (7) and (8).

12 (2) For a district that has combined state and local revenue
13 per membership pupil under sections 20 and 20m that is greater than
14 the basic foundation allowance under section 20 for the current
15 fiscal year, the allocation under this section shall be an amount
16 equal to 30% of the allocation for which it would otherwise be
17 eligible under this section before any proration under subsection
18 (14).

19 (3) For a district or public school academy to be eligible to
20 receive funding under this section, other than funding under
21 subsection (7) or (8), the district or public school academy, for
22 grades K to 3, shall comply with the requirements under section
23 1280f of the revised school code, MCL 380.1280f, and **SHALL** use
24 resources to address early literacy **AND NUMERACY**, and for at least
25 grades ~~4-K~~ to ~~8-12~~ or, if the district or public school academy
26 does not operate all of grades ~~4-K~~ to ~~8-12~~, for all of the grades
27 it operates, must implement a multi-tiered system of supports that



1 is an evidence-based ~~model~~ **FRAMEWORK** that uses data-driven problem
 2 solving to integrate academic and behavioral instruction and that
 3 uses intervention delivered to all pupils in varying intensities
 4 based on pupil needs. ~~This~~ **THE** multi-tiered system of supports
 5 **DESCRIBED IN THIS SUBSECTION** must provide at least all of the
 6 following essential elements: **COMPONENTS:**

7 (a) ~~Implements effective instruction for all learners.~~ **TEAM-**
 8 **BASED LEADERSHIP.**

9 (b) ~~Intervenes early.~~ **A TIERED DELIVERY SYSTEM.**

10 ~~— (c) Provides a multi-tiered model of instruction and~~
 11 ~~intervention that provides the following:~~

12 ~~— (i) A core curriculum and classroom interventions available to~~
 13 ~~all pupils that meet the needs of most pupils.~~

14 ~~— (ii) Targeted group interventions.~~

15 ~~— (iii) Intense individual interventions.~~

16 **(C) SELECTION AND IMPLEMENTATION OF INSTRUCTION,**
 17 **INTERVENTIONS, AND SUPPORTS.**

18 (d) ~~Monitors pupil progress to inform instruction.~~ **A**
 19 **COMPREHENSIVE SCREENING AND ASSESSMENT SYSTEM.**

20 (e) ~~Uses data to make instructional decisions.~~ **CONTINUOUS DATA-**
 21 **BASED DECISION MAKING.**

22 ~~— (f) Uses assessments including universal screening,~~
 23 ~~diagnostics, and progress monitoring.~~

24 ~~— (g) Engages families and the community.~~

25 ~~— (h) Implements evidence-based, scientifically validated,~~
 26 ~~instruction and intervention.~~

27 ~~— (i) Implements instruction and intervention practices with~~



1 ~~fidelity.~~

2 ~~—— (j) Uses a collaborative problem-solving model.~~

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

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



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

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

19 (7) From the funds allocated under subsection (1), there is
20 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
21 \$6,057,300.00 to support primary health care services provided to
22 children and adolescents up to age 21. These funds shall be
23 expended in a form and manner determined jointly by the department
24 and the department of health and human services. If any funds
25 allocated under this subsection are not used for the purposes of
26 this subsection for the fiscal year in which they are allocated,
27 those unused funds shall be used that fiscal year to avoid or



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

3 (8) From the funds allocated under subsection (1), there is
4 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
5 \$5,150,000.00 for the state portion of the hearing and vision
6 screenings as described in section 9301 of the public health code,
7 1978 PA 368, MCL 333.9301. A local public health department shall
8 pay at least 50% of the total cost of the screenings. The frequency
9 of the screenings shall be as required under R 325.13091 to R
10 325.13096 and R 325.3271 to R 325.3276 of the Michigan
11 Administrative Code. Funds shall be awarded in a form and manner
12 approved jointly by the department and the department of health and
13 human services. Notwithstanding section 17b, payments to eligible
14 entities under this subsection shall be paid on a schedule
15 determined by the department.

16 (9) Each district or public school academy receiving funds
17 under this section shall submit to the department by July 15 of
18 each fiscal year a report, in the form and manner prescribed by the
19 department, that includes a brief description of each program
20 conducted or services performed by the district or public school
21 academy using funds under this section, the amount of funds under
22 this section allocated to each of those programs or services, the
23 total number of at-risk pupils served by each of those programs or
24 services, and the data necessary for the department and the
25 department of health and human services to verify matching funds
26 for the temporary assistance for needy families program. In
27 prescribing the form and manner of the report, the department shall



1 ensure that districts are allowed to expend funds received under
 2 this section on any activities that are permissible under this
 3 section. If a district or public school academy does not comply
 4 with this subsection, the department shall withhold an amount equal
 5 to the August payment due under this section until the district or
 6 public school academy complies with this subsection. If the
 7 district or public school academy does not comply with this
 8 subsection by the end of the state fiscal year, the withheld funds
 9 shall be forfeited to the school aid fund.

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

16 (11) Subject to subsections (6), (7), and (8), **FOR SCHOOLS IN**
 17 **WHICH MORE THAN 50% OF PUPILS ARE IDENTIFIED AS AT-RISK**, a district
 18 or public school academy may use ~~up to 100% of the funds it~~
 19 ~~receives under this section to implement schoolwide reform in~~
 20 ~~schools with 40% or more of their pupils identified as at-risk~~
 21 ~~pupils by providing instructional or noninstructional services~~
 22 ~~consistent with the school improvement plan.~~ **REFORMS BY PROVIDING**
 23 **INSTRUCTIONAL OR NONINSTRUCTIONAL SERVICES CONSISTENT WITH THE**
 24 **SCHOOL IMPROVEMENT PLAN THAT ARE TIER 1 EVIDENCE-BASED, HIGH-**
 25 **QUALITY ACADEMIC, BEHAVIORAL, AND SOCIAL-EMOTIONAL INSTRUCTION, AND**
 26 **PART OF THE DISTRICT'S MULTI-TIERED SYSTEM OF SUPPORTS. DECISIONS**
 27 **ON IMPLEMENTING SCHOOLWIDE REFORMS MUST BE GUIDED BY THE DISTRICT'S**



1 COMPREHENSIVE NEEDS ASSESSMENT AND MUST BE INCLUDED IN THE DISTRICT
2 IMPROVEMENT PLAN. SCHOOLWIDE REFORMS MUST INCLUDE PARENT AND
3 COMMUNITY SUPPORTS, ACTIVITIES, AND SERVICES, THAT MAY INCLUDE THE
4 PATHWAYS TO POTENTIAL PROGRAM CREATED BY THE DEPARTMENT OF HEALTH
5 AND HUMAN SERVICES OR THE COMMUNITIES IN SCHOOLS PROGRAM.

6 (12) A district or public school academy that receives funds
7 under this section may use up to ~~3%~~ 5% of those funds to provide
8 research-based professional development **AND TO IMPLEMENT A COACHING**
9 **MODEL THAT SUPPORTS THE MULTI-TIERED SYSTEM OF SUPPORTS FRAMEWORK.**

10 PROFESSIONAL DEVELOPMENT MAY BE PROVIDED to district and school
11 leadership and teachers ~~that is~~ **MUST BE** aligned to professional
12 learning standards; ~~is~~ integrated into district, school building,
13 and classroom practices; and ~~is~~ solely related to the following:

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

17 (b) Implementing section 1280f of the revised school code, MCL
18 380.1280f, as required under subsection (3), with fidelity.

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

23 (14) If necessary, and before any proration required under
24 section 296, the department shall prorate payments under this
25 section by reducing the amount of the allocation as otherwise
26 calculated under this section by an equal percentage per district.

27 (15) If a district is dissolved pursuant to section 12 of the



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

8 (16) Beginning in 2018-2019, if a district or public school
9 academy does not demonstrate to the satisfaction of the department
10 that at least 50% of at-risk pupils are proficient in English
11 language arts by the end of grade 3 as measured by the state
12 assessment for the immediately preceding school year, **DEMONSTRATE**
13 **TO THE SATISFACTION OF THE DEPARTMENT THAT AT LEAST 50% OF AT-RISK**
14 **PUPILS ARE PROFICIENT IN MATHEMATICS BY THE END OF GRADE 8, AS**
15 **MEASURED BY THE STATE ASSESSMENT FOR THE IMMEDIATELY PRECEDING**
16 **SCHOOL YEAR,** and demonstrate to the satisfaction of the department
17 improvement over each of the 3 immediately preceding school years
18 in the percentage of at-risk pupils that are career- and college-
19 ready as determined by proficiency on the English language arts,
20 mathematics, and science content area assessments on the grade 11
21 summative assessment under section 1279g(2)(a) of the revised
22 school code, MCL 380.1279g, the district or public school academy
23 shall ensure all of the following:

24 (a) The district or public school academy shall determine the
25 proportion of total at-risk pupils that represents the number of
26 pupils in grade 3 that are not proficient in English language arts
27 by the end of grade 3, and the district or public school academy



1 shall expend that same proportion multiplied by ~~1/2~~**1/3** of its
 2 total at-risk funds under this section on tutoring and other
 3 methods of improving grade 3 English language arts proficiency.

4 **(B) THE DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL DETERMINE THE**
 5 **PROPORTION OF TOTAL AT-RISK PUPILS THAT REPRESENTS THE NUMBER OF**
 6 **PUPILS IN GRADE 8 THAT ARE NOT PROFICIENT IN MATHEMATICS BY THE END**
 7 **OF GRADE 8, AND THE DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL EXPEND**
 8 **THAT SAME PROPORTION MULTIPLIED BY 1/3 OF ITS TOTAL AT-RISK FUNDS**
 9 **UNDER THIS SECTION ON TUTORING AND OTHER METHODS OF IMPROVING GRADE**
 10 **8 MATHEMATICS PROFICIENCY.**

11 **(C)** ~~(b)~~—The district or public school academy shall determine
 12 the proportion of total at-risk pupils that represent the number of
 13 pupils in grade 11 that are not career- and college-ready as
 14 measured by the student's score on the English language arts,
 15 mathematics, and science content area assessments on the grade 11
 16 summative assessment under section 1279g(2)(a) of the revised
 17 school code, MCL 380.1279g, and the district or public school
 18 academy shall expend that same proportion multiplied by ~~1/2~~**1/3** of
 19 its total at-risk funds under this section on tutoring and other
 20 activities to improve scores on the college entrance examination
 21 portion of the Michigan merit examination.

22 (17) As used in subsection (16), "total at-risk pupils" means
 23 the sum of the number of pupils in grade 3 that are not proficient
 24 in English language arts by the end of ~~third-grade~~ **3** as measured on
 25 the state assessment, **THE NUMBER OF PUPILS IN GRADE 8 THAT ARE NOT**
 26 **PROFICIENT IN MATHEMATICS BY THE END OF GRADE 8 AS MEASURED ON THE**
 27 **STATE ASSESSMENT**, and the number of pupils in grade 11 that are not



1 career- and college-ready as measured by the student's score on the
2 English language arts, mathematics, and science content area
3 assessments on the grade 11 summative assessment under section
4 1279g(2)(a) of the revised school code, MCL 380.1279g.

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

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

14 ~~———— (20) For the purpose of determining the number of economically~~
15 ~~disadvantaged pupils enrolled in a community district for 2017-~~
16 ~~2018, disadvantaged pupils who were enrolled in the education~~
17 ~~achievement system for 2016-2017 shall be considered to have been~~
18 ~~enrolled in the community district for 2016-2017.~~

19 (20) ~~(21)~~ As used in this section:

20 (a) "At-risk pupil" means a pupil for whom the district has
21 documentation that the pupil meets any of the following criteria:

22 (i) The pupil is economically disadvantaged.

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

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

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

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



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

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

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

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

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

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

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

27 (d) "Statewide weighted average foundation allowance" means



the number that is calculated by adding together the result of each district's or public school academy's foundation allowance or per pupil payment calculated under section 20 multiplied by the number of pupils in membership in that district or public school academy, and then dividing that total by the statewide number of pupils in membership. For the purposes of this calculation, a district's foundation allowance shall not exceed the basic foundation allowance under section 20 for the current state fiscal year.

Sec. 31b. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$1,500,000.00 for ~~2017-2018-2018-~~ **2019** for grants to at-risk districts for implementing a balanced calendar instructional program for at least 1 of its schools.

(2) The department shall select districts for grants under this section from among applicant districts that meet both of the following:

(a) The district meets 1 or both of the following:

(i) Is eligible in ~~2017-2018-2018-2019~~ for the community eligibility option for free and reduced price lunch under 42 USC 1759a.

(ii) At least 50% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j.

(b) The board of the district has adopted a resolution stating that the district will implement for the first time a balanced calendar instructional program that will begin in ~~2018-2019-2019-~~



1 2020 for at least 1 school operated by the district and committing
2 to providing the balanced calendar instructional program in each of
3 those schools for at least 3 school years.

4 (3) A district seeking a grant under this section shall apply
5 to the department in the form and manner prescribed by the
6 department not later than December 1, 2017.—2018. The department
7 shall select districts for grants and make notification not later
8 than February 1, 2018.—2019.

9 (4) The department shall award grants under this section on a
10 competitive basis, but shall give priority based solely on
11 consideration of the following criteria:

12 (a) Giving priority to districts that, in the immediately
13 preceding fiscal year, had lower general fund balances as a
14 percentage of revenues.

15 (b) Giving priority to districts that operate at least 1
16 school that has been identified by the department as either a
17 priority school or a focus school.

18 (c) Ensuring that grant funding includes both rural and urban
19 districts.

20 (5) The amount of a grant under this section to any 1 district
21 shall not exceed \$750,000.00.

22 (6) A grant payment under this section to a district shall be
23 used for necessary modifications to instructional facilities and
24 other nonrecurring costs of preparing for the operation of a
25 balanced calendar instructional program as approved by the
26 department.

27 (7) A district receiving a grant under this section is not



1 required to provide more than the minimum number of days and hours
2 of pupil instruction prescribed under section 101, but shall spread
3 at least those minimum amounts of pupil instruction over the entire
4 year in each of its schools in which a balanced calendar
5 instructional calendar is implemented. The district shall commit to
6 providing the balanced calendar instructional calendar in each of
7 those schools for at least 3 school years.

8 (8) For a district receiving a grant under this section,
9 excessive heat is considered to be a condition not within the
10 control of school authorities for the purpose of days or hours
11 being counted as days or hours of pupil instruction under section
12 101(4).

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

16 Sec. 31d. (1) From the appropriations in section 11, there is
17 allocated an amount not to exceed ~~\$22,495,100.00~~ **\$22,802,000.00** for
18 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
19 **\$23,144,000.00 FOR 2018-2019** for the purpose of making payments to
20 districts and other eligible entities under this section.

21 (2) The amounts allocated from state sources under this
22 section shall be used to pay the amount necessary to reimburse
23 districts for 6.0127% of the necessary costs of the state mandated
24 portion of the school lunch programs provided by those districts.
25 The amount due to each district under this section shall be
26 computed by the department using the methods of calculation adopted
27 by the Michigan supreme court in the consolidated cases known as



~~Durant v State of Michigan~~, **Durant v State of Michigan**, 456 Mich
175 (1997).

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

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

(5) From the federal funds appropriated in section 11, there is allocated for ~~2017-2018~~ **2018-2019** all available federal funding, estimated at \$520,000,000.00 for the national school lunch program and all available federal funding, estimated at \$3,200,000.00 for the emergency food assistance program.

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

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

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$4,500,000.00 ~~each fiscal year~~
~~for 2016-2017 and for 2017-2018~~ **FOR 2018-2019** for the purpose of



1 making payments to districts to reimburse for the cost of providing
2 breakfast.

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

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

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

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

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

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

25 Sec. 31j. (1) From the general fund money appropriated in
26 section 11, there is allocated an amount not to exceed ~~\$375,000.00~~
27 **\$425,000.00** for ~~2017-2018-2018-2019~~ for a pilot project to support



1 districts in the purchase of locally grown fruits and vegetables as
2 described in this section.

3 (2) The department shall provide funding **IN AN AMOUNT EQUAL TO**
4 **\$125,000.00 PER REGION** to districts in prosperity regions 2, 4, and
5 9 for the pilot project described under this section. **IN ADDITION,**
6 **THE DEPARTMENT SHALL PROVIDE FUNDING IN AN AMOUNT EQUAL TO**
7 **\$50,000.00 TO DISTRICTS IN PROSPERITY REGION 8 FOR THE PILOT**
8 **PROJECT DESCRIBED UNDER THIS SECTION.** From the funding to districts
9 in subsection (1), funding retained by prosperity regions that
10 administer the project shall not exceed 10%, and funding retained
11 by the department for administration shall not exceed 6%. A
12 prosperity region may enter into a memorandum of understanding with
13 the department or another prosperity region, or both, to administer
14 the project. If the department administers the project for a
15 prosperity region, the department may retain up to 10% of that
16 prosperity region's funding for administration.

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



1 electronic information on Michigan agriculture.

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

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

10 (a) Are purchased on or after the date the district received
11 notification from the department of the amount to be distributed to
12 the district under this subsection, including purchases made to
13 launch meals in September ~~2017-2018~~ for the ~~2017-2018-2018-2019~~
14 school year.

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

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

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

25 (7) A district that receives a grant for reimbursement under
26 this section shall use the grant to purchase whole or minimally
27 processed fruits, vegetables, and legumes that are grown in this



1 state and, if minimally processed, are also processed in this
2 state.

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

11 (9) The department shall give preference to districts that
12 propose educational activities that meet 1 or more of the
13 following: promote healthy food activities; have clear educational
14 objectives; involve parents or the community; and connect to a
15 school's farm-to-school procurement activities.

16 (10) In awarding grants, the department shall also consider
17 all of the following: the percentage of children who qualify for
18 free or reduced price school meals under the Richard B. Russell
19 national school lunch act, 42 USC 1751 to 1769j; the variety of
20 school sizes and geographic locations within the identified
21 prosperity regions; and existing or future collaboration
22 opportunities between more than 1 district in a prosperity region.

23 (11) As a condition of receiving a grant under this section, a
24 district shall provide or direct its vendors to provide to
25 prosperity region offices copies of monthly receipts that show the
26 quantity of different Michigan-grown fruits, vegetables, and
27 legumes purchased, the amount of money spent on each of these



1 products, and the name and Michigan location of the farm that grew
2 the products. The district shall also provide to the prosperity
3 region monthly lunch numbers and lunch participation rates, and
4 calendars or monthly menus noting when and how Michigan-grown
5 products were used in meals. The district and school food service
6 director or directors also shall agree to respond to brief online
7 surveys and to provide a report that shows the percentage
8 relationship of Michigan spending compared to total food spending.
9 Not later than March 1, 2018, each prosperity region office, either
10 on its own or in conjunction with another prosperity region, shall
11 submit a report to the department on expected outcomes and related
12 measurements for economic development and children's nutrition and
13 readiness to learn based on progress so far. The report shall
14 include at least all of the following:

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

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



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

5 (b) The ability to which pupils can access a variety of
6 healthy Michigan-grown foods through schools and increase their
7 consumption of those foods. All of the following apply for purposes
8 of this subdivision:

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

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

18 (12) The department shall compile the reports provided by
19 prosperity region offices under subsection (11) into 1 legislative
20 report. The department shall provide this report not later than
21 April 1, 2018 to the house and senate subcommittees responsible for
22 school aid, the house and senate fiscal agencies, and the state
23 budget director.

24 Sec. 32d. (1) From the funds appropriated in section 11, there
25 is allocated to eligible intermediate districts and consortia of
26 intermediate districts for great start readiness programs an amount
27 not to exceed \$243,600,000.00 for ~~2017-2018.~~ **2018-2019.** Funds



1 allocated under this section for great start readiness programs
2 shall be used to provide part-day, school-day, or GSRP/Head Start
3 blended comprehensive free compensatory classroom programs designed
4 to improve the readiness and subsequent achievement of
5 educationally disadvantaged children who meet the participant
6 eligibility and prioritization guidelines as defined by the
7 department. For a child to be eligible to participate in a program
8 under this section, the child shall be at least 4, but less than 5,
9 years of age as of September 1 of the school year in which the
10 program is offered and shall meet those eligibility and
11 prioritization guidelines. A child who is not 4 years of age as of
12 September 1, but who will be 4 years of age not later than December
13 1, is eligible to participate if the child's parent or legal
14 guardian seeks a waiver from the September 1 eligibility date by
15 submitting a request for enrollment in a program to the responsible
16 intermediate district, if the program has capacity on or after
17 September 1 of the school year, and if the child meets eligibility
18 and prioritization guidelines.

19 (2) Funds allocated under subsection (1) shall be allocated to
20 intermediate districts or consortia of intermediate districts based
21 on the formula in section 39. An intermediate district or
22 consortium of intermediate districts receiving funding under this
23 section shall act as the fiduciary for the great start readiness
24 programs. In order to be eligible to receive funds allocated under
25 this subsection from an intermediate district or consortium of
26 intermediate districts, a district, a consortium of districts, or a
27 public or private for-profit or nonprofit legal entity or agency



1 shall comply with this section and section 39.

2 (3) In addition to the allocation under subsection (1), from
3 the general fund money appropriated under section 11, there is
4 allocated an amount not to exceed \$300,000.00 for ~~2017-2018-2018-~~
5 **2019** for a competitive grant to continue a longitudinal evaluation
6 of children who have participated in great start readiness
7 programs.

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

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

17 (b) ~~An age-appropriate educational curriculum that is in~~
18 ~~compliance with the early childhood standards of quality for~~
19 ~~prekindergarten children adopted by the state board, including, at~~
20 ~~least, the~~ **THE** Connect4Learning curriculum.

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

23 (d) Physical and dental health and developmental screening
24 services for all program participants.

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



1 (f) Active and continuous involvement of the parents or
2 guardians of the program participants.

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

6 (h) Participation in a school readiness advisory committee
7 convened as a workgroup of the great start collaborative that
8 provides for the involvement of classroom teachers, parents or
9 guardians of program participants, and community, volunteer, and
10 social service agencies and organizations, as appropriate. The
11 advisory committee annually shall review and make recommendations
12 regarding the program components listed in this subsection. The
13 advisory committee also shall make recommendations to the great
14 start collaborative regarding other community services designed to
15 improve all children's school readiness.

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

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

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

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

25 (b) Except as otherwise provided in this subdivision, ensure
26 that at least 90% of the children participating in an eligible
27 great start readiness program for whom the intermediate district is



1 receiving funds under this section are children who live with
2 families with a household income that is equal to or less than 250%
3 of the federal poverty level. If the intermediate district
4 determines that all eligible children are being served and that
5 there are no children on the waiting list who live with families
6 with a household income that is equal to or less than 250% of the
7 federal poverty level, the intermediate district may then enroll
8 children who live with families with a household income that is
9 equal to or less than 300% of the federal poverty level. The
10 enrollment process shall consider income and risk factors, such
11 that children determined with higher need are enrolled before
12 children with lesser need. For purposes of this subdivision, all
13 age-eligible children served in foster care or who are experiencing
14 homelessness or who have individualized education plans
15 recommending placement in an inclusive preschool setting shall be
16 considered to live with families with household income equal to or
17 less than 250% of the federal poverty level regardless of actual
18 family income and shall be prioritized for enrollment within the
19 lowest quintile.

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

22 (i) Teachers possessing proper training. A lead teacher must
23 have a valid teaching certificate with an early childhood (ZA or
24 ZS) endorsement or a bachelor's or higher degree in child
25 development or early childhood education with specialization in
26 preschool teaching. However, if an applicant demonstrates to the
27 department that it is unable to fully comply with this subparagraph

1 after making reasonable efforts to comply, teachers who have
2 significant but incomplete training in early childhood education or
3 child development may be used if the applicant provides to the
4 department, and the department approves, a plan for each teacher to
5 come into compliance with the standards in this subparagraph. A
6 teacher's compliance plan must be completed within 2 years of the
7 date of employment. Progress toward completion of the compliance
8 plan shall consist of at least 2 courses per calendar year.

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

24 (d) Include a program budget that contains only those costs
25 that are not reimbursed or reimbursable by federal funding, that
26 are clearly and directly attributable to the great start readiness
27 program, and that would not be incurred if the program were not

1 being offered. Eligible costs include transportation costs. The
2 program budget shall indicate the extent to which these funds will
3 supplement other federal, state, local, or private funds. Funds
4 received under this section shall not be used to supplant any
5 federal funds received by the applicant to serve children eligible
6 for a federally funded preschool program that has the capacity to
7 serve those children.

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

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

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

23 (9) An intermediate district or consortium of intermediate
24 districts may retain for administrative services provided by the
25 intermediate district or consortium of intermediate districts an
26 amount not to exceed 4% of the grant amount. Expenses incurred by
27 subrecipients engaged by the intermediate district or consortium of

1 intermediate districts for directly running portions of the program
2 shall be considered program costs or a contracted program fee for
3 service.

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

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



1 considered to live with families with household income equal to or
2 less than 250% of the federal poverty level regardless of actual
3 family income and shall be prioritized for enrollment within the
4 lowest quintile.

5 (12) An intermediate district or consortium of intermediate
6 districts receiving a grant under this section shall allow parents
7 of eligible children who are residents of the intermediate district
8 or within the consortium to choose a program operated by or
9 contracted with another intermediate district or consortium of
10 intermediate districts and shall enter into a written agreement
11 regarding payment, in a manner prescribed by the department.

12 (13) An intermediate district or consortium of intermediate
13 districts receiving a grant under this section shall conduct a
14 local process to contract with interested and eligible public and
15 private for-profit and nonprofit community-based providers that
16 meet all requirements of subsection (4) for at least 30% of its
17 total allocation. For the purposes of this 30% allocation, an
18 intermediate district or consortium of intermediate districts may
19 count children served by a Head Start grantee or delegate in a
20 blended Head Start and great start readiness school-day program.
21 Children served in a program funded only through Head Start shall
22 not be counted toward this 30% allocation. The intermediate
23 district or consortium shall report to the department, in a manner
24 prescribed by the department, a detailed list of community-based
25 providers by provider type, including private for-profit, private
26 nonprofit, community college or university, Head Start grantee or
27 delegate, and district or intermediate district, and the number and

1 proportion of its total allocation allocated to each provider as
2 subrecipient. If the intermediate district or consortium is not
3 able to contract for at least 30% of its total allocation, the
4 grant recipient shall notify the department and, if the department
5 verifies that the intermediate district or consortium attempted to
6 contract for at least 30% of its total allocation and was not able
7 to do so, then the intermediate district or consortium may retain
8 and use all of its allocation as provided under this section. To be
9 able to use this exemption, the intermediate district or consortium
10 shall demonstrate to the department that the intermediate district
11 or consortium increased the percentage of its total allocation for
12 which it contracts with a community-based provider and the
13 intermediate district or consortium shall submit evidence
14 satisfactory to the department, and the department must be able to
15 verify this evidence, demonstrating that the intermediate district
16 or consortium took measures to contract for at least 30% of its
17 total allocation as required under this subsection, including, but
18 not limited to, at least all of the following measures:

19 (a) The intermediate district or consortium notified each
20 nonparticipating licensed child care center located in the service
21 area of the intermediate district or consortium regarding the
22 center's eligibility to participate, in a manner prescribed by the
23 department.

24 (b) The intermediate district or consortium provided to each
25 nonparticipating licensed child care center located in the service
26 area of the intermediate district or consortium information
27 regarding great start readiness program requirements and a



1 description of the application and selection process for community-
2 based providers.

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

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

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

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

25 (b) Provide, or ensure that an organization with which the
26 department contracts provides, a community-based provider with a
27 validated great start to quality rating within 90 days of the



1 provider's having submitted a request and self-assessment.

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

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

19 (16) A recipient of funds under this section shall report to
20 the ~~department~~**CENTER** in a form and manner prescribed by the
21 ~~department~~**CENTER** the number of children participating in the
22 program who meet the income eligibility criteria under subsection
23 (5)(b) and the total number of children participating in the
24 program. For children participating in the program who meet the
25 income eligibility criteria specified under subsection (5)(b), a
26 recipient shall also report whether or not a parent is available to
27 provide care based on employment status. For the purposes of this



subsection, "employment status" shall be defined by the department of health and human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

(17) As used in this section:

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

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

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

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

(19) From the amount appropriated in subsection (1), there is allocated an amount not to exceed \$10,000,000.00 for reimbursement



1 of transportation costs for children attending great start
 2 readiness programs funded under this section. To receive
 3 reimbursement under this subsection, not later than November 1,
 4 ~~2017,~~**2018**, a program funded under this section that provides
 5 transportation shall submit to the intermediate district that is
 6 the fiscal agent for the program a projected transportation budget.
 7 The amount of the reimbursement for transportation under this
 8 subsection shall be no more than the projected transportation
 9 budget or \$300.00 multiplied by the number of children funded for
 10 the program under this section. If the amount allocated under this
 11 subsection is insufficient to fully reimburse the transportation
 12 costs for all programs that provide transportation and submit the
 13 required information, the reimbursement shall be prorated in an
 14 equal amount per child funded. Payments shall be made to the
 15 intermediate district that is the fiscal agent for each program,
 16 and the intermediate district shall then reimburse the program
 17 provider for transportation costs as prescribed under this
 18 subsection.

19 (20) The department shall implement a process to review and
 20 approve age-appropriate comprehensive classroom level quality
 21 assessments for GSRP grantees that support the early childhood
 22 standards of quality for prekindergarten children adopted by the
 23 state board. The department shall ~~complete the approval process and~~
 24 make available to intermediate districts at least 2 ~~approved~~
 25 classroom level quality assessments ~~no later than April 1,~~
 26 ~~2018.~~**THAT WERE APPROVED IN 2018.**

27 (21) An intermediate district that is a GSRP grantee may



1 approve the use of a supplemental curriculum that aligns with and
2 enhances the age-appropriate educational curriculum in the
3 classroom. If the department objects to the use of a supplemental
4 curriculum approved by an intermediate district, the superintendent
5 of public instruction shall establish a review committee
6 independent of the department. The review committee shall meet
7 within 60 days of the department registering its objection in
8 writing and provide a final determination on the validity of the
9 objection within 60 days of the review committee's first meeting.

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

14 Sec. 32p. (1) From the appropriation in section 11, there is
15 allocated an amount not to exceed \$13,400,000.00 to intermediate
16 districts for ~~2017-2018~~ **2018-2019** for the purpose of providing
17 early childhood funding to intermediate school districts to support
18 the activities under subsection (2) and subsection (4), and to
19 provide early childhood programs for children from birth through
20 age 8. The funding provided to each intermediate district under
21 this section shall be determined by the distribution formula
22 established by the department's office of great start to provide
23 equitable funding statewide. In order to receive funding under this
24 section, each intermediate district shall provide an application to
25 the office of great start not later than September 15 of the
26 immediately preceding fiscal year indicating the activities planned
27 to be provided.



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

8 (a) Children born healthy.

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

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

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

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

20 (a) Physical health.

21 (b) Social-emotional health.

22 (c) Family supports and basic needs.

23 (d) Parent education.

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

26 (4) From the funds allocated in subsection (1), at least
27 \$2,500,000.00 shall be used for the purpose of providing home



1 visits to at-risk children and their families. The home visits
2 shall be conducted as part of a locally coordinated, family-
3 centered, evidence-based, data-driven home visit strategic plan
4 that is approved by the department. The goals of the home visits
5 funded under this subsection shall be to improve school readiness
6 using evidence-based methods, including a focus on developmentally
7 appropriate outcomes for early literacy, to reduce the number of
8 pupils retained in grade level, and to reduce the number of pupils
9 requiring special education services. The department shall
10 coordinate the goals of the home visit strategic plans approved
11 under this subsection with other state agency home visit programs
12 in a way that strengthens Michigan's home visiting infrastructure
13 and maximizes federal funds available for the purposes of at-risk
14 family home visits. The coordination among departments and agencies
15 is intended to avoid duplication of state services and spending,
16 and should emphasize efficient service delivery of home visiting
17 programs.

18 (5) Not later than December 1 of each year, each intermediate
19 district shall provide a report to the department detailing the
20 activities actually provided during the immediately preceding
21 school year and the families and children actually served. At a
22 minimum, the report shall include an evaluation of the services
23 provided with additional funding under subsection (4) for home
24 visits, using the goals identified in subsection (4) as the basis
25 for the evaluation, including the degree to which school readiness
26 was improved, any change in the number of pupils retained at grade
27 level, and any change in the number of pupils receiving special



1 education services. The department shall compile and summarize
2 these reports and submit its summary to the house and senate
3 appropriations subcommittees on school aid and to the house and
4 senate fiscal agencies not later than February 15 of each year.

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

13 Sec. 32q. From the state school aid fund allocation under
14 section 11, there is allocated to an eligible intermediate district
15 an amount equal to \$175,000.00 ~~in 2017-2018~~ **FOR 2018-2019** for the
16 purpose of this section. An intermediate district receiving a grant
17 under this section shall partner with an early childhood
18 collaborative to conduct a pilot program as provided under this
19 section. It is the intent of the legislature that this is the
20 ~~second~~ **THIRD** of 3 years of funding. ~~, and that funding shall~~
21 ~~continue in 2018-2019.~~ Funding allocated to an intermediate
22 district shall be used in partnership with a collaborative to
23 conduct a pilot program to evaluate the relative impact on
24 vulnerable children of 1 versus 2 years of preschool education. All
25 of the following apply to the pilot program funded under this
26 section:

27 (a) An eligible intermediate district is an intermediate



1 district that is located in a county with a population as of the
2 most recent federal decennial census that was greater than 500,000
3 but fewer than 800,000 and that has an early learning collaborative
4 located within its boundaries.

5 (b) The funds shall be used for research, family coaching
6 support, administration, information systems, and evaluation.

7 (c) In order to be eligible to receive the allocated funds,
8 the early learning collaborative, in partnership with the
9 intermediate district, shall provide the funding for all eligible
10 children included in the pilot program.

11 (d) The early learning collaborative, in partnership with the
12 intermediate district, shall develop a 3-year pilot program under
13 the supervision of the office of great start in the department.

14 (e) For a child to be eligible for participation in the pilot
15 program under this section, the child shall be 3 years of age as of
16 the date specified for determining a child's eligibility to attend
17 school under section 1147 of the revised school code, MCL 380.1147.

18 (f) A child participating in the pilot program shall meet the
19 participant eligibility and prioritization guidelines as defined by
20 the department.

21 (g) Notwithstanding section 17b, the department shall
22 distribute funds under this section not later than November 15 of
23 the fiscal year.

24 (h) The early learning collaborative, in partnership with the
25 intermediate district, shall provide annual progress evaluations to
26 the office of great start.

27 (i) By December 1, 2019, the early learning collaborative, in



1 partnership with the intermediate district, shall provide a pilot
2 program report and evaluation to the office of great start. The
3 office of great start shall review the pilot program report and
4 evaluation and, by February 15, 2020, provide a report to the
5 senate and house appropriations subcommittees on state school aid
6 and to the senate and house fiscal agencies of its evaluation of
7 the pilot program.

8 Sec. 35a. (1) From the appropriations in section 11, there is
9 allocated for ~~2017-2018-2018-2019~~ for the purposes of this section
10 an amount not to exceed \$26,900,000.00 from the state school aid
11 fund. ~~and an amount not to exceed \$2,500,000.00 from the general~~
12 ~~fund.~~ **THE SUPERINTENDENT SHALL DESIGNATE STAFF OR CONTRACTED**
13 **EMPLOYEES FUNDED UNDER THIS SECTION AS CRITICAL SHORTAGE. PROGRAMS**
14 **FUNDED UNDER THIS SECTION ARE INTENDED TO ENSURE THAT THIS STATE**
15 **WILL BE IN THE TOP 10 MOST IMPROVED STATES IN GRADE 4 READING**
16 **PROFICIENCY BY THE 2019 NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS**
17 **(NAEP) AND WILL BE IN THE TOP 10 STATES OVERALL IN GRADE 4 READING**
18 **PROFICIENCY BY 2025.**

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



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

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

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

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

(d) Comprehension - making meaning of text.

(4) From the allocations under subsection (1), there is allocated an amount not to exceed \$6,000,000.00 for ~~2017-2018-2018-~~ **2019** for the purpose of providing early literacy coaches at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3. All of the following apply to funding under this subsection:

(a) The department shall develop an application process



1 consistent with the provisions of this subsection. An application
2 shall provide assurances that literacy coaches funded under this
3 subsection are knowledgeable about at least the following:

4 (i) Current state literacy standards for pupils in grades K to
5 3.

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

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

15 (b) From the allocation under this subsection, the department
16 shall award grants to intermediate districts for the support of
17 early literacy coaches. An intermediate district must provide
18 matching funds for at least 50% of the grant amount awarded to
19 support the cost of the literacy coach. The department shall
20 provide this funding in the following manner:

21 (i) Each intermediate district shall be awarded grant funding
22 to support the cost of 1 early literacy coach in an equal amount
23 per early literacy coach, not to exceed \$75,000.00.

24 (ii) After distribution of the grant funding under
25 subparagraph (i), the department shall distribute the remainder of
26 grant funding for additional early literacy coaches in an amount
27 not to exceed \$75,000.00 per early literacy coach. The number of

1 funded early literacy coaches for each intermediate district shall
2 be based on the percentage of the total statewide number of pupils
3 in grades K to 3 who meet the income eligibility standards for the
4 federal free and reduced-price lunch programs who are enrolled in
5 districts in the intermediate district. For each additional early
6 literacy coach funded under this subparagraph, the department shall
7 not make an award to an intermediate district under this
8 subparagraph in an amount that is less than the amount necessary to
9 pay 1/2 of the total cost of that additional early literacy coach.

10 (5) From the allocations under subsection (1), there is
11 allocated an amount not to exceed \$20,900,000.00 for ~~2017-2018~~
12 **2018-2019** to districts that provide additional instructional time
13 to those pupils in grades K to 3 who have been identified by using
14 department-approved screening and diagnostic tools as needing
15 additional supports and interventions in order to be reading at
16 grade level by the end of grade 3. Additional instructional time
17 may be provided before, during, and after regular school hours or
18 as part of a year-round balanced school calendar. All of the
19 following apply to funding under this subsection:

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

23 (i) Implemented a multi-tiered system of support instructional
24 delivery model that is an evidence-based model that uses data-
25 driven problem solving to integrate academic and behavioral
26 instruction and that uses intervention delivered to all pupils in
27 varying intensities based on pupil needs. The multi-tiered system



1 of supports must provide at least all of the following essential
2 elements:-

3 ~~—— (A) Implements effective instruction for all learners.~~

4 ~~—— (B) Intervenes early.~~

5 ~~—— (C) Provides a multi-tiered model of instruction and~~
6 ~~intervention that provides the following: a core curriculum and~~
7 ~~classroom interventions available to all pupils that meet the needs~~
8 ~~of most pupils; targeted group interventions; and intense~~
9 ~~individual interventions.~~

10 ~~—— (D) Monitors pupil progress to inform instruction.~~

11 ~~—— (E) Uses data to make instructional decisions.~~

12 ~~—— (F) Uses assessments including universal screening,~~
13 ~~diagnostics, and progress monitoring.~~

14 ~~—— (G) Engages families and the community.~~

15 ~~—— (H) Implements evidence-based, scientifically validated,~~
16 ~~instruction and intervention.~~

17 ~~—— (I) Implements instruction and intervention practices with~~
18 ~~fidelity.~~

19 ~~—— (J) Uses a collaborative problem-solving model.~~ **COMPONENTS :**

20 **(A) TEAM-BASED LEADERSHIP.**

21 **(B) A TIERED DELIVERY SYSTEM.**

22 **(C) SELECTION AND IMPLEMENTATION OF INSTRUCTION,**
23 **INTERVENTIONS, AND SUPPORTS.**

24 **(D) A COMPREHENSIVE SCREENING AND ASSESSMENT SYSTEM.**

25 **(E) CONTINUOUS DATA-BASED DECISION MAKING.**

26 **(ii)** Used department-approved research-based diagnostic tools
27 to identify individual pupils in need of additional instructional

1 time.

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

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

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

11 (b) Funding allocated under this subsection shall be
12 distributed to eligible districts by multiplying the number of
13 full-time-equivalent pupils in grade 1 in the district by \$210.00.

14 (c) If the funds allocated under this subsection are
15 insufficient to fully fund the payments under this subsection,
16 payments under this subsection shall be prorated on an equal per-
17 pupil basis based on grade 1 pupils.

18 ~~—— (6) From the general fund money allocated in subsection (1),~~
19 ~~the department shall allocate the amount of \$2,500,000.00 for 2017-~~
20 ~~2018 to the Michigan Education Corps. All of the following apply to~~
21 ~~funding under this subsection:~~

22 ~~—— (a) By August 1 of the current fiscal year, the Michigan~~
23 ~~Education Corps shall provide a report concerning its use of the~~
24 ~~funding to the senate and house appropriations subcommittees on~~
25 ~~state school aid, the senate and house fiscal agencies, and the~~
26 ~~senate and house caucus policy offices on outcomes and performance~~
27 ~~measures of the Michigan Education Corps, including, but not~~



~~limited to, the degree to which the Michigan Education Corps's replication of the Michigan Reading Corps program is demonstrating sufficient efficacy and impact. The report must include data pertaining to at least all of the following:~~

~~—— (i) The current impact of the Michigan Reading Corps on this state in terms of numbers of children and programs receiving support. This portion of the report shall specify the number of children tutored, including dosage and completion, and the demographics of those children.~~

~~—— (ii) Whether the assessments and interventions are implemented with fidelity. This portion of the report shall include details on the total number of assessments and interventions completed and the range, median, mean, and standard deviation for all assessments.~~

~~—— (iii) Whether the literacy improvement of children participating in the Michigan Reading Corps is consistent with expectations. This portion of the report shall detail at least all of the following:~~

~~—— (A) Growth rate by grade level, in comparison to targeted growth rate.~~

~~—— (B) Average linear growth rates.~~

~~—— (C) Exit rates.~~

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

~~—— (iv) The impact of the Michigan Reading Corps on organizations and stakeholders, including, but not limited to, school administrators, internal coaches, and AmeriCorps members.~~

~~—— (b) If the department determines that the Michigan Education~~



~~Corps has misused the funds allocated under this subsection, the Michigan Education Corps shall reimburse this state for the amount of state funding misused.~~

~~— (c) The department may not reserve any portion of the allocation provided under this subsection for an evaluation of the Michigan Education Corps, the Michigan Education Corps' funding, or the Michigan Education Corps' programming. The department shall award the entire \$2,500,000.00 allocated under this subsection to the Michigan Education Corps and shall not condition the awarding of this funding on the implementation of an independent evaluation.~~

(6) NOT LATER THAN NOVEMBER 1, 2018, A DISTRICT THAT RECEIVES FUNDING UNDER THIS SECTION SHALL REPORT TO THE DEPARTMENT BOTH OF THE FOLLOWING:

(A) THE SCHOOLS AND GRADES THAT WERE SERVED, ALONG WITH SERVICES PROVIDED AND THE ENTITY THAT PROVIDED EACH SERVICE.

(B) PUPIL PROFICIENCY AND GROWTH DATA, BOTH IN THE AGGREGATE AND BY SUBGROUP, FOR EACH OF THE FOLLOWING:

(i) EACH SCHOOL, AS APPLICABLE.

(ii) EACH GRADE, AS APPLICABLE.

(iii) PUPILS IDENTIFIED AS HAVING READING DEFICIENCIES.

(iv) PUPILS RECEIVING ADDITIONAL INSTRUCTION TIME FUNDED UNDER THIS SECTION.

SEC. 35B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR A GRANT TO AN ELIGIBLE DISTRICT TO CREATE A PILOT PROGRAM TO USE A MULTISENSORY STRUCTURED LANGUAGE EDUCATION METHOD TO IMPROVE READING PROFICIENCY RATES AND TO COMPLY WITH SECTION



1 1280F OF THE REVISED SCHOOL CODE, MCL 380.1280F.

2 (2) A DISTRICT IS ELIGIBLE FOR A GRANT UNDER THIS SECTION IF
3 ALL OF THE FOLLOWING ARE MET:

4 (A) A DYSLEXIA CENTER ACCREDITED BY THE INTERNATIONAL
5 MULTISENSORY STRUCTURED LANGUAGE EDUCATION COUNCIL IS LOCATED IN
6 THE DISTRICT.

7 (B) THE DISTRICT PARTNERS WITH THE DYSLEXIA CENTER DESCRIBED
8 IN SUBDIVISION (A) TO PROVIDE MULTISENSORY STRUCTURED LANGUAGE
9 EDUCATION FOR PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING AN EARLY
10 LITERACY DELAY OR READING DEFICIENCY.

11 (C) THE DISTRICT HAS A PUPIL MEMBERSHIP GREATER THAN 7,000 AND
12 LESS THAN 8,000.

13 (3) A DISTRICT MAY EXPEND GRANT FUNDS AWARDED UNDER THIS
14 SECTION, IN COLLABORATION WITH THE DYSLEXIA CENTER DESCRIBED IN
15 SUBSECTION (2) (A), FOR THE FOLLOWING PURPOSES:

16 (A) PROFESSIONAL DEVELOPMENT INCLUDING TRAINING STAFF AND
17 TUTORS IN THE MULTISENSORY, SEQUENTIAL, SYSTEMATIC EDUCATION
18 APPROACH USED BY THE DYSLEXIA CENTER.

19 (B) ADDITIONAL INSTRUCTIONAL TIME BEFORE, DURING, OR AFTER
20 SCHOOL FOR PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING AN EARLY
21 LITERACY DELAY OR READING DEFICIENCY USING THE MULTISENSORY,
22 SEQUENTIAL, SYSTEMATIC EDUCATION APPROACH USED BY THE DYSLEXIA
23 CENTER.

24 (4) NOT LATER THAN DECEMBER 1, 2020, A DISTRICT THAT RECEIVES
25 GRANT FUNDS UNDER THIS SECTION SHALL REPORT TO THE HOUSE AND SENATE
26 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID, THE HOUSE AND SENATE
27 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON ALL OF THE



1 FOLLOWING FOR THE GRANT FUNDS AWARDED UNDER THIS SECTION:

2 (A) THE NUMBER OF STAFF AND TUTORS TRAINED.

3 (B) THE NUMBER OF PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING
4 AN EARLY LITERACY DELAY OR READING DEFICIENCY SERVED.

5 (C) THE NUMBER OF HOURS OF ADDED INSTRUCTIONAL TIME PROVIDED
6 TO PUPILS SERVED.

7 (D) PUPIL READING PROFICIENCY AND GROWTH DATA OF PUPILS SERVED
8 NECESSARY TO EVALUATE THE EFFECTIVENESS OF THE PROGRAM.

9 Sec. 39. (1) An eligible applicant receiving funds under
10 section 32d shall submit an application, in a form and manner
11 prescribed by the department, by a date specified by the department
12 in the immediately preceding state fiscal year. **THE APPLICATION**
13 **MUST NOT REQUIRE AN ELIGIBLE APPLICANT TO AMEND THE ELIGIBLE**
14 **APPLICANT'S CURRENT ACCOUNTING CYCLE OR ADOPT THIS STATE'S FISCAL**
15 **YEAR ACCOUNTING CYCLE IN ACCOUNTING FOR FINANCIAL TRANSACTIONS**
16 **UNDER THIS SECTION OR SECTION 32D.** The application shall include
17 all of the following:

18 (a) For ~~2017-2018~~**2018-2019** calculations, the estimated total
19 number of children in the community who meet the criteria of
20 section 32d, as provided to the applicant by the department
21 utilizing the most recent population data available from the
22 American ~~community survey~~**COMMUNITY SURVEY** conducted by the United
23 States Census Bureau. Beginning in 2018-2019, the department shall
24 ensure that it provides updated American ~~community survey~~**COMMUNITY**
25 **SURVEY** population data at least once every 3 years.

26 (b) The estimated number of children in the community who meet
27 the criteria of section 32d and are being served exclusively by



1 Head Start programs operating in the community.

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

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

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

13 (a) The sum of the number of children served in a school-day
14 program in the preceding school year multiplied by \$7,250.00 and
15 the number of children served in a GSRP/Head Start blended program
16 or a part-day program in the preceding school year multiplied by
17 \$3,625.00.

18 (b) The sum of the number of children the applicant has the
19 capacity to serve in ~~2017-2018-2018-2019~~ in a school-day program
20 multiplied by \$7,250.00 and the number of children served in a
21 GSRP/Head Start blended program or a part-day program the applicant
22 has the capacity to serve in ~~2017-2018-2018-2019~~ multiplied by
23 \$3,625.00.

24 (4) If funds remain after the allocations under subsection
25 (3), the department shall distribute the remaining funds to each
26 intermediate district or consortium of intermediate districts that
27 serves less than the state percentage benchmark determined under



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

11 (5) For the purposes of subsection (4), for the ~~2017-2018~~
12 **2018-2019** program year, the department shall calculate a percentage
13 of children served by each intermediate district or consortium of
14 intermediate districts by dividing the number of children served in
15 the immediately preceding year by that intermediate district or
16 consortium by the total number of children within the intermediate
17 district or consortium of intermediate districts who meet the
18 criteria of section 32d as determined by the department utilizing
19 the most recent population data available from the American
20 ~~community survey~~ **COMMUNITY SURVEY** conducted by the United States
21 Census Bureau. The department shall compare the resulting
22 percentage of eligible children served to a statewide percentage
23 benchmark to determine if the intermediate district or consortium
24 is eligible for additional funds under subsection (4). For ~~2017-~~
25 ~~2018,~~ **2018-2019**, the statewide percentage benchmark is 60%.

26 (6) If, taking into account the total amount to be allocated
27 to the applicant as calculated under this section, an applicant



1 determines that it is able to include additional eligible children
2 in the great start readiness program without additional funds under
3 section 32d, the applicant may include additional eligible children
4 but shall not receive additional funding under section 32d for
5 those children.

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

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

15 Sec. 39a. (1) From the federal funds appropriated in section
16 11, there is allocated ~~each fiscal year for 2016-2017 and for 2017-~~
17 ~~2018~~ **FOR 2018-2019** to districts, intermediate districts, and other
18 eligible entities all available federal funding, estimated at
19 ~~\$744,039,900.00 for 2016-2017 and \$731,600,000.00 for 2017-2018~~
20 **\$730,600,000.00** for the federal programs under the no child left
21 behind act of 2001, Public Law 107-110, or the every student
22 succeeds act, Public Law 114-95. These funds are allocated as
23 follows:

24 (a) An amount estimated at \$1,200,000.00 ~~each fiscal year~~ **FOR**
25 **2018-2019** to provide students with drug- and violence-prevention
26 programs and to implement strategies to improve school safety,
27 funded from DED-OESE, drug-free schools and communities funds.



(b) An amount estimated at ~~\$111,111,900.00 for 2016-2017 and~~
 \$100,000,000.00 for ~~2017-2018~~ **2018-2019** for the purpose of
 preparing, training, and recruiting high-quality teachers and class
 size reduction, funded from DED-OESE, improving teacher quality
 funds.

(c) An amount estimated at ~~\$12,200,000.00 for 2016-2017 and~~
 \$11,000,000.00 for ~~2017-2018~~ **2018-2019** for programs to teach
 English to limited English proficient (LEP) children, funded from
 DED-OESE, language acquisition state grant funds.

~~(d) An amount estimated at \$250,000.00 for 2016-2017 only for
 the Michigan charter school subgrant program, funded from DED-OESE,
 charter school funds.~~

(D) ~~(e)~~ An amount estimated at ~~\$3,000,000.00 for 2016-2017 and~~
 \$2,800,000.00 for ~~2017-2018~~ **2018-2019** for rural and low income
 schools, funded from DED-OESE, rural and low income school funds.

(E) ~~(f)~~ An amount estimated at \$535,000,000.00 ~~each fiscal~~
~~year~~ **FOR 2018-2019** to provide supplemental programs to enable
 educationally disadvantaged children to meet challenging academic
 standards, funded from DED-OESE, title I, disadvantaged children
 funds.

(F) ~~(g)~~ An amount estimated at ~~\$8,878,000.00 for 2016-2017 and~~
 \$9,200,000.00 for ~~2017-2018~~ **2018-2019** for the purpose of
 identifying and serving migrant children, funded from DED-OESE,
 title I, migrant education funds.

(G) ~~(h)~~ An amount estimated at \$39,000,000.00 ~~each fiscal year~~
FOR 2018-2019 for the purpose of providing high-quality extended
 learning opportunities, after school and during the summer, for



1 children in low-performing schools, funded from DED-OESE, twenty-
 2 first century community learning center funds.

3 **(H)** ~~(i)~~ An amount estimated at ~~\$18,000,000.00 each fiscal year~~
 4 **\$12,000,000.00 FOR 2018-2019** to help support local school
 5 improvement efforts, funded from DED-OESE, title I, local school
 6 improvement grants.

7 **(I)** ~~(j)~~ An amount estimated at ~~\$15,400,000.00 each fiscal year~~
 8 **FOR 2018-2019** to improve the academic achievement of students,
 9 funded from DED-OESE, title IV, student support and academic
 10 enrichment grants.

11 **(J) AN AMOUNT ESTIMATED AT \$5,000,000.00 FOR 2018-2019 FOR THE**
 12 **REMAINING BALANCE OF THE AMOUNT APPROPRIATED UNDER THE FORMER**
 13 **SECTION 32R, FOR FEDERAL FUNDING AWARDED TO THIS STATE UNDER**
 14 **SECTIONS 14005, 14006, AND 14013 OF TITLE XIV OF THE AMERICAN**
 15 **RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, FOR THE**
 16 **RACE TO THE TOP EARLY LEARNING CHALLENGE GRANT.**

17 (2) From the federal funds appropriated in section 11, there
 18 is allocated for ~~2016-2017 and for 2017-2018~~ **2018-2019** to
 19 districts, intermediate districts, and other eligible entities all
 20 available federal funding, estimated at ~~\$30,800,000.00 for 2016-~~
 21 ~~2017 and \$30,000,000.00 for 2017-2018~~ **2018-2019** for the following
 22 programs that are funded by federal grants:

23 (a) An amount estimated at ~~\$200,000.00 for 2016-2017 and~~
 24 ~~\$100,000.00 for 2017-2018~~ **2018-2019** for acquired immunodeficiency
 25 syndrome education grants, funded from HHS - Centers for Disease
 26 Control and Prevention, AIDS funding.

27 (b) An amount estimated at ~~\$2,600,000.00 for 2016-2017 and~~



1 \$1,900,000.00 for ~~2017-2018~~**2018-2019** to provide services to
2 homeless children and youth, funded from DED-OVAE, homeless
3 children and youth funds.

4 (c) An amount estimated at \$4,000,000.00 ~~each fiscal year~~**FOR**
5 **2018-2019** to provide mental health, substance abuse, or violence
6 prevention services to students, funded from HHS-SAMHSA.

7 (d) An amount estimated at \$24,000,000.00 ~~each fiscal year~~**FOR**
8 **2018-2019** for providing career and technical education services to
9 pupils, funded from DED-OVAE, basic grants to states.

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

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

23 (5) For the purposes of funding federal title I grants under
24 this article, in addition to any other federal grants for which a
25 strict discipline academy is eligible, the department shall
26 allocate to strict discipline academies out of title I, part A
27 funds equal to what a strict discipline academy would have received



1 if included and calculated under title I, part D, or what it would
2 receive under the formula allocation under title I, part A,
3 whichever is greater.

4 (6) As used in this section:

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

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

8 (c) "DED-OVAE" means the DED Office of Vocational and Adult
9 Education.

10 (d) "HHS" means the United States Department of Health and
11 Human Services.

12 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
13 Health Services Administration.

14 Sec. 41. (1) For a district or public school academy to be
15 eligible to receive funding under this section, the district or
16 public school academy must administer to English language learners
17 the English language proficiency assessment known as the "WIDA
18 ACCESS for English language learners" or the "WIDA Alternate
19 ACCESS". From the appropriation in section 11, there is allocated
20 an amount not to exceed \$6,000,000.00 for ~~2017-2018~~ **2018-2019** for
21 payments to eligible districts and eligible public school academies
22 for services for English language learners who have been
23 administered the WIDA ACCESS for English language learners.

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



1 (a) \$620.00 per full-time equivalent English language learner
2 who has been assessed under the WIDA ACCESS for English language
3 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
4 Alternate ACCESS composite score between 1.0 and 1.9, or less, as
5 applicable to each assessment.

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

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

15 (4) Each district or public school academy receiving funds
16 under this section shall submit to the department by July 15 of
17 each fiscal year a report, not to exceed 10 pages, on the usage by
18 the district or public school academy of funds under this section,
19 in a form and manner determined by the department, which shall
20 include a brief description of each program conducted or services
21 performed by the district or public school academy using funds
22 under this section and the amount of funds under this section
23 allocated to each of those programs or services. If a district or
24 public school academy does not comply with this section, the
25 department shall withhold an amount equal to the August payment due
26 under this section until the district or public school academy
27 complies with this subsection. If the district or public school

1 academy does not comply with this section by the end of the state
2 fiscal year, the withheld funds shall be forfeited to the school
3 aid fund.

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

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

15 Sec. 51a. (1) From the appropriation in section 11, there is
16 allocated an amount not to exceed ~~\$941,946,100.00 for 2016-2017 and~~
17 ~~there is allocated an amount not to exceed \$956,246,100.00~~
18 **\$959,446,100.00 for 2017-2018 AND THERE IS ALLOCATED AN AMOUNT NOT**
19 **TO EXCEED \$979,346,100.00 FOR 2018-2019** from state sources and all
20 available federal funding under sections 611 to 619 of part B of
21 the individuals with disabilities education act, 20 USC 1411 to
22 1419, estimated at \$370,000,000.00 each fiscal year ~~for 2016-2017~~
23 ~~and for 2017-2018~~ **AND FOR 2018-2019**, plus any carryover federal
24 funds from previous year appropriations. In addition, from the
25 general fund appropriation in section 11, there is allocated to the
26 department an amount not to exceed \$500,000.00 for **EACH FISCAL YEAR**
27 **FOR 2017-2018 AND FOR 2018-2019** for the purpose of subsection (16).



1 The allocations under this subsection are for the purpose of
 2 reimbursing districts and intermediate districts for special
 3 education programs, services, and special education personnel as
 4 prescribed in article 3 of the revised school code, MCL 380.1701 to
 5 ~~380.1766;~~ **380.1761**; net tuition payments made by intermediate
 6 districts to the Michigan Schools for the Deaf and Blind; and
 7 special education programs and services for pupils who are eligible
 8 for special education programs and services according to statute or
 9 rule. For meeting the costs of special education programs and
 10 services not reimbursed under this article, a district or
 11 intermediate district may use money in general funds or special
 12 education funds, not otherwise restricted, or contributions from
 13 districts to intermediate districts, tuition payments, gifts and
 14 contributions from individuals or other entities, or federal funds
 15 that may be available for this purpose, as determined by the
 16 intermediate district plan prepared pursuant to article 3 of the
 17 revised school code, MCL 380.1701 to ~~380.1766.~~ **380.1761.**
 18 Notwithstanding section 17b, payments of federal funds to
 19 districts, intermediate districts, and other eligible entities
 20 under this section shall be paid on a schedule determined by the
 21 department.

22 (2) From the funds allocated under subsection (1), there is
 23 allocated the amount necessary, and estimated at ~~\$260,700,000.00~~
 24 ~~for 2016-2017 and estimated at \$264,200,000.00~~ **\$266,400,000.00** for
 25 2017-2018 **AND ESTIMATED AT \$272,100,000.00 FOR 2018-2019**, for
 26 payments toward reimbursing districts and intermediate districts
 27 for 28.6138% of total approved costs of special education,



1 excluding costs reimbursed under section 53a, and 70.4165% of total
2 approved costs of special education transportation. Allocations
3 under this subsection shall be made as follows:

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

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



1 (3) From the funds allocated under subsection (1), there is
2 allocated ~~each fiscal year for 2016-2017 and for 2017-2018~~ an
3 amount not to exceed \$1,000,000.00 **AND THERE IS ALLOCATED AN AMOUNT**
4 **NOT TO EXCEED \$1,100,000.00 FOR 2018-2019** to make payments to
5 districts and intermediate districts under this subsection. If the
6 amount allocated to a district or intermediate district for a
7 fiscal year under subsection (2)(b) is less than the sum of the
8 amounts allocated to the district or intermediate district for
9 1996-97 under sections 52 and 58, there is allocated to the
10 district or intermediate district for the fiscal year an amount
11 equal to that difference, adjusted by applying the same proration
12 factor that was used in the distribution of funds under section 52
13 in 1996-97 as adjusted to the district's or intermediate district's
14 necessary costs of special education used in calculations for the
15 fiscal year. This adjustment is to reflect reductions in special
16 education program operations or services between 1996-97 and
17 subsequent fiscal years. Adjustments for reductions in special
18 education program operations or services shall be made in a manner
19 determined by the department and shall include adjustments for
20 program or service shifts.

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

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

13 (5) State funds shall be allocated on a total approved cost
14 basis. Federal funds shall be allocated under applicable federal
15 requirements, except that an amount not to exceed \$3,500,000.00 may
16 be allocated by the department each fiscal year for ~~2016-2017 and~~
17 ~~for 2017-2018~~ **AND FOR 2018-2019** to districts, intermediate
18 districts, or other eligible entities on a competitive grant basis
19 for programs, equipment, and services that the department
20 determines to be designed to benefit or improve special education
21 on a statewide scale.

22 (6) From the amount allocated in subsection (1), there is
23 allocated an amount not to exceed \$2,200,000.00 each fiscal year
24 for ~~2016-2017 and for 2017-2018~~ **AND FOR 2018-2019** to reimburse 100%
25 of the net increase in necessary costs incurred by a district or
26 intermediate district in implementing the revisions in the
27 administrative rules for special education that became effective on



1 July 1, 1987. As used in this subsection, "net increase in
2 necessary costs" means the necessary additional costs incurred
3 solely because of new or revised requirements in the administrative
4 rules minus cost savings permitted in implementing the revised
5 rules. Net increase in necessary costs shall be determined in a
6 manner specified by the department.

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

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



1 juvenile detention programs approved by the department to provide
2 an on-grounds education program.

3 (b) Beginning with the 2004-2005 fiscal year, a district or
4 intermediate district that employed special education support
5 services staff to provide special education support services in
6 2003-2004 or in a subsequent fiscal year and that in a fiscal year
7 after 2003-2004 receives the same type of support services from
8 another district or intermediate district shall report the cost of
9 those support services for special education reimbursement purposes
10 under this article. This subdivision does not prohibit the transfer
11 of special education classroom teachers and special education
12 classroom aides if the pupils counted in membership associated with
13 those special education classroom teachers and special education
14 classroom aides are transferred and counted in membership in the
15 other district or intermediate district in conjunction with the
16 transfer of those teachers and aides.

17 (c) If the department determines before bookclosing for a
18 fiscal year that the amounts allocated for that fiscal year under
19 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
20 will exceed expenditures for that fiscal year under subsections
21 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
22 district or intermediate district whose reimbursement for that
23 fiscal year would otherwise be affected by subdivision (b),
24 subdivision (b) does not apply to the calculation of the
25 reimbursement for that district or intermediate district and
26 reimbursement for that district or intermediate district shall be
27 calculated in the same manner as it was for 2003-2004. If the

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

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

22 (e) Beginning with calculations for 2004-2005, if an
23 intermediate district purchases a special education pupil
24 transportation service from a constituent district that was
25 previously purchased from a private entity; if the purchase from
26 the constituent district is at a lower cost, adjusted for changes
27 in fuel costs; and if the cost shift from the intermediate district



1 to the constituent does not result in any net change in the revenue
2 the constituent district receives from payments under sections 22b
3 and 51c, then upon application by the intermediate district, the
4 department shall direct the intermediate district to continue to
5 report the cost associated with the specific identified special
6 education pupil transportation service and shall adjust the costs
7 reported by the constituent district to remove the cost associated
8 with that specific service.

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

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

20 (10) If a district or intermediate district uses money
21 received under this section for a purpose other than the purpose or
22 purposes for which the money is allocated, the department may
23 require the district or intermediate district to refund the amount
24 of money received. Money that is refunded shall be deposited in the
25 state treasury to the credit of the state school aid fund.

26 (11) From the funds allocated in subsection (1), there is
27 allocated the amount necessary, ~~estimated at \$3,500,000.00 for~~



1 ~~2016-2017, and estimated at \$3,600,000.00~~ **\$3,300,000.00** for 2017-
2 2018, **AND ESTIMATED AT \$3,400,000.00 FOR 2018-2019**, to pay the
3 foundation allowances for pupils described in this subsection. The
4 allocation to a district under this subsection shall be calculated
5 by multiplying the number of pupils described in this subsection
6 who are counted in membership in the district times the sum of the
7 foundation allowance under section 20 of the pupil's district of
8 residence plus the amount of the district's per-pupil allocation
9 under section 20m, not to exceed the basic foundation allowance
10 under section 20 for the current fiscal year, or, for a pupil
11 described in this subsection who is counted in membership in a
12 district that is a public school academy, times an amount equal to
13 the amount per membership pupil under section 20(6) or, for a pupil
14 described in this subsection who is counted in membership in the
15 education achievement system, times an amount equal to the amount
16 per membership pupil under section 20(7). The allocation to an
17 intermediate district under this subsection shall be calculated in
18 the same manner as for a district, using the foundation allowance
19 under section 20 of the pupil's district of residence, not to
20 exceed the basic foundation allowance under section 20 for the
21 current fiscal year, and that district's per-pupil allocation under
22 section 20m. This subsection applies to all of the following
23 pupils:

24 (a) Pupils described in section 53a.

25 (b) Pupils counted in membership in an intermediate district
26 who are not special education pupils and are served by the
27 intermediate district in a juvenile detention or child caring



1 facility.

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

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

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

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

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

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

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

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

22 (14) If a public school academy that is not a cyber school, as
23 defined in section 551 of the revised school code, MCL 380.551,
24 enrolls under this section a pupil who resides outside of the
25 intermediate district in which the public school academy is located
26 and who is eligible for special education programs and services
27 according to statute or rule, or who is a child with disabilities,



1 as defined under the individuals with disabilities education act,
2 Public Law 108-446, the intermediate district in which the public
3 school academy is located and the public school academy shall enter
4 into a written agreement with the intermediate district in which
5 the pupil resides for the purpose of providing the pupil with a
6 free appropriate public education, and the written agreement shall
7 include at least an agreement on the responsibility for the payment
8 of the added costs of special education programs and services for
9 the pupil. If the public school academy that enrolls the pupil does
10 not enter into an agreement under this subsection, the public
11 school academy shall not charge the pupil's resident intermediate
12 district or the intermediate district in which the public school
13 academy is located the added costs of special education programs
14 and services for the pupil, and the public school academy is not
15 eligible for any payouts based on the funding formula outlined in
16 the resident or nonresident intermediate district's plan. If a
17 pupil is not enrolled in a public school academy under this
18 subsection, the provision of special education programs and
19 services and the payment of the added costs of special education
20 programs and services for a pupil described in this subsection are
21 the responsibility of the district and intermediate district in
22 which the pupil resides.

23 (15) For the purpose of receiving its federal allocation under
24 part B of the individuals with disabilities education act, Public
25 Law 108-446, a public school academy that is a cyber school, as
26 defined in section 551 of the revised school code, MCL 380.551, and
27 is in compliance with section 553a of the revised school code, MCL



1 380.553a, shall directly receive the federal allocation under part
2 B of the individuals with disabilities education act, Public Law
3 108-446, from the intermediate district in which the cyber school
4 is located, as the subrecipient. If the intermediate district does
5 not distribute the funds described in this subsection to the cyber
6 school by the part B application due date of July 1, the department
7 may distribute the funds described in this subsection directly to
8 the cyber school according to the formula prescribed in 34 CFR
9 300.705 and 34 CFR 300.816.

10 (16) For a public school academy that is a cyber school, as
11 defined in section 551 of the revised school code, MCL 380.551, and
12 is in compliance with section 553a of the revised school code, MCL
13 380.553a, that enrolls a pupil under this section, the intermediate
14 district in which the cyber school is located shall ensure that the
15 cyber school complies with sections 1701a, 1703, 1704, 1751, 1752,
16 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703,
17 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable
18 rules; and the individuals with disabilities education act, Public
19 Law 108-446. From the general fund appropriation under subsection
20 (1), the department shall provide appropriate administrative
21 funding to the intermediate district in which that cyber school is
22 located for the purpose of ensuring that compliance.

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

27 Sec. 51c. As required by the court in the consolidated cases



known as ~~Durant v State of Michigan~~, **Durant v State of Michigan**,
 456 Mich 175 (1997), from the allocation under section 51a(1),
 there is allocated each fiscal year ~~for 2016-2017 and for 2017-2018~~
AND FOR 2018-2019 the amount necessary, estimated at
~~\$624,600,000.00 for 2016-2017 and \$635,300,000.00~~ **\$636,600,000.00**
 for 2017-2018 **AND \$650,600,000.00 FOR 2018-2019**, for payments to
 reimburse districts for 28.6138% of total approved costs of special
 education excluding costs reimbursed under section 53a, and
 70.4165% of total approved costs of special education
 transportation. Funds allocated under this section that are not
 expended in the state fiscal year for which they were allocated, as
 determined by the department, may be used to supplement the
 allocations under sections 22a and 22b in order to fully fund those
 calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section
 11, there is allocated ~~each fiscal year for 2016-2017 and for 2017-~~
~~2018,~~ **FOR 2018-2019** all available federal funding, estimated at
 \$61,000,000.00, ~~each fiscal year,~~ for special education programs
 and services that are funded by federal grants. All federal funds
 allocated under this section shall be distributed in accordance
 with federal law. Notwithstanding section 17b, payments of federal
 funds to districts, intermediate districts, and other eligible
 entities under this section shall be paid on a schedule determined
 by the department.

(2) From the federal funds allocated under subsection (1), the
 following amounts are allocated ~~each fiscal year for 2016-2017 and~~
~~for 2017-2018:~~ **FOR 2018-2019:**



1 (a) An amount estimated at \$14,000,000.00 ~~each fiscal year~~ for
2 handicapped infants and toddlers, funded from DED-OSERS,
3 handicapped infants and toddlers funds.

4 (b) An amount estimated at \$12,000,000.00 ~~each fiscal year~~ for
5 preschool grants (Public Law 94-142), funded from DED-OSERS,
6 handicapped preschool incentive funds.

7 (c) An amount estimated at \$35,000,000.00 ~~each fiscal year~~ for
8 special education programs funded by DED-OSERS, handicapped
9 program, individuals with disabilities act funds.

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

13 Sec. 53a. (1) For districts, reimbursement for pupils
14 described in subsection (2) shall be 100% of the total approved
15 costs of operating special education programs and services approved
16 by the department and included in the intermediate district plan
17 adopted pursuant to article 3 of the revised school code, MCL
18 380.1701 to ~~380.1766~~, **380.1761**, minus the district's foundation
19 allowance calculated under section 20 and minus the district's per-
20 pupil allocation under section 20m. For intermediate districts,
21 reimbursement for pupils described in subsection (2) shall be
22 calculated in the same manner as for a district, using the
23 foundation allowance under section 20 of the pupil's district of
24 residence, not to exceed the basic foundation allowance under
25 section 20 for the current fiscal year, and that district's per-
26 pupil allocation under section 20m.

27 (2) Reimbursement under subsection (1) is for the following



1 special education pupils:

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

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

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

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

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

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

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

27 (5) Not more than \$10,500,000.00 of the allocation for ~~2017-~~



1 ~~2018-2018-2019~~ in section 51a(1) shall be allocated under this
2 section.

3 Sec. 54. Each intermediate district shall receive an amount
4 per-pupil for each pupil in attendance at the Michigan schools for
5 the deaf and blind. The amount shall be proportionate to the total
6 instructional cost at each school. Not more than \$1,688,000.00 of
7 the allocation for ~~2017-2018-2018-2019~~ in section 51a(1) shall be
8 allocated under this section.

9 Sec. 54b. (1) From the general fund appropriation in section
10 11, there is allocated an amount not to exceed \$1,600,000.00 for
11 ~~2017-2018-2018-2019~~ to continue the implementation of the
12 recommendations of the special education reform task force
13 published in January 2016.

14 (2) ~~Except as provided in subsection (3), the~~ **THE** department
15 shall use funds allocated under this section for the purpose of
16 piloting statewide implementation of the Michigan Integrated
17 Behavior and Learning Support Initiative (MiBLSI), a nationally
18 recognized program that includes positive behavioral intervention
19 and supports and provides a statewide structure to support local
20 initiatives for an integrated behavior and reading program. With
21 the assistance of the intermediate districts involved in MiBLSI,
22 the department shall identify a number of intermediate districts to
23 participate in the pilot that is sufficient to ensure that MiBLSI
24 can be implemented statewide with fidelity and sustainability. In
25 addition, the department shall identify an intermediate district to
26 act as a fiscal agent for these funds.

27 ~~— (3) In addition to the purpose under subsection (2), the~~



~~department shall use funds allocated under this section for the purpose of providing training to intermediate districts and districts related to the safe implementation of emergency restraints and seclusion. The department shall develop and implement a training program that is based on the state board's adopted standards and on any other legislation enacted by the legislature regarding the emergency use of seclusion and restraint.~~

SEC. 54D. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2018-2019 TO INTERMEDIATE DISTRICTS FOR THE PURPOSE OF PROVIDING STATE EARLY ON SERVICES FOR CHILDREN FROM BIRTH TO 3 YEARS OF AGE WITH A DEVELOPMENTAL DELAY OR A DISABILITY, OR BOTH, AND THEIR FAMILIES, AS DESCRIBED IN THE EARLY ON MICHIGAN STATE PLAN, AS APPROVED BY THE DEPARTMENT.

(2) TO BE ELIGIBLE TO RECEIVE GRANT FUNDING UNDER THIS SECTION, EACH INTERMEDIATE DISTRICT SHALL APPLY IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.

(3) THE GRANT FUNDING ALLOCATED UNDER THIS SECTION SHALL BE USED TO INCREASE EARLY ON SERVICES AND RESOURCES AVAILABLE TO CHILDREN THAT DEMONSTRATE DEVELOPMENTAL DELAYS TO HELP PREPARE THEM FOR SUCCESS AS THEY ENTER SCHOOL. STATE EARLY ON SERVICES INCLUDE EVALUATING AND PROVIDING EARLY INTERVENTION SERVICES FOR ELIGIBLE INFANTS AND TODDLERS AND THEIR FAMILIES TO ADDRESS DEVELOPMENTAL DELAYS, INCLUDING THOSE AFFECTING PHYSICAL, COGNITIVE, COMMUNICATION, ADAPTIVE, SOCIAL, OR EMOTIONAL DEVELOPMENT. GRANT FUNDS MUST NOT BE USED TO SUPPLANT EXISTING SERVICES THAT ARE CURRENTLY BEING PROVIDED.



1 (4) THE FUNDS ALLOCATED UNDER SUBSECTION (1) MUST BE
2 DISTRIBUTED TO INTERMEDIATE DISTRICTS ACCORDING TO THE DEPARTMENT'S
3 EARLY ON FUNDING FORMULA, USED TO DISTRIBUTE THIS STATE'S AWARD
4 UNDER PART C OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, 20
5 USC 1431 TO 1444. FUNDS RECEIVED UNDER THIS SECTION MUST NOT
6 SUPPLANT EXISTING FUNDS OR RESOURCES ALLOCATED FOR EARLY ON EARLY
7 INTERVENTION SERVICES. AN INTERMEDIATE DISTRICT RECEIVING FUNDS
8 UNDER THIS SECTION SHALL MAXIMIZE THE CAPTURE OF MEDICAID FUNDS TO
9 SUPPORT EARLY ON EARLY INTERVENTION SERVICES TO THE EXTENT
10 POSSIBLE.

11 (5) AN INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER THIS
12 SECTION SHALL REPORT DATA AND OTHER INFORMATION TO THE DEPARTMENT
13 IN A FORM, MANNER, AND FREQUENCY PRESCRIBED BY THE DEPARTMENT TO
14 ALLOW FOR MONITORING AND EVALUATION TO ENSURE THAT THE CHILDREN
15 DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES
16 OF SERVICES DELIVERED BY QUALIFIED PERSONNEL, BASED ON THE
17 INDIVIDUAL NEEDS OF THE CHILDREN AND THEIR FAMILIES.

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

19 (a) "Membership" means for a particular fiscal year the total
20 membership for the immediately preceding fiscal year of the
21 intermediate district and the districts constituent to the
22 intermediate district.

23 (b) "Millage levied" means the millage levied for special
24 education pursuant to part 30 of the revised school code, MCL
25 380.1711 to ~~380.1743~~, **380.1741**, including a levy for debt service
26 obligations.

27 (c) "Taxable value" means the total taxable value of the



1 districts constituent to an intermediate district, except that if a
 2 district has elected not to come under part 30 of the revised
 3 school code, MCL 380.1711 to ~~380.1743~~, **380.1741**, membership and
 4 taxable value of the district shall not be included in the
 5 membership and taxable value of the intermediate district.

6 (2) From the allocation under section 51a(1), there is
 7 allocated an amount not to exceed \$37,758,100.00 each fiscal year
 8 for ~~2016-2017 and for 2017-2018~~ **AND FOR 2018-2019** to reimburse
 9 intermediate districts levying millages for special education
 10 pursuant to part 30 of the revised school code, MCL 380.1711 to
 11 ~~380.1743~~. **380.1741**. The purpose, use, and expenditure of the
 12 reimbursement shall be limited as if the funds were generated by
 13 these millages and governed by the intermediate district plan
 14 adopted pursuant to article 3 of the revised school code, MCL
 15 380.1701 to ~~380.1766~~. **380.1761**. As a condition of receiving funds
 16 under this section, an intermediate district distributing any
 17 portion of special education millage funds to its constituent
 18 districts shall submit for departmental approval and implement a
 19 distribution plan.

20 ~~—— (3) Reimbursement for those millages levied in 2015-2016 shall~~
 21 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~
 22 ~~computed by subtracting from \$180,900.00 the 2015-2016 taxable~~
 23 ~~value behind each membership pupil and multiplying the resulting~~
 24 ~~difference by the 2015-2016 millage levied.~~

25 **(3)** ~~(4)~~ Reimbursement for those millages levied in 2016-2017
 26 shall be made in 2017-2018 at an amount per 2016-2017 membership
 27 pupil computed by subtracting from ~~\$183,200.00~~ **\$183,900.00** the



2016-2017 taxable value behind each membership pupil and multiplying the resulting difference by the 2016-2017 millage levied, and then subtracting from that amount the 2016-2017 local community stabilization share revenue for special education purposes behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL BE MADE IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$189,900.00 THE 2017-2018 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO 123.1362.

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

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

Sec. 61a. (1) From the ~~appropriation~~ **FUNDS APPROPRIATED** in section 11, there is allocated an amount not to exceed ~~\$36,611,300.00~~ **\$18,911,300.00 FROM THE STATE SCHOOL AID FUND**



1 **APPROPRIATION AND AN AMOUNT NOT TO EXCEED \$22,700,000.00 FROM THE**
2 **TALENT INVESTMENT FUND APPROPRIATION** for ~~2017-2018~~ **2018-2019** to
3 reimburse on an added cost basis districts, except for a district
4 that served as the fiscal agent for a vocational education
5 consortium in the 1993-94 school year and that has a foundation
6 allowance as calculated under section 20 greater than the minimum
7 foundation allowance under that section, and secondary area
8 vocational-technical education centers for secondary-level career
9 and technical education programs according to rules approved by the
10 superintendent. Applications for participation in the programs
11 shall be submitted in the form prescribed by the department. The
12 department shall determine the added cost for each career and
13 technical education program area. The allocation of added cost
14 funds shall be prioritized based on the capital and program
15 expenditures needed to operate the career and technical education
16 programs provided; the number of pupils enrolled; the advancement
17 of pupils through the instructional program; the existence of an
18 articulation agreement with at least 1 postsecondary institution
19 that provides pupils with opportunities to earn postsecondary
20 credit during the pupil's participation in the career and technical
21 education program and transfers those credits to the postsecondary
22 institution upon completion of the career and technical education
23 program; and the program rank in student placement, job openings,
24 and wages, and shall not exceed 75% of the added cost of any
25 program. Notwithstanding any rule or department determination to
26 the contrary, when determining a district's allocation or the
27 formula for making allocations under this section, the department



1 shall include the participation of pupils in grade 9 in all of
2 those determinations and in all portions of the formula. With the
3 approval of the department, the board of a district maintaining a
4 secondary career and technical education program may offer the
5 program for the period from the close of the school year until
6 September 1. The program shall use existing facilities and shall be
7 operated as prescribed by rules promulgated by the superintendent.

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

18 (3) A career and technical education program funded under this
19 section may provide an opportunity for participants who are
20 eligible to be funded under section 107 to enroll in the career and
21 technical education program funded under this section if the
22 participation does not occur during regular school hours.

23 (4) In addition to the money allocated under subsections (1),
24 (5), and (6), from the general fund money appropriated in section
25 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to
26 exceed ~~\$79,000.00~~ **\$80,000.00** to an eligible Michigan-approved
27 501(c) (3) organization for the purposes of teaching or training



1 restaurant management and culinary arts for career and professional
 2 development. The department shall oversee funds distributed to an
 3 eligible grantee under this section. As used in this subsection,
 4 "eligible Michigan-approved 501(c)(3) organization" means an
 5 organization that is exempt from taxation under section 501(c)(3)
 6 of the internal revenue code of 1986, 26 USC 501, that provides the
 7 ProStart curriculum and training to state-approved career and
 8 technical education programs with classification of instructional
 9 programs (CIP) codes in the 12.05xx category, and that administers
 10 national certification for the purpose of restaurant management and
 11 culinary arts for career and professional development.

12 (5) In addition to the funds allocated under subsections (1) ~~7~~
 13 **AND** (4), ~~and (6),~~ from the funds appropriated in section 11, there
 14 is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
 15 \$1,000,000.00 for competitive grants to intermediate districts to
 16 hire career and technical education counselors. All of the
 17 following apply to this funding:

18 (a) An intermediate district seeking a grant under this
 19 subsection shall apply to the department in a form and manner
 20 specified by the department.

21 (b) The department shall award grants under this subsection on
 22 a competitive basis to no more than 3 intermediate districts ~~but~~
 23 ~~shall give priority to the intermediate district that has the~~
 24 ~~greatest number of pupils enrolled in its constituent districts and~~
 25 ~~shall ensure that grants are equitably distributed to the various~~
 26 ~~geographic areas of this state and to urban and rural areas.~~ **THAT**
 27 **RECEIVED FUNDING UNDER THIS SECTION FOR 2017-2018.**



1 (c) To be eligible for funding under this subsection, an
 2 intermediate district shall do all of the following:

3 (i) Catalog all available K-12 and other workforce development
 4 programs and services, including job search, job training, pre-
 5 employment certifications, career awareness programs, career and
 6 technical education programs, and other related programs and
 7 services offered by districts or intermediate districts,
 8 postsecondary institutions, and other private or public service
 9 organizations.

10 (ii) Develop an outreach program that educates students about
 11 career and technical education options and connects students to the
 12 services cataloged under subparagraph (i).

13 (iii) Track student placement and report on student placement
 14 to the house and senate appropriations subcommittees on school aid
 15 no later than June 30, 2018-2019 in the form and manner prescribed
 16 by the department.

17 ~~—— (6) In addition to the funds allocated under subsections (1),~~
 18 ~~(4), and (5), there is allocated an amount not to exceed~~
 19 ~~\$160,000.00 for 2017-2018 to eligible districts under this~~
 20 ~~subsection for the purpose of career and technical education~~
 21 ~~counselors. To be eligible to receive funding under this~~
 22 ~~subsection, an eligible district must be a constituent district of~~
 23 ~~an intermediate district that is located in prosperity region 6 and~~
 24 ~~borders prosperity regions 5, 7, and 9, and must have at least~~
 25 ~~1,600 pupils in membership in 2017-2018. A grant to an eligible~~
 26 ~~district under this subsection shall be \$80,000.00.~~

27 Sec. 61b. (1) From the appropriation in section 11, there is



1 allocated an amount not to exceed \$8,000,000.00 ~~each fiscal year~~
 2 ~~for 2016-2017 and 2017-2018~~ **FOR 2018-2019** for CTE early/middle
 3 college and CTE dual enrollment programs authorized under this
 4 section and for planning grants for the development or expansion of
 5 CTE early/middle college programs. The purpose of these programs is
 6 to increase the number of Michigan residents with high-quality
 7 degrees or credentials, and to increase the number of students who
 8 are college and career ready upon high school graduation.

9 (2) From the funds allocated under subsection (1), an amount
 10 as determined under this subsection shall be allocated to each
 11 intermediate district serving as a fiscal agent for state-approved
 12 CTE early/middle college and CTE dual enrollment programs in each
 13 of the prosperity regions and subregions identified by the
 14 department. An intermediate district shall not use more than 5% of
 15 the funds allocated under this subsection for administrative costs
 16 for serving as the fiscal agent.

17 (3) To be an eligible fiscal agent, an intermediate district
 18 must agree to do all of the following in a form and manner
 19 determined by the department:

20 (a) Distribute funds to eligible CTE early/middle college and
 21 CTE dual enrollment programs in a prosperity region or subregion as
 22 described in this section.

23 (b) Collaborate with the ~~talent district career council~~ **CAREER**
 24 **AND EDUCATIONAL ADVISORY COUNCIL** that is located in the prosperity
 25 region or subregion to develop a regional strategic plan under
 26 subsection (4) that aligns CTE programs and services into an
 27 efficient and effective delivery system for high school students.



1 (c) Implement a regional process to rank career clusters in
2 the prosperity region or subregion as described under subsection
3 (4). Regional processes shall be approved by the department before
4 the ranking of career clusters.

5 (d) Report CTE early/middle college and CTE dual enrollment
6 program and student data and information as prescribed by the
7 department **AND THE CENTER**.

8 (4) A regional strategic plan must be approved by the ~~talent~~
9 ~~district-career~~ **AND EDUCATIONAL ADVISORY** council before submission
10 to the department. A regional strategic plan shall include, but not
11 be limited to, the following:

12 (a) An identification of regional employer need based on a
13 ranking of all career clusters in the prosperity region or
14 subregion ranked by 10-year job openings projections and median
15 wage for each standard occupational code in each career cluster as
16 obtained from the United States Bureau of Labor Statistics.
17 Standard occupational codes within high-ranking clusters also may
18 be further ranked by median wage. The rankings shall be reviewed by
19 the ~~talent-district-career~~ **AND EDUCATIONAL ADVISORY** council located
20 in the prosperity region or subregion and modified if necessary to
21 accurately reflect employer demand for talent in the prosperity
22 region or subregion. A ~~talent-district-career~~ **AND EDUCATIONAL**
23 **ADVISORY** council shall document that it has conducted this review
24 and certify that it is accurate. These career cluster rankings
25 shall be determined and updated once every 4 years.

26 (b) An identification of educational entities in the
27 prosperity region or subregion that will provide eligible CTE

1 early/middle college and CTE dual enrollment programs including
2 districts, intermediate districts, postsecondary institutions, and
3 noncredit occupational training programs leading to an industry-
4 recognized credential.

5 (c) A strategy to inform parents and students of CTE
6 early/middle college and CTE dual enrollment programs in the
7 prosperity region or subregion.

8 (d) Any other requirements as defined by the department.

9 (5) An eligible CTE program is a program that meets all of the
10 following:

11 (a) Has been identified in the highest 5 career cluster
12 rankings in any of the 10 regional strategic plans jointly approved
13 by the Michigan talent investment agency in the department of
14 talent and economic development and the department.

15 (b) Has a coherent sequence of courses that will allow a
16 student to earn a high school diploma and achieve at least 1 of the
17 following in a specific career cluster:

18 (i) An associate degree.

19 (ii) An industry-recognized technical certification approved
20 by the Michigan talent investment agency in the department of
21 talent and economic development.

22 (iii) Up to 60 transferable college credits.

23 (iv) Participation in a registered apprenticeship.

24 (c) Is aligned with the Michigan merit curriculum.

25 (d) Has an articulation agreement with at least 1
26 postsecondary institution that provides students with opportunities
27 to receive postsecondary credits during the student's participation

1 in the CTE early/middle college or CTE dual enrollment program and
2 transfers those credits to the postsecondary institution upon
3 completion of the CTE early/middle college or CTE dual enrollment
4 program.

5 (e) Provides instruction that is supervised, directed, or
6 coordinated by an appropriately certificated CTE teacher or, for
7 concurrent enrollment courses, a postsecondary faculty member.

8 (f) Provides for highly integrated student support services
9 that include at least the following:

10 (i) Teachers as academic advisors.

11 (ii) Supervised course selection.

12 (iii) Monitoring of student progress and completion.

13 (iv) Career planning services provided by a local one-stop
14 service center as described in the Michigan works one-stop service
15 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
16 high school counselor or advisor.

17 (g) Has courses that are taught on a college campus, are
18 college courses offered at the high school and taught by college
19 faculty, or are courses taught in combination with online
20 instruction.

21 (6) Funds to eligible CTE early/middle college and CTE dual
22 enrollment programs shall be distributed as follows:

23 (a) The department shall determine statewide average CTE costs
24 per pupil for each CIP code program by calculating statewide
25 average costs for each CIP code program for the 3 most recent
26 fiscal years.

27 (b) Distribution to each eligible CTE early/middle college or

1 CTE dual enrollment program shall be the product of 50% of CTE
2 costs per pupil times the current year pupil enrollment of each
3 eligible CTE early/middle college or CTE dual enrollment program.

4 (7) In order to receive funds under this section, a CTE
5 early/middle college or CTE dual enrollment program shall furnish
6 to the intermediate district that is the fiscal agent identified in
7 subsection ~~(1)~~, **(2)**, in a form and manner determined by the
8 department, all information needed to administer this program and
9 meet federal reporting requirements; shall allow the department or
10 the department's designee to review all records related to the
11 program for which it receives funds; and shall reimburse the state
12 for all disallowances found in the review, as determined by the
13 department.

14 (8) There is allocated from the funds under subsection (1) an
15 amount not to exceed \$500,000.00 for ~~2017-2018~~ **2018-2019** for grants
16 to intermediate districts or consortia of intermediate districts
17 for the purpose of planning for new or expanded early middle
18 college programs. Applications for grants shall be submitted in a
19 form and manner determined by the department. The amount of a grant
20 under this subsection shall not exceed \$50,000.00. To be eligible
21 for a grant under this subsection, an intermediate district or
22 consortia of intermediate districts must provide matching funds
23 equal to the grant received under this subsection. Notwithstanding
24 section 17b, payments under this subsection may be made as
25 determined by the department.

26 (9) Funds distributed under this section may be used to fund
27 program expenditures that would otherwise be paid from foundation



allowances. A program receiving funding under section 61a may receive funding under this section for allowable costs that exceed the reimbursement the program received under section 61a. The combined payments received by a program under section 61a and this section shall not exceed the total allowable costs of the program. A program provider shall not use more than 5% of the funds allocated under this section to the program for administrative costs.

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

(11) If pupils enrolled in a career cluster in an eligible CTE early/middle college or CTE dual enrollment program qualify to be reimbursed under this section, those pupils continue to qualify for reimbursement until graduation, even if the career cluster is no longer identified as being in the highest 5 career cluster rankings.

(12) As used in this section:

(a) "Allowable costs" means those costs directly attributable to the program as jointly determined by the Michigan talent investment agency and the department.

(B) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT REPRESENTATIVES.

(C) ~~(b)~~"CIP" means classification of instructional programs.



1 (D) ~~(e)~~ "CTE" means career and technical education programs.

2 (E) ~~(d)~~ "CTE dual enrollment program" means a 4-year high
3 school program of postsecondary courses offered by eligible
4 postsecondary educational institutions that leads to an industry-
5 recognized certification or degree.

6 (F) ~~(e)~~ "Early/middle college program" means a 5-year high
7 school program.

8 (G) ~~(f)~~ "Eligible postsecondary educational institution" means
9 that term as defined in section 3 of the career and technical
10 preparation act, 2000 PA 258, MCL 388.1903.

11 ~~—— (g) "Talent district career council" means an advisory council~~
12 ~~to the local workforce development boards located in a prosperity~~
13 ~~region consisting of educational, employer, labor, and parent~~
14 ~~representatives.~~

15 Sec. 61c. (1) From the ~~general~~ **TALENT INVESTMENT** fund
16 appropriation in section 11, there is allocated for ~~2017-2018-2018-~~
17 **2019** an amount not to exceed ~~\$7,000,000.00~~ **\$14,000,000.00** to career
18 education planning districts for the CTE skilled trades initiative
19 described in subsections (2) to (5).

20 (2) To be eligible to receive funding under subsection (1),
21 each CEPD shall apply in a form and manner determined by the
22 department. Funding to each CEPD shall be equal to the quotient of
23 the allocation under subsection (1) and the sum of the number of
24 career education planning districts applying for funding under
25 subsection (1).

26 (3) The funding allocated to each CEPD shall be used to update
27 equipment in current CTE programs that have been identified in the



1 highest 5 career cluster rankings in any of the 10 regional
2 strategic plans jointly approved by the Michigan talent investment
3 agency in the department of talent and economic development and the
4 department, for training on new equipment, for professional
5 development relating to computer science or coding, or for new and
6 emerging certified CTE programs to allow CEPD administrators to
7 provide programming in communities that will enhance economic
8 development. The funding for equipment should be used to support
9 and enhance community areas that have sustained job growth, and act
10 as a commitment to build a more qualified and skilled workforce. In
11 addition, each CEPD is encouraged to explore the option of leasing
12 equipment from local private industry to encourage the use of the
13 most advanced equipment.

14 (4) The allocation of funds at the local level shall be
15 determined by CEPD administrators using data from the state,
16 region, and local sources to make well-informed decisions on
17 program equipment improvements. Grants awarded by CEPD
18 administrators for capital infrastructure shall be used to ensure
19 that CTE programs can deliver educational programs in high-wage,
20 high-skill, and high-demand occupations. Each CEPD shall continue
21 to ensure that program advisory boards make recommendations on
22 needed improvements for equipment that support job growth and job
23 skill development and retention for both the present and the
24 future.

25 (5) Not later than September 15 of each fiscal year, each CEPD
26 receiving funding under subsection (1) shall annually report to the
27 department, the senate and house appropriations subcommittees on

1 state school aid, and the senate and house fiscal agencies and
2 legislature on equipment purchased under subsection (1). In
3 addition, the report shall identify growth data on program
4 involvement, retention, and development of student skills.

5 (6) In addition to the funds allocated under subsection (1),
6 from the ~~general~~-**TALENT INVESTMENT** fund appropriation in section
7 11, there is allocated for ~~2017-2018~~-**2018-2019** an amount not to
8 exceed ~~\$500,000.00~~-**\$1,000,000.00** to districts for a competitive
9 grant to mechatronics programs that operated in ~~2016-2017~~-**2017-2018**
10 for updating mechatronics program equipment.

11 (7) In addition to the funds allocated under subsections (1)
12 and (6), from the ~~general~~-**TALENT INVESTMENT** fund appropriation in
13 section 11, there is allocated for ~~2017-2018~~-**2018-2019** an amount
14 not to exceed ~~\$5,000,000.00~~-**\$10,000,000.00** for grants to districts
15 and intermediate districts or consortia of districts and
16 intermediate districts for the CTE equipment and innovation
17 competitive grant program described in subsections (8) to (10).

18 (8) To be eligible to receive a competitive grant under
19 subsection (7), an applicant shall apply in a form and manner
20 determined by the department. The amount of a grant awarded from
21 the allocation under subsection (7) shall be at least \$100,000.00
22 but shall not exceed \$1,000,000.00 and shall be used for the
23 purchase or lease of equipment from private industry partners and
24 for related capacity building activities. A grant application for a
25 grant awarded from the allocation under subsection (7) shall
26 include at least all of the following information:

27 (a) A description of how the proposed capital infrastructure



1 initiative will provide increased career opportunities for students
2 and adult learners in high-wage, high-skill, and high-demand
3 occupations.

4 (b) Demonstrated evidence of employer demand for the
5 initiative and related CTE training, including documentation of
6 industry involvement in the initiative that will allow for work-
7 based learning opportunities, apprenticeships, teacher externships,
8 or a combination of these.

9 (c) A budget for the initiative, including demonstrated
10 commitment of local or regional partners to sustain the initiative
11 beyond the initial grant funding.

12 (d) A description of how the initiative aligns with other CTE
13 and community college programs and how the equipment will be
14 utilized by initiative partners.

15 (e) Other information as requested by the department and the
16 department of talent and economic development.

17 (9) The department shall evaluate grant applications under
18 subsection (8) in collaboration with the department of talent and
19 economic development. A member of the governor's talent investment
20 board may serve in an advisory capacity in the evaluation process
21 as determined by the department of talent and economic development.

22 (10) Not later than December 15 of each fiscal year, each
23 grant recipient receiving funding under subsection (7) shall
24 annually report to the department, the department of talent and
25 economic development, the house and senate appropriations
26 subcommittees on state school aid, the house and senate fiscal
27 agencies, and the state budget director on equipment purchased



1 under subsection (7) in the immediately preceding school year. The
2 report shall identify growth data on program involvement,
3 retention, and development of student and adult learner skills.

4 (11) As used in this section:

5 (a) "CEPD" means a career education planning district
6 described in this section.

7 (b) "CTE" means career and technical education.

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

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

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

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



1 sections 681 to 690 of the revised school code, MCL 380.681 to
2 380.690, shall be included in the membership and taxable value of
3 the intermediate district if the district meets both of the
4 following:

5 (i) The district operates the area vocational-technical
6 education program pursuant to a contract with the intermediate
7 district.

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

13 (2) From the appropriation in section 11, there is allocated
14 an amount not to exceed \$9,190,000.00 each fiscal year ~~for 2016-~~
15 ~~2017 and for 2017-2018~~ **AND FOR 2018-2019** to reimburse intermediate
16 districts and area vocational-technical education programs
17 established under section 690(3) of the revised school code, MCL
18 380.690, levying millages for area vocational-technical education
19 pursuant to sections 681 to 690 of the revised school code, MCL
20 380.681 to 380.690. The purpose, use, and expenditure of the
21 reimbursement shall be limited as if the funds were generated by
22 those millages.

23 ~~—— (3) Reimbursement for the millages levied in 2015-2016 shall~~
24 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~
25 ~~computed by subtracting from \$198,100.00 the 2015-2016 taxable~~
26 ~~value behind each membership pupil and multiplying the resulting~~
27 ~~difference by the 2015-2016 millage levied.~~



1 **(3)** ~~(4)~~ Reimbursement for those millages levied in 2016-2017
 2 shall be made in 2017-2018 at an amount per 2016-2017 membership
 3 pupil computed by subtracting from ~~\$199,000.00~~ **\$200,400.00** the
 4 2016-2017 taxable value behind each membership pupil and
 5 multiplying the resulting difference by the 2016-2017 millage
 6 levied, and then subtracting from that amount the 2016-2017 local
 7 community stabilization share revenue for area vocational technical
 8 education behind each membership pupil for reimbursement of
 9 personal property exemption loss under the local community
 10 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

11 **(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL**
 12 **BE MADE IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL**
 13 **COMPUTED BY SUBTRACTING FROM \$205,600.00 THE 2017-2018 TAXABLE**
 14 **VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING**
 15 **DIFFERENCE BY THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING**
 16 **FROM THAT AMOUNT THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE**
 17 **REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH**
 18 **MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION**
 19 **LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA**
 20 **86, MCL 123.1341 TO 123.1362.**

21 (5) The amount paid to a single intermediate district under
 22 this section shall not exceed 38.4% of the total amount allocated
 23 under subsection (2).

24 (6) The amount paid to a single intermediate district under
 25 this section shall not be less than 75% of the amount allocated to
 26 the intermediate district under this section for the immediately
 27 preceding fiscal year.



1 Sec. 64b. (1) From the appropriation in section 11, there is
2 allocated an amount not to exceed \$1,750,000.00 for ~~2017-2018-2018-~~
3 **2019** for supplemental payments to districts that support the
4 attendance of district pupils in grades 9 to 12 under the
5 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
6 388.524, or under the career and technical preparation act, 2000 PA
7 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that
8 support the attendance of district pupils in a concurrent
9 enrollment program if the district meets the requirements under
10 subsection (3). Programs funded under this section are intended to
11 increase the number of pupils who are college- and career-ready
12 upon high school graduation.

13 (2) To be eligible for payments under this section for
14 supporting the attendance of district pupils under the
15 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
16 388.524, or under the career and technical preparation act, 2000 PA
17 258, MCL 388.1901 to 388.1913, a district shall do all of the
18 following:

19 (a) Provide information to all high school pupils on
20 postsecondary enrollment options, including enrollment eligibility,
21 the institutions and types of courses that are eligible for
22 participation, the decision-making process for granting academic
23 credit, and an explanation of eligible charges that will be paid by
24 the district.

25 (b) Enter into a written agreement with a postsecondary
26 institution before the enrollment of district pupils.

27 (c) Agree to pay all eligible charges pursuant to section 21b.



1 (d) Award high school credit for the postsecondary course if
2 the pupil successfully completes the course.

3 (3) To be eligible for payments under this section for pupils
4 enrolled in a concurrent enrollment program, a district shall do
5 all of the following:

6 (a) Provide information to all high school pupils on
7 postsecondary enrollment options, including enrollment eligibility,
8 the institutions and types of courses that are eligible for
9 participation, the decision-making process for granting academic
10 credit, and an explanation of eligible charges that will be paid by
11 the district.

12 (b) Enter into a written agreement with a postsecondary
13 institution establishing the concurrent enrollment program before
14 the enrollment of district pupils in a postsecondary course through
15 the postsecondary institution.

16 (c) Ensure that the course is taught by either a high school
17 teacher or postsecondary faculty pursuant to standards established
18 by the postsecondary institution with which the district has
19 entered into a written agreement to operate the concurrent
20 enrollment program.

21 (d) Ensure that the written agreement provides that the
22 postsecondary institution agrees not to charge the pupil for any
23 cost of the program.

24 (e) Ensure that the course is taught in the local district or
25 intermediate district.

26 (f) Ensure that the pupil is awarded both high school and
27 college credit at a community college or state public university in



1 this state upon successful completion of the course as outlined in
2 the agreement with the postsecondary institution.

3 (4) Funds shall be awarded to eligible districts under this
4 section in the following manner:

5 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
6 credit-bearing course in which a pupil enrolls during the current
7 school year, as described under either subsection (2) or (3).

8 (b) An additional payment of \$30.00 per-pupil per course
9 identified in subdivision (a), if the pupil successfully completes,
10 and is awarded both high school and postsecondary credit for, the
11 course during the current school year.

12 (5) A district requesting payment under this section shall
13 submit an application to the department in the form and manner
14 prescribed by the department. Notwithstanding section 17b, payments
15 under this section shall be made on a schedule determined by the
16 department.

17 Sec. 64d. (1) From the ~~general~~ **TALENT INVESTMENT** fund
18 appropriation under section 11, there is allocated an amount not to
19 exceed \$2,300,000.00 ~~for 2017-2018~~ **FOR 2018-2019** for a ~~competitive~~
20 grant to provide information technology education opportunities to
21 students attending schools operating grades K-12, career and
22 technical centers and career academies, and community colleges and
23 universities. It is the intent of the legislature that 2017-2018 is
24 the ~~first~~ **SECOND** of 3 years of funding for the ~~competitive~~ grant
25 program. Funds allocated under this section shall be used for
26 instruction in information technology skills and competencies that
27 are essential for the workplace and requested by employers and



1 shall allow participating students and faculties to secure broad-
2 based information technology certifications and, if applicable,
3 college credit.

4 (2) The department shall select ~~a~~**THE** provider ~~using a~~
5 ~~competitive request for proposals process. Proposals submitted~~
6 ~~under this subsection shall~~**THAT RECEIVED FUNDING UNDER THIS**
7 **SECTION IN 2017-2018. A PROGRAM FUNDED UNDER THIS SECTION MUST**
8 include at least the following components:

9 (a) Research- and skill-development-based and information
10 technology curriculum.

11 (b) Online access to the curriculum.

12 (c) Instructional software for classroom and student use.

13 (d) A program that includes coding curriculum and material
14 that are aligned to the CS AP exam and grants a certificate upon
15 completion of the program.

16 (e) Components for all grade levels on computational thinking
17 skills development using the latest gaming software.

18 (f) A process for students to obtain certifications of skills
19 and competencies in a broad base of information technology-related
20 skill areas.

21 (g) Professional development for faculty.

22 (h) Implementation and program support, including, but not
23 limited to, integration with current curriculum standards.

24 (i) Methods for students to earn college credit.

25 ~~— (3) The department shall give priority to proposals by~~
26 ~~providers that have previously demonstrated success in this state~~
27 ~~in providing high-quality information technology education~~



1 ~~opportunities to students.~~

2 (3) ~~(4)~~ The funds allocated under this section for ~~2017-2018~~
3 **2018-2019** are a work project appropriation, and any unexpended
4 funds for ~~2017-2018-2018-2019~~ are to be carried forward into ~~2018-~~
5 ~~2019-2019-2020~~. The purpose of the work project is to continue to
6 provide information technology education opportunities described in
7 this section. The estimated completion date of the work project is
8 September 30, 2020.

9 Sec. 65. (1) From the general fund money appropriated under
10 section 11, there is allocated an amount not to exceed \$340,000.00
11 ~~for 2017-2018~~ **FOR 2018-2019** for a pre-college engineering K-12
12 educational program that is focused on the development of a diverse
13 future Michigan workforce, that serves multiple communities within
14 southeast Michigan, that enrolls pupils from multiple districts,
15 and that received funds appropriated for this purpose in the
16 appropriations act that provided the Michigan strategic fund budget
17 for 2014-2015.

18 (2) To be eligible for funding under this section, a program
19 must have the ability to expose pupils to, and motivate and prepare
20 pupils for, science, technology, engineering, and mathematics
21 careers and postsecondary education with special attention given to
22 groups of pupils who are at-risk and underrepresented in technical
23 professions and careers.

24 Sec. 67. (1) From the general fund amount appropriated in
25 section 11, there is allocated an amount not to exceed
26 \$3,000,000.00 for ~~2017-2018-2018-2019~~ for college access programs.
27 The programs funded under this section are intended to inform



1 students of college and career options and to provide resources
2 intended to increase the number of pupils who are adequately
3 prepared with the information needed to make informed decisions on
4 college and career. The funds appropriated under this section are
5 intended to be used to increase the number of Michigan residents
6 with high-quality degrees or credentials. Funds appropriated under
7 this section shall not be used to supplant funding for counselors
8 already funded by districts.

9 (2) The talent investment agency of the department of talent
10 and economic development shall administer funds allocated under
11 this section in collaboration with the Michigan college access
12 network. These funds may be used for any of the following purposes:

13 (a) Michigan college access network operations, programming,
14 and services to local college access networks.

15 (b) Local college access networks, which are community-based
16 college access/success partnerships committed to increasing the
17 college participation and completion rates within geographically
18 defined communities through a coordinated strategy.

19 (c) The Michigan college advising program, a program intended
20 to place trained, recently graduated college advisors in high
21 schools that serve significant numbers of low-income and first-
22 generation college-going pupils. State funds used for this purpose
23 may not exceed 33% of the total funds available under this
24 subsection.

25 (d) Subgrants of up to \$5,000.00 to districts with
26 comprehensive high schools that establish a college access team and
27 implement specific strategies to create a college-going culture in

1 a high school in a form and manner approved by the Michigan college
2 access network and the Michigan talent investment agency.

3 (e) The Michigan college access portal, an online one-stop
4 portal to help pupils and families plan and apply for college.

5 (f) Public awareness and outreach campaigns to encourage low-
6 income and first-generation college-going pupils to take necessary
7 steps toward college and to assist pupils and families in
8 completing a timely and accurate free application for federal
9 student aid.

10 (g) Subgrants to postsecondary institutions to recruit, hire,
11 and train college student mentors and college advisors to assist
12 high school pupils in navigating the postsecondary planning and
13 enrollment process.

14 (3) For the purposes of this section, "college" means any
15 postsecondary educational opportunity that leads to a career,
16 including, but not limited to, a postsecondary degree, industry-
17 recognized technical certification, or registered apprenticeship.

18 Sec. 67a. (1) From the ~~general fund money appropriated~~ **TALENT**
19 **INVESTMENT FUND APPROPRIATION** in section 11, there is allocated for
20 ~~2017-2018-2018-2019~~ an amount not to exceed ~~\$1,000,000.00~~
21 **\$1,500,000.00** to expand an eligible web-based career preparation
22 and readiness platform to prosperity regions beyond where the
23 platform is currently being utilized.

24 (2) In order to be eligible for funding under this section, a
25 career preparation and readiness platform shall meet all of the
26 following:

27 (a) Has a partnership with intermediate districts, community



1 colleges, workforce development agencies, and community employers.

2 (b) Assesses student skills, abilities, and preferences to
3 match them with careers of interest.

4 (c) Allows students to explore careers with access to more
5 than 600 career profiles, including, but not limited to, career
6 descriptions, education and training requirements, and earning
7 information.

8 (d) Connects with local companies through company profiles
9 that include, but are not limited to, description, location, career
10 opportunities, and work-based learning activities.

11 (e) Allows students to experience careers firsthand by
12 searching for job shadowing, mock interviews, company tours,
13 company events, and internship opportunities offered by employers
14 in a student's area.

15 (f) Provides students with step-by-step help to develop a job
16 search plan, write a resume and cover letter, and prepare for job
17 interviews.

18 (g) Provides students with an understanding of the education
19 and training required for a particular career, a comparison of
20 school data and profiles, and access to college preparation,
21 scholarship, and financial aid information.

22 **(H) RECEIVED FUNDING UNDER THIS SECTION IN 2017-2018.**

23 **(I) COMMITS TO PROVIDE MATCHING FUNDS OF 25%.**

24 (3) A grantee receiving funding under this section shall
25 comply with the requirements of section 19b.

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



1 SEC. 68. (1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN
2 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
3 \$21,900,000.00 FOR 2018-2019 FOR THE EXPANSION OF K-12 EDUCATION
4 PROGRAMS THAT FOCUS ON CREATING COMPETENCIES IN HIGH-DEMAND FIELDS.

5 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
6 AN AMOUNT NOT TO EXCEED \$20,960,000.00 FOR COMPETITIVE GRANTS TO
7 DISTRICTS, INTERMEDIATE DISTRICTS, COMMUNITY COLLEGES, COLLEGES,
8 AND UNIVERSITIES THAT ARE MEMBERS OF AND APPLY ON BEHALF OF A
9 TALENT CONSORTIUM, IN A FORM AND MANNER PRESCRIBED BY THE
10 DEPARTMENT AND THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

11 (3) FOR PURPOSES OF COMPETITIVE GRANTS ALLOCATED UNDER
12 SUBSECTION (2), ALL OF THE FOLLOWING SHALL APPLY:

13 (A) DISTRICTS, INTERMEDIATE DISTRICTS, AND OTHER ELIGIBLE
14 APPLICANTS AS DESCRIBED IN THIS SECTION WORKING IN CONJUNCTION WITH
15 A TALENT CONSORTIUM SHALL APPLY IN A FORM AND MANNER DETERMINED BY
16 THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT AND THE
17 DEPARTMENT.

18 (B) GRANTS AWARDED UNDER THIS SECTION MUST BE PAID OVER 3
19 YEARS BEGINNING IN 2018-2019.

20 (C) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED BY MEMBERS
21 OF THE TALENT CONSORTIUM FOR ANY OF THE FOLLOWING:

22 (i) STIPENDS FOR INDUSTRY MENTORS TO ASSIST IN TEACHING
23 CLASSES IN HIGH-DEMAND FIELDS. GRANTS AWARDED FOR THIS PURPOSE
24 SHALL NOT EXCEED \$5,000.00 PER MENTOR PER YEAR.

25 (ii) TESTING OR PROJECT FEES ON BEHALF OF PUPILS FOR THE
26 PURPOSE OF EARNING CREDENTIALS IN HIGH-DEMAND FIELDS. GRANTS
27 AWARDED FOR THIS PURPOSE SHALL NOT EXCEED \$200.00 PER PUPIL. AN



1 ADVANCED PLACEMENT TEST DOES NOT QUALIFY FOR FUNDING UNDER THIS
2 SUBSECTION UNLESS IT IS A TEST FOR PHYSICS C: ELECTRICITY AND
3 MAGNETISM, PHYSICS C: MECHANICS, COMPUTER SCIENCE A, COMPUTER
4 SCIENCE PRINCIPALS, OR ADDITIONAL TESTS AS DETERMINED APPROPRIATE
5 BY THE DEPARTMENT, IN COLLABORATION WITH THE DEPARTMENT OF TALENT
6 AND ECONOMIC DEVELOPMENT.

7 (iii) RELEVANT EQUIPMENT THAT IS USED IN COURSES THAT RESULT
8 IN CREDENTIALS IN HIGH-DEMAND FIELDS. IN ORDER TO USE FUNDS FOR
9 THIS PURPOSE, THE TALENT CONSORTIUM OF WHICH THE APPLICANT IS A
10 MEMBER MUST COMMIT TO PROVIDE AN EQUAL AMOUNT OF MATCHING FUNDS
11 TOWARD EQUIPMENT PURCHASES. GRANTS AWARDED FOR THIS PURPOSE SHALL
12 NOT EXCEED \$20,000.00.

13 (iv) PROFESSIONAL DEVELOPMENT FOR TEACHERS THAT IMPROVE THEIR
14 CAPACITY TO TEACH HIGH-DEMAND SKILLS. THE DEPARTMENT SHALL PUBLISH
15 A LIST OF PREFERRED PARTNERS AND PROVIDERS AND SHALL GIVE
16 PREFERENCE TO APPLICATIONS UTILIZING THOSE PARTNERS OR PROVIDERS.
17 THE DEPARTMENT SHALL DETERMINE THE GRANTS AWARDED UNDER THIS
18 SUBDIVISION. GRANTS AWARDED FOR THIS PURPOSE SHALL NOT EXCEED
19 \$5,000.00 PER TEACHER.

20 (v) THE HIRING OF FULL-TIME STAFF TO CREATE OR EXPAND A
21 PROGRAM IN A HIGH-DEMAND FIELD. IN ORDER TO USE FUNDS FOR THIS
22 PURPOSE, THE APPLICANT MUST COMMIT TO CONTINUING TO PROVIDE THE
23 PROGRAM FOR AT LEAST AN ADDITIONAL 3 YEARS FOLLOWING THE FINAL
24 DISBURSEMENT OF FUNDS. IT IS THE INTENT OF THE LEGISLATURE THAT
25 PROGRAMS CREATED OR EXPANDED USING FUNDS FOR THIS PURPOSE BECOME
26 SUSTAINABLE THROUGH INCREASED ENROLLMENT, COMMUNITY PARTNERSHIPS,
27 OR OTHER MEANS. GRANTS AWARDED FOR THIS PURPOSE SHALL NOT EXCEED



1 \$100,000.00.

2 (D) PROGRAMS THAT RECEIVE GRANT FUNDS UNDER THIS SECTION MUST,
3 TO THE EXTENT POSSIBLE, USE A COMPETENCY-BASED INSTRUCTIONAL MODEL.

4 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
5 AN AMOUNT NOT TO EXCEED \$940,000.00 TO THE DEPARTMENT FOR COSTS
6 RELATED TO THE ADMINISTRATION OF THIS SECTION.

7 SEC. 68A. (1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN
8 SECTION 11, THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO
9 EXCEED \$6,100,000.00 FOR THE PURPOSES OF STRENGTHENING CURRICULUM,
10 MATERIALS, PROFESSIONAL DEVELOPMENT, INSTRUCTIONAL PRACTICES, PUPIL
11 PROJECTS, AND OTHER ITEMS NEEDED FOR COMPETENCY DEVELOPMENT AND
12 CREDENTIALS IN HIGH-DEMAND FIELDS.

13 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
14 AN AMOUNT NOT TO EXCEED \$4,000,000.00 FOR COMPETITIVE GRANTS TO
15 MEMBERS OF TALENT CONSORTIUMS FOR THE DEVELOPMENT OF NEW CURRICULA,
16 MATERIALS, PROFESSIONAL DEVELOPMENT, INSTRUCTIONAL PRACTICES, AND
17 STUDENT PROJECTS IN HIGH-DEMAND FIELDS. CURRICULA DEVELOPED WITH
18 GRANT FUNDS AWARDED UNDER THIS SUBSECTION MUST INCLUDE AT LEAST
19 PROFESSIONAL DEVELOPMENT, MATERIALS, LESSON PLANS, PUPIL PROJECTS,
20 AND OTHER NEEDED ITEMS IN A FIELD OR TOPIC THAT LACKS SUFFICIENT
21 CURRICULA, AS DETERMINED BY THE DEPARTMENT AND THE DEPARTMENT OF
22 TALENT AND ECONOMIC DEVELOPMENT. GRANTS MUST BE AWARDED IN THE
23 FOLLOWING MANNER:

24 (A) NO MORE THAN 10 GRANTS SHALL BE AWARDED IN AMOUNTS BETWEEN
25 \$50,000.00 AND \$100,000.00.

26 (B) NO MORE THAN 100 GRANTS SHALL BE AWARDED IN AN AMOUNT
27 BETWEEN \$15,000.00 AND \$25,000.00.



1 (C) NO MORE THAN 40 GRANTS SHALL BE AWARDED IN AN AMOUNT LESS
2 THAN \$15,000.00.

3 (D) IF THE STATE SUPERINTENDENT DOES NOT EXPECT TO REACH THE
4 MAXIMUM NUMBER OF EACH GRANT TYPE LISTED IN THIS SUBSECTION PRIOR
5 TO FISCAL YEAR 2021-2022, THE STATE SUPERINTENDENT MAY DIRECT THE
6 DEPARTMENT TO REPRIORITIZE THE REMAINING GRANT DOLLARS TO MAXIMIZE
7 THE CREATION OF ITEMS IN HIGH-DEMAND FIELDS UNDER THIS SECTION.

8 (3) THE DEPARTMENT, IN COLLABORATION WITH THE DEPARTMENT OF
9 TALENT AND ECONOMIC DEVELOPMENT, SHALL ENSURE THAT APPLICATIONS FOR
10 GRANTS AWARDED UNDER SUBSECTION (2) INCLUDE ALL OF THE FOLLOWING:

11 (A) A DEMONSTRATION OF A FOCUS ON COMPETENCY-BASED
12 INSTRUCTION.

13 (B) A COMMITMENT THAT ANY ITEMS CREATED USING AWARDED FUNDS
14 ARE, TO THE DEGREE PRACTICABLE, MADE OPEN SOURCE, WHICH MEANS THAT
15 THEY ARE MADE AVAILABLE FOR USE ELECTRONICALLY AND AT NO CHARGE TO
16 OTHER EDUCATIONAL INSTITUTIONS IN THIS STATE IN ORDER TO REPLICATE
17 THE PROGRAM.

18 (C) A COMMITMENT THAT AN EMPLOYER OR ENTITY REPRESENTING
19 EMPLOYERS THAT IS ALSO A MEMBER OF THE RECIPIENT'S TALENT
20 CONSORTIUM WILL BE DIRECTLY AND MEANINGFULLY INVOLVED IN THE
21 CREATION OF THE CURRICULUM. THE APPLICATION MUST INCLUDE A LETTER
22 FROM THE APPLICANT DETAILING HOW THE EMPLOYER OR ENTITY
23 REPRESENTING EMPLOYERS WILL BE INVOLVED IN THE CREATION OF THE
24 CURRICULUM.

25 (4) DISTRICTS, INTERMEDIATE DISTRICTS, COMMUNITY COLLEGES,
26 COLLEGES, AND UNIVERSITIES THAT ARE MEMBERS OF AND APPLY ON BEHALF
27 OF A TALENT CONSORTIUM ARE ELIGIBLE TO APPLY FOR GRANTS UNDER



1 SUBSECTION (2), IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT
2 AND THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

3 (5) THE DEPARTMENT, IN COLLABORATION WITH THE DEPARTMENT OF
4 TALENT AND ECONOMIC DEVELOPMENT, SHALL, TO THE EXTENT POSSIBLE,
5 AWARD GRANTS UNDER THIS SECTION IN A MANNER THAT MINIMIZES THE
6 CREATION OF ITEMS THAT ARE SIMILAR TO ITEMS ALREADY IN EXISTENCE
7 AND MAXIMIZES THE CREATION OF NEW CURRICULA, INSTRUCTIONAL
8 MATERIALS, LESSON PLANS, PUPIL PROJECTS, AND OTHER ITEMS IN AREAS
9 WHERE THOSE ITEMS DO NOT ALREADY EXIST.

10 (6) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS
11 ALLOCATED AN AMOUNT NOT TO EXCEED \$2,000,000.00 TO THE DEPARTMENT
12 FOR PROVIDING TECHNICAL ASSISTANCE TO DISTRICTS TO HELP DISTRICTS
13 INTEGRATE THE MICHIGAN MERIT CURRICULUM INTO COMPETENCY-BASED
14 PROGRAMS, INCLUDING CAREER AND TECHNICAL EDUCATION PROGRAMS.

15 (7) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS
16 ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 TO THE DEPARTMENT FOR
17 COSTS RELATED TO THE ADMINISTRATION OF THIS SECTION.

18 SEC. 68B. (1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN
19 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
20 \$10,700,000.00 FOR 2018-2019 FOR THE MICHIGAN TALENT PLEDGE
21 SCHOLARSHIP PROGRAM ADMINISTERED BY THE DEPARTMENT OF TREASURY.

22 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
23 AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR THE PURPOSE OF ASSISTING
24 LOW-INCOME INDIVIDUALS WITH THE COST OF OBTAINING A QUALIFYING
25 DEGREE OR CREDENTIAL IN HIGH-DEMAND FIELDS. THE FUNDS MUST BE USED
26 TO FUND SCHOLARSHIPS AND STIPENDS FOR 2 COHORTS OF ELIGIBLE
27 INDIVIDUALS OVER 4 YEARS. AWARDS SHALL BE IN THE AMOUNTS OF THE



1 FOLLOWING:

2 (A) \$750.00 SCHOLARSHIP AWARD FOR INDIVIDUALS ENROLLED IN AN
3 ELIGIBLE PROGRAM THAT LEADS TO A 1-YEAR CREDENTIAL, IN ADDITION TO
4 A \$250.00 STIPEND PAID TO THE INDIVIDUAL.

5 (B) \$500.00 SCHOLARSHIP AWARD EACH YEAR FOR 2 YEARS FOR
6 INDIVIDUALS ENROLLED IN AN ELIGIBLE PROGRAM THAT LEADS TO A 2-YEAR
7 CREDENTIAL, IN ADDITION TO A \$250.00 STIPEND EACH YEAR PAID TO THE
8 INDIVIDUAL.

9 (3) TO BE ELIGIBLE FOR A SCHOLARSHIP GRANT UNDER THIS SECTION,
10 AN INDIVIDUAL SHALL MEET ALL OF THE FOLLOWING:

11 (A) POSSESS A HIGH SCHOOL DIPLOMA, RECOGNIZED EQUIVALENCY, OR
12 RECOGNIZED EQUIVALENCY CERTIFICATE.

13 (B) BE A RESIDENT OF THIS STATE AND CITIZEN OF THE UNITED
14 STATES OF AMERICA.

15 (C) FILE THE FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA),
16 ANNUALLY.

17 (D) MEET THE SAME INCOME QUALIFICATION REQUIREMENTS AS THE
18 HEALTHY MICHIGAN PLAN UNDER SECTION 107 OF THE SOCIAL WELFARE ACT,
19 MCL 400.107, AT THE TIME OF APPLICATION.

20 (E) BE ADMITTED TO AN ELIGIBLE POSTSECONDARY INSTITUTION AND
21 ENROLLED FULL-TIME IN A QUALIFYING PROGRAM.

22 (F) APPLY FOR A GRANT IN A FORM AND MANNER PRESCRIBED BY THE
23 DEPARTMENT OF TREASURY.

24 (G) MAINTAIN A CUMULATIVE GRADE POINT AVERAGE OF AT LEAST 2.5,
25 IF THE INSTITUTION USES A STANDARD GRADING MODEL, OR, IF THE
26 INSTITUTION USES A COMPETENCY-BASED GRADING MODEL DURING THEIR TIME
27 ENROLLED IN AN ELIGIBLE POSTSECONDARY INSTITUTION, MAKE SUFFICIENT



1 PROGRESS THROUGH THE CURRICULUM TO COMPLETE THE PROGRAM.

2 (H) IS BETWEEN THE AGES OF 16 AND 45 AT THE TIME OF
3 APPLICATION.

4 (4) AN ELIGIBLE POSTSECONDARY INSTITUTION IS ANY PUBLIC OR
5 PRIVATE NONPROFIT COLLEGE OR UNIVERSITY, JUNIOR COLLEGE, COMMUNITY
6 COLLEGE, OR PRIVATE TRAINING PROVIDER THAT GRANTS DEGREES OR
7 CERTIFICATES AND IS LOCATED IN THIS STATE AND PROVIDES PROOF, IN A
8 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY, IN
9 COOPERATION WITH THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT,
10 THAT IT HAS IMPLEMENTED A TALENT GUARANTEE FOR THE RELEVANT
11 QUALIFYING PROGRAM UNDER SUBSECTION (5) . FOR THE PURPOSES OF THIS
12 SUBSECTION, A TALENT GUARANTEE MEANS A PROCESS BY WHICH THE
13 INSTITUTION WILL PROVIDE RELEVANT TRAINING IN THE RELEVANT FIELD AT
14 NO COST TO A GRADUATE WHO SUCCESSFULLY COMPLETES A QUALIFYING
15 PROGRAM UNDER SUBSECTION (5) , IF THE GRADUATE IS UNABLE TO FIND OR
16 KEEP A JOB IN THE RELEVANT FIELD AT A RELEVANT LEVEL DUE TO A LACK
17 OF TECHNICAL SKILLS. INSTITUTIONS ARE ENCOURAGED TO WORK WITH THEIR
18 LOCAL MICHIGAN WORKS! AGENCIES TO IMPLEMENT THIS GUARANTEE.

19 (5) A PROGRAM MUST MEET ALL OF THE FOLLOWING TO BE A
20 QUALIFYING PROGRAM UNDER THIS SECTION:

21 (A) COMPLETION OF THE PROGRAM MUST RESULT IN A CREDENTIAL IN A
22 QUALIFYING HIGH-DEMAND FIELD.

23 (B) THE PROGRAM IS INTENDED TO BE COMPLETED IN NO MORE THAN 1
24 YEAR FOR AN AWARD UNDER SUBSECTION (2) (A) , OR NO MORE THAN 2 YEARS
25 FOR AN AWARD UNDER SUBSECTION (2) (B) .

26 (C) THE PROGRAM USES A COMPETENCY-BASED INSTRUCTIONAL MODEL.

27 (6) THE DEPARTMENT OF TREASURY SHALL DEVELOP AN APPLICATION



1 AND ELIGIBILITY DETERMINATION PROCESS THAT WILL PROVIDE THE HIGHEST
2 LEVEL OF PARTICIPATION AND ENSURE THAT ALL REQUIREMENTS OF THE
3 PROGRAM ARE MET.

4 (7) THE DEPARTMENT OF TREASURY SHALL PROVIDE PAYMENT ON BEHALF
5 OF AN INDIVIDUAL ELIGIBLE UNDER SUBSECTION (3) FOR THE SCHOLARSHIP
6 AWARD AMOUNTS DESCRIBED IN SUBSECTION (2) (A) AND (B) . THE
7 DEPARTMENT OF TREASURY SHALL REIMBURSE THE ELIGIBLE POSTSECONDARY
8 INSTITUTION NO LATER THAN 30 DAYS AFTER THE START OF THE FISCAL
9 YEAR. SUBJECT TO SUBSECTION (8) , THE DEPARTMENT OF TREASURY SHALL
10 ONLY ACCEPT STANDARD PER-CREDIT HOUR TUITION BILLINGS AND SHALL
11 REJECT BILLINGS THAT ARE EXCESSIVE OR OUTSIDE OF THE GUIDELINES FOR
12 THE TYPE OF EDUCATIONAL INSTITUTION. FOR THE STIPEND AMOUNTS UNDER
13 SUBSECTION (2) (A) AND (B) , THE DEPARTMENT OF TREASURY SHALL
14 COLLABORATE WITH ELIGIBLE POSTSECONDARY INSTITUTIONS TO ENSURE THAT
15 A PRORATED AMOUNT OF THE STIPEND IS FORWARDED TO THE STUDENT
16 FOLLOWING EACH REGULAR MEETING WITH A COACH, MENTOR, OR COUNSELOR
17 AS AN INCENTIVE FOR THE STUDENT TO MEET WITH A COACH, MENTOR, OR
18 COUNSELOR.

19 (8) FOR THE DEPARTMENT OF TREASURY TO PAY A SCHOLARSHIP AWARD
20 ON BEHALF OF AN INDIVIDUAL ELIGIBLE UNDER SUBSECTION (3) , AT LEAST
21 1 OF THE FOLLOWING MUST APPLY:

22 (A) FOR INDIVIDUALS ENROLLED AT A COMMUNITY COLLEGE IN THIS
23 STATE, THE INDIVIDUAL IS CHARGED THE CURRENT IN-DISTRICT TUITION
24 AND MANDATORY FEES .

25 (B) FOR INDIVIDUALS ENROLLED AT A PUBLIC UNIVERSITY IN THIS
26 STATE, THE INDIVIDUAL IS CHARGED THE LOWER DIVISION RESIDENT
27 TUITION AND MANDATORY FEES FOR THE CURRENT YEAR.



(C) FOR INDIVIDUALS ENROLLED AT AN INDEPENDENT, NONPROFIT DEGREE-GRANTING COLLEGE OR UNIVERSITY IN THIS STATE OR A FEDERAL TRIBALLY CONTROLLED COMMUNITY COLLEGE IN THIS STATE, THE MANDATORY FEES AND PER-CREDIT PAYMENT CHARGED TO THE INDIVIDUAL DOES NOT EXCEED THE AVERAGE COMMUNITY COLLEGE IN-DISTRICT PER-CREDIT TUITION RATE AS REPORTED ON AUGUST 1 OF THE IMMEDIATELY PRECEDING ACADEMIC YEAR.

(9) THE DEPARTMENT OF TREASURY SHALL COLLABORATE WITH THE CENTER TO USE THE P-20 LONGITUDINAL DATA SYSTEM TO REPORT THE NUMBER OF STUDENTS WHO ARE ENGAGED IN AND HAVE COMPLETED A PROGRAM USING AN AWARD GRANTED UNDER THIS SECTION.

(10) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS AN AMOUNT ALLOCATED NOT TO EXCEED \$700,000.00 TO THE DEPARTMENT OF TREASURY FOR COSTS RELATED TO THE ADMINISTRATION OF THIS SECTION.

SEC. 68C. (1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$4,600,000.00 FOR THE INNOVATIVE EDUCATOR CORPS PROGRAM DEVELOPED AND IMPLEMENTED UNDER SUBSECTION (2).

(2) THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT AN INNOVATIVE EDUCATOR CORPS PROGRAM THAT MEETS ALL OF THE FOLLOWING:

(A) ALLOWS AN INNOVATIVE EDUCATOR TO PROVIDE PROFESSIONAL DEVELOPMENT TO OTHER EDUCATORS.

(B) REQUIRES THE DEPARTMENT TO COLLABORATE WITH INNOVATIVE EDUCATORS REGARDING NEW PILOT PROGRAMS.

(C) CREATES AN INNOVATIVE EDUCATOR ROUNDTABLE TO DISCUSS EDUCATION ISSUES THAT INCLUDES INNOVATIVE EDUCATORS, POLICY MAKERS, LEGISLATORS, AND BUSINESS LEADERS.



1 (D) PROVIDES BUSINESS CARDS OR OTHER IDENTIFICATION FOR
2 INNOVATIVE EDUCATORS THAT IDENTIFY THE INNOVATIVE EDUCATOR AS A
3 MEMBER OF AN ELITE CORPS OF EDUCATORS IN THIS STATE.

4 (E) PROVIDES INNOVATIVE EDUCATORS A YEARLY STIPEND IN AN
5 AMOUNT BETWEEN \$5,000.00 AND \$10,000.00.

6 (F) SELECTS INNOVATIVE EDUCATORS USING THE SELECTION PROCESS
7 UNDER SUBSECTION (3).

8 (G) EXAMINES THE USE OF INNOVATIVE EDUCATORS TO SUPPORT LOW-
9 PERFORMING SCHOOLS, INCLUDING, BUT NOT LIMITED TO, SCHOOLS THAT ARE
10 SUBJECT TO A PARTNERSHIP AGREEMENT.

11 (3) THE DEPARTMENT SHALL CONDUCT AN ANNUAL PROCESS FOR
12 SELECTING INNOVATIVE EDUCATORS FOR THE INNOVATIVE EDUCATOR CORPS
13 DEVELOPED AND IMPLEMENTED UNDER SUBSECTION (2). THE SELECTION
14 PROCESS MUST MEET ALL OF THE FOLLOWING:

15 (A) THE GOVERNING BODY OF EACH DISTRICT MAY NOMINATE 1
16 EDUCATOR FOR EVERY 2,000 PUPILS ENROLLED IN THE DISTRICT TO THE
17 INTERMEDIATE DISTRICT IN WHICH THE DISTRICT IS LOCATED FOR
18 APPOINTMENT TO THE INNOVATIVE EDUCATOR CORPS. A DISTRICT SHALL ONLY
19 NOMINATE AN EDUCATOR WHO MEETS ALL OF THE FOLLOWING:

20 (i) WAS RATED AS EFFECTIVE OR HIGHLY EFFECTIVE UNDER SECTION
21 1249 FOR EACH OF THE IMMEDIATELY PRECEDING 3 SCHOOL YEARS.

22 (ii) DEMONSTRATES EFFICACY, AS MEASURED BY PUPIL ACHIEVEMENT
23 OR INTEREST.

24 (iii) IS RECOMMENDED BY, AT LEAST, HIS OR HER STUDENTS, PEERS,
25 ADMINISTRATORS, AND COMMUNITY MEMBERS, AS DETERMINED BY THE
26 DISTRICT.

27 (iv) IS A MODEL FOR EDUCATORS ACROSS THIS STATE AND



1 DEMONSTRATES SPIRIT, DETERMINATION, AND PASSION FOR THE TEACHING
2 PROFESSION.

3 (v) SUCCESSFULLY IMPLEMENTED AN INNOVATIVE INSTRUCTIONAL
4 MODEL, INCLUDING, BUT NOT LIMITED TO, A FLIPPED CLASSROOM, PROJECT-
5 BASED LEARNING, INTENSIVE INTERVENTION FOR LOW-PERFORMING STUDENTS,
6 OR COMPETENCY-BASED LEARNING.

7 (B) EACH INTERMEDIATE DISTRICT SHALL NOMINATE AN EDUCATOR OR
8 EDUCATORS FROM AMONG THE NOMINATIONS RECEIVED FROM DISTRICTS UNDER
9 SUBDIVISION (A), IF ANY, TO THE DEPARTMENT FOR APPOINTMENT TO THE
10 INNOVATIVE EDUCATOR CORPS. THE NOMINATIONS SUBMITTED TO THE
11 DEPARTMENT UNDER THIS SUBDIVISION MUST MEET BOTH OF THE FOLLOWING:

12 (i) THE INTERMEDIATE DISTRICT SHALL NOMINATE 1 EDUCATOR FOR
13 EVERY 5,000 PUPILS ENROLLED IN THE PUBLIC SCHOOLS LOCATED IN THE
14 INTERMEDIATE DISTRICT. AN INTERMEDIATE DISTRICT WITH FEWER THAN
15 10,000 PUPILS ENROLLED SHALL NOMINATE 2 EDUCATORS.

16 (ii) THE NOMINATIONS MUST BE BASED ON AT LEAST ALL OF THE
17 FOLLOWING:

18 (A) THE EDUCATOR'S ABILITY TO POSITIVELY INFLUENCE OTHER
19 EDUCATORS IN THE INTERMEDIATE DISTRICT IN WHICH HE OR SHE TEACHES.

20 (B) THE EDUCATOR'S POSITIVE IMPACT ON THE COMMUNITY.

21 (C) THE EDUCATOR'S PROVEN EXPERIENCE AND SUCCESS IN A SKILL OR
22 INSTRUCTIONAL MODEL THAT IS IN DEMAND IN THE INTERMEDIATE DISTRICT
23 IN WHICH HE OR SHE TEACHES.

24 (C) AN INTERMEDIATE DISTRICT MAY NOMINATE AN EDUCATOR OR
25 EDUCATORS EMPLOYED BY THE INTERMEDIATE DISTRICT TO THE DEPARTMENT
26 FOR APPOINTMENT TO THE INNOVATIVE EDUCATOR CORPS.

27 (D) SUBJECT TO SUBSECTION (4), THE DEPARTMENT SHALL REVIEW THE

1 NOMINATIONS SUBMITTED UNDER SUBDIVISIONS (B) AND (C) AND SELECT UP
 2 TO 100 EDUCATORS FROM THE SUBMITTED NOMINATIONS FOR APPOINTMENT TO
 3 THE INNOVATIVE EDUCATOR CORPS FOR AN INITIAL TERM OF 3 YEARS. THE
 4 DEPARTMENT SHALL SELECT INNOVATIVE EDUCATOR BASED ON AT LEAST ALL
 5 OF THE FOLLOWING FACTORS:

6 (i) THE LEVEL OF ACHIEVEMENT FOR PUPILS OF THE NOMINATED
 7 EDUCATOR, PARTICULARLY AMONG PUPILS REPRESENTING DISADVANTAGED
 8 POPULATIONS.

9 (ii) GEOGRAPHIC DIVERSITY OF INNOVATIVE EDUCATORS.

10 (iii) DIVERSITY OF SUBJECT AREAS IN WHICH INNOVATIVE EDUCATORS
 11 TEACH.

12 (iv) DIVERSITY OF GRADE LEVELS IN WHICH INNOVATIVE EDUCATORS
 13 TEACH.

14 (v) THE ABILITY OF AN EDUCATOR TO BRING PRESTIGE, ESTEEM, AND
 15 PROFESSIONALISM TO THE INNOVATIVE EDUCATOR CORPS.

16 (vi) AN EDUCATOR'S DIVERSITY OF EXPERIENCE AND SUCCESS IN
 17 UNIQUE SKILLS AND INNOVATIVE INSTRUCTIONAL MODELS, AS DETERMINED BY
 18 THE DEPARTMENT.

19 (4) THE DEPARTMENT SHALL ENSURE, AS PRACTICABLE, THAT AT LEAST
 20 1 EDUCATOR FROM EACH OF THE FOLLOWING GROUPS IS SELECTED FOR
 21 APPOINTMENT TO THE INNOVATIVE EDUCATOR CORPS UNDER SUBSECTION

22 (3) (D) :

23 (A) EDUCATORS WITH EXPERIENCE AND SUCCESS IN COMPETENCY-BASED
 24 EDUCATION.

25 (B) EDUCATORS WITH EXPERIENCE AND SUCCESS IN PROJECT-BASED
 26 LEARNING.

27 (C) EDUCATORS WITH EXPERIENCE AND SUCCESS IN BALANCED CALENDAR



1 SYSTEMS.

2 (D) EDUCATORS WITH EXPERIENCE AND SUCCESS IN THE TURNAROUND OF
3 A LOW-PERFORMING SCHOOL.

4 (5) AFTER THE INITIAL 3-YEAR TERM UNDER SUBSECTION (3), AN
5 EDUCATOR MAY SERVE ADDITIONAL 3-YEAR TERMS IN THE INNOVATIVE
6 EDUCATOR CORPS IF HE OR SHE IS RENOMINATED AT THE END OF EACH 3-
7 YEAR TERM BY THE DISTRICT THAT EMPLOYS THE EDUCATOR.

8 (6) THE DEPARTMENT SHALL CONSULT WITH A WORKGROUP, INCLUDING,
9 BUT NOT LIMITED TO, THE GOVERNOR OR HIS OR HER DESIGNEE, CURRENT
10 MEMBERS OF THE INNOVATIVE EDUCATOR CORPS, AND OTHER INTERESTED
11 PARTIES AS DETERMINED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION
12 TO ASSIST WITH THE SELECTION OF INNOVATIVE EDUCATORS UNDER
13 SUBSECTION (3) (D).

14 (7) AN EDUCATOR SELECTED AS AN INNOVATIVE EDUCATOR UNDER THIS
15 SECTION SHALL ASSIST IN THE IDENTIFICATION OF OTHER EDUCATORS WHO
16 ARE CAPABLE OF MENTORING STUDENT TEACHERS.

17 (8) NOT LATER THAN JUNE 30 OF EACH YEAR, THE DEPARTMENT SHALL
18 PROVIDE A REPORT TO THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID
19 SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
20 BUDGET DIRECTOR. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING
21 INFORMATION:

22 (A) THE NUMBER OF EDUCATORS RECEIVING ANNUAL STIPENDS UNDER
23 THIS SECTION.

24 (B) THE GEOGRAPHIC AREAS REPRESENTED BY EDUCATORS SELECTED BY
25 THE DEPARTMENT.

26 (C) THE VARIOUS SKILLS OF THE EDUCATORS NOMINATED UNDER THIS
27 SECTION.



(D) ANY OTHER INFORMATION THE DEPARTMENT DETERMINES NECESSARY TO DESCRIBE THE PROGRAM OUTCOMES RELATED TO FUNDS ALLOCATED UNDER THIS SECTION.

(9) NOT LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE DEPARTMENT SHALL PROMULGATE RULES AND DEVELOP POLICIES, PROCEDURES, AND REGULATIONS TO ENSURE ALL OF THE FOLLOWING:

(A) TO THE EXTENT POSSIBLE, STUDENT TEACHERS ARE PLACED WITH MEMBERS OR EMERITI OF THE INNOVATIVE EDUCATOR CORPS.

(B) TO THE EXTENT POSSIBLE, TEACHERS IN THEIR FIRST 3 YEARS OF TEACHING ARE PAIRED WITH MEMBERS OR EMERITI OF THE INNOVATIVE EDUCATOR CORPS UNDER SECTION 1526 OF THE REVISED SCHOOL CODE, MCL 380.1526.

(C) THAT MEMBERS OF THE INNOVATIVE TEACHER CORPS HAVE THE OPPORTUNITY TO MEET AT LEAST TWICE A YEAR WITH STATE POLICYMAKERS, INCLUDING MEMBERS OF THE LEGISLATURE AND THE GOVERNOR'S OFFICE.

(10) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1), FROM THE TALENT INVESTMENT FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED \$200,000.00 FOR COSTS RELATED TO THE ADMINISTRATION OF THIS SECTION.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed ~~\$3,730,300.00 for 2017-2018~~ **\$3,754,900.00 FOR 2018-2019** for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section



51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated for ~~2017-2018-2018-2019~~ the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this article for nonspecial education auxiliary services transportation.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed ~~\$1,705,300.00 for 2017-2018~~ **\$1,729,900.00 FOR 2018-2019** for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil transportation vehicles by the department of state police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it



1 to the department and to an intermediate district serving as
2 fiduciary in a time and manner determined jointly by the department
3 and the department of state police. Upon review and approval of the
4 statement of cost, the department shall forward to the designated
5 intermediate district serving as fiduciary the amount of the
6 reimbursement on behalf of each district and intermediate district
7 for costs detailed on the statement within 45 days after receipt of
8 the statement. The designated intermediate district shall make
9 payment in the amount specified on the statement to the department
10 of state police within 45 days after receipt of the statement. The
11 total reimbursement of costs under this subsection shall not exceed
12 the amount allocated under this subsection. Notwithstanding section
13 17b, payments to eligible entities under this subsection shall be
14 paid on a schedule prescribed by the department.

15 Sec. 81. (1) From the appropriation in section 11, there is
16 allocated for ~~2017-2018~~ **2018-2019** to the intermediate districts the
17 sum necessary, but not to exceed \$67,108,000.00 to provide state
18 aid to intermediate districts under this section.

19 (2) The amount allocated under this section to each
20 intermediate district is an amount equal to 100% of the amount
21 allocated to the intermediate district under this section for ~~2016-~~
22 ~~2017.~~ **2017-2018**. Funding provided under this section shall be used
23 to comply with requirements of this article and the revised school
24 code that are applicable to intermediate districts, and for which
25 funding is not provided elsewhere in this article, and to provide
26 technical assistance to districts as authorized by the intermediate
27 school board.



1 (3) Intermediate districts receiving funds under this section,
2 shall collaborate with the department to develop expanded
3 professional development opportunities for teachers to update and
4 expand their knowledge and skills needed to support the Michigan
5 merit curriculum.

6 (4) From the allocation in subsection (1), there is allocated
7 to an intermediate district, formed by the consolidation or
8 annexation of 2 or more intermediate districts or the attachment of
9 a total intermediate district to another intermediate school
10 district or the annexation of all of the constituent K-12 districts
11 of a previously existing intermediate school district which has
12 disorganized, an additional allotment of \$3,500.00 each fiscal year
13 for each intermediate district included in the new intermediate
14 district for 3 years following consolidation, annexation, or
15 attachment.

16 (5) In order to receive funding under this section, an
17 intermediate district shall do all of the following:

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

21 (b) Demonstrate to the satisfaction of the department that the
22 intermediate district employs at least 1 person who is trained in
23 rules, regulations, and district reporting procedures for the
24 individual-level student data that serves as the basis for the
25 calculation of the district and high school graduation and dropout
26 rates.

27 (c) Comply with sections 1278a and 1278b of the revised school



1 code, MCL 380.1278a and 380.1278b.

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

5 (e) Comply with section 1230g of the revised school code, MCL
6 380.1230g.

7 ~~(f) Comply with section 761 of the revised school code, MCL~~
8 ~~380.761.~~

9 Sec. 94. (1) From the general fund appropriation in section
10 11, there is allocated to the department ~~for 2017-2018~~ **EACH FISCAL**
11 **YEAR FOR 2017-2018 AND FOR 2018-2019** an amount not to exceed
12 \$750,000.00 for efforts to increase the number of pupils who
13 participate and succeed in advanced placement and international
14 baccalaureate programs.

15 (2) From the funds allocated under this section, the
16 department shall award funds to cover all or part of the costs of
17 advanced placement test fees or international baccalaureate test
18 fees and international baccalaureate registration fees for low-
19 income pupils who take an advanced placement or an international
20 baccalaureate test. ~~Payments shall not exceed \$20.00 per test~~
21 ~~completed or \$150.00 per international baccalaureate registration~~
22 ~~fees per pupil registered.~~

23 (3) The department shall only award funds under this section
24 if the department determines that all of the following criteria are
25 met:

26 (a) Each pupil for whom payment is made meets eligibility
27 requirements of the federal advanced placement test fee program



1 under section 1701 of the no child left behind act of 2001, Public
2 Law 107-110, or under a corresponding provision of the every
3 student succeeds act, Public Law 114-95.

4 (b) The tests are administered by the college board, the
5 international baccalaureate organization, or another test provider
6 approved by the department.

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

9 (4) The department shall establish procedures for awarding
10 funds under this section.

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

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

17 (a) Coordinate the collection of all data required by state
18 and federal law from districts, intermediate districts, and
19 postsecondary institutions.

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

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

26 (d) Create, maintain, and enhance this state's web-based
27 educational portal to provide information to school leaders,



1 teachers, researchers, and the public in compliance with all
2 federal and state privacy laws. Data shall include, but are not
3 limited to, all of the following:

4 (i) Data sets that link teachers to student information,
5 allowing districts to assess individual teacher impact on student
6 performance and consider student growth factors in teacher and
7 principal evaluation systems.

8 (ii) Data access or, if practical, data sets, provided for
9 regional data hubs that, in combination with local data, can
10 improve teaching and learning in the classroom.

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

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

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

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

19 (2) Each state department, officer, or agency that collects
20 information from districts, intermediate districts, or
21 postsecondary institutions as required under state or federal law
22 shall make arrangements with the center to ensure that the state
23 department, officer, or agency is in compliance with subsection
24 (1). This subsection does not apply to information collected by the
25 department of treasury under the uniform budgeting and accounting
26 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
27 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond

1 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
2 388.1939; or section 1351a of the revised school code, MCL
3 380.1351a.

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

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

8 (a) Includes data at the individual student level from
9 preschool through postsecondary education and into the workforce.

10 (b) Supports interoperability by using standard data
11 structures, data formats, and data definitions to ensure linkage
12 and connectivity in a manner that facilitates the exchange of data
13 among agencies and institutions within the state and between
14 states.

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

18 (d) Enables the matching of individual teachers with
19 information about their certification and the institutions that
20 prepared and recommended those teachers for state certification.

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

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

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



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

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

6 (ii) Contains student-level enrollment, demographic, and
7 program participation information.

8 (iii) Contains student-level information about the points at
9 which students exit, transfer in, transfer out, drop out, or
10 complete education programs.

11 (iv) Has the capacity to communicate with higher education
12 data systems.

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

15 (i) Contains yearly test records of individual students for
16 assessments approved by DED-OESE for accountability purposes under
17 section 1111(b) of the elementary and secondary education act of
18 1965, 20 USC 6311, including information on individual students not
19 tested, by grade and subject.

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

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

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

24 (i) Contains data that provide information regarding the
25 extent to which individual students transition successfully from
26 secondary school to postsecondary education, including, but not
27 limited to, all of the following:

1 (A) Enrollment in remedial coursework.

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

4 (ii) Contains data that provide other information determined
5 necessary to address alignment and adequate preparation for success
6 in postsecondary education.

7 (5) From the general fund appropriation in section 11, there
8 is allocated an amount not to exceed ~~\$10,173,200.00 for 2016-2017~~
9 ~~and an amount not to exceed \$16,216,000.00 for 2017-2018~~

10 **\$16,356,700.00 FOR 2018-2019** to the department of technology,
11 management, and budget to support the operations of the center. In
12 addition, from the federal funds appropriated in section 11 there
13 is allocated for ~~each fiscal year for 2016-2017 and for 2017-2018~~
14 **2018-2019** the amount necessary, estimated at \$193,500.00, to
15 support the operations of the center and to establish a P-20
16 longitudinal data system necessary for state and federal reporting
17 purposes. The center shall cooperate with the department to ensure
18 that this state is in compliance with federal law and is maximizing
19 opportunities for increased federal funding to improve education in
20 this state.

21 (6) From the funds allocated in subsection (5), the center may
22 use an amount determined by the center for competitive grants for
23 ~~2017-2018-2018-2019~~ to support collaborative efforts on the P-20
24 longitudinal data system. All of the following apply to grants
25 awarded under this subsection:

26 (a) The center shall award competitive grants to eligible
27 intermediate districts or a consortium of intermediate districts



1 based on criteria established by the center.

2 (b) Activities funded under the grant shall support the P-20
3 longitudinal data system portal and may include portal hosting,
4 hardware and software acquisition, maintenance, enhancements, user
5 support and related materials, and professional learning tools and
6 activities aimed at improving the utility of the P-20 longitudinal
7 data system.

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

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

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

26 (9) As used in this section:

27 (a) "DED-OESE" means the United States Department of Education



1 Office of Elementary and Secondary Education.

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

3 Sec. 95b. (1) From the general fund appropriation under
4 section 11, there is allocated to the department an amount not to
5 exceed \$2,500,000.00 for ~~2017-2018~~**2018-2019** for the department to
6 adopt a model value-added growth and projection analytics system
7 and to incorporate that model into its reporting requirements under
8 the every student succeeds act, Public Law 114-95. The adopted
9 model shall do at least all of the following:

10 (a) Utilize existing assessments and any future assessments
11 that are suitable for measuring student growth.

12 (b) Report student growth measures at the district, school,
13 teacher, and subgroup levels.

14 (c) Recognize the growth of tested students, including those
15 who may have missing assessment data.

16 (d) Include all available prior standardized assessment data
17 that meet inclusion criteria across grades, subjects, and state and
18 local assessments.

19 (e) Allow student growth results to be disaggregated.

20 (f) Provide individual student projections showing the
21 probability of a student reaching specific performance levels on
22 future assessments.

23 (g) Demonstrate any prior success with this state's
24 assessments through the Michigan council of educator effectiveness
25 teacher evaluation pilot.

26 (h) Demonstrate prior statewide implementation in at least 2
27 other states for at least 10 years.



(i) Have a native roster verification system built into the value-added reporting platform that has been implemented statewide in at least 2 other states.

(j) Have a "Help/Contact Us" ticketing system built into the value-added reporting platform.

(2) The department shall provide internet-based electronic student growth and projection reporting based on the model adopted under subsection (1) to educators at the school, district, and state levels. The model shall include role-based permissions that allow educators to access information about the performance of the students within their immediate responsibility in accordance with applicable privacy laws.

(3) The model adopted under subsection (1) must not be a mandatory part of teacher evaluation or educator pay-for-performance systems.

(4) THE MODEL ADOPTED UNDER SUBSECTION (1) MUST HAVE RECEIVED FUNDING UNDER THIS SECTION IN 2017-2018.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$7,387,500.00 for ~~2017-2018~~ **2018-2019** for the purposes described in this section. The Michigan Virtual University shall provide a report to the legislature not later than November 1 ~~, 2017~~ **OF EACH YEAR** that includes its mission, its plans, and proposed benchmarks it must meet, which shall include a plan to achieve a ~~50% increase in documented improvement in each requirement of the Michigan Virtual Learning Research Institute and Michigan Virtual School,~~ and all other ~~THE~~ organizational priorities identified in this



1 section, in order to receive full funding for ~~2018-2019.~~ **2019-2020.**
2 Not later than March 1 ~~, 2018,~~ **OF EACH YEAR,** the Michigan Virtual
3 University shall provide an update to the house and senate
4 appropriations subcommittees on school aid to show the progress
5 being made to meet the benchmarks identified.

6 (2) The Michigan Virtual University shall operate the Michigan
7 Virtual Learning Research Institute. The Michigan Virtual Learning
8 Research Institute shall do all of the following:

9 (a) Support and accelerate innovation in education through the
10 following activities:

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

13 (ii) Research, design, and recommend virtual education
14 delivery models for use by pupils and teachers that include age-
15 appropriate multimedia instructional content.

16 (iii) Research, develop, and recommend annually to the
17 department criteria by which cyber schools and virtual course
18 providers should be monitored and evaluated to ensure a quality
19 education for their pupils.

20 (iv) Based on pupil completion and performance data reported
21 to the department or the center for educational performance and
22 information from cyber schools and other virtual course providers
23 operating in this state, analyze the effectiveness of virtual
24 learning delivery models in preparing pupils to be college- and
25 career-ready and publish a report that highlights enrollment
26 totals, completion rates, and the overall impact on pupils. The
27 report shall be submitted to the house and senate appropriations



1 subcommittees on state school aid, the state budget director, the
2 house and senate fiscal agencies, the department, districts, and
3 intermediate districts not later than March 31 ~~, 2018.~~ **OF EACH YEAR.**

4 (v) Provide an extensive professional development program to
5 at least 30,000 educational personnel, including teachers, school
6 administrators, and school board members, that focuses on the
7 effective integration of virtual learning into curricula and
8 instruction. The Michigan Virtual Learning Research Institute is
9 encouraged to work with the MiSTEM advisory council created under
10 section 99s to coordinate professional development of teachers in
11 applicable fields. In addition, the Michigan Virtual Learning
12 Research Institute and external stakeholders are encouraged to
13 coordinate with the department for professional development in this
14 state. Not later than December 1 ~~, 2018,~~ **OF EACH YEAR,** the Michigan
15 Virtual Learning Research Institute shall submit a report to the
16 house and senate appropriations subcommittees on state school aid,
17 the state budget director, the house and senate fiscal agencies,
18 and the department on the number ~~and percentage~~ of teachers, school
19 administrators, and school board members who have received
20 professional development services from the Michigan Virtual
21 University. The report shall also identify barriers and other
22 opportunities to encourage the adoption of virtual learning in the
23 public education system.

24 (vi) Identify and share best practices for planning,
25 implementing, and evaluating virtual and blended education delivery
26 models with intermediate districts, districts, and public school
27 academies to accelerate the adoption of innovative education



1 delivery models statewide.

2 (b) Provide leadership for this state's system of virtual
3 learning education by doing the following activities:

4 (i) Develop and report policy recommendations to the governor
5 and the legislature that accelerate the expansion of effective
6 virtual learning in this state's schools.

7 (ii) Provide a clearinghouse for research reports, academic
8 studies, evaluations, and other information related to virtual
9 learning.

10 (iii) Promote and distribute the most current instructional
11 design standards and guidelines for virtual teaching.

12 (iv) In collaboration with the department and interested
13 colleges and universities in this state, support implementation and
14 improvements related to effective virtual learning instruction.

15 (v) Pursue public/private partnerships that include districts
16 to study and implement competency-based technology-rich virtual
17 learning models.

18 (vi) Create a statewide network of school-based mentors
19 serving as liaisons between pupils, virtual instructors, parents,
20 and school staff, as provided by the department or the center, and
21 provide mentors with research-based training and technical
22 assistance designed to help more pupils be successful virtual
23 learners.

24 (vii) Convene focus groups and conduct annual surveys of
25 teachers, administrators, pupils, parents, and others to identify
26 barriers and opportunities related to virtual learning.

27 (viii) Produce an annual consumer awareness report for schools



1 and parents about effective virtual education providers and
2 education delivery models, performance data, cost structures, and
3 research trends.

4 (ix) ~~Research and establish~~ **PROVIDE** an internet-based platform
5 that educators can use to create student-centric learning tools and
6 resources **FOR SHARING IN THE STATE'S OPEN EDUCATIONAL RESOURCE**
7 **REPOSITORY** and facilitate a user network that assists educators in
8 using the **CONTENT CREATION** platform **AND STATE REPOSITORY FOR OPEN**
9 **EDUCATIONAL RESOURCES**. As part of this initiative, the Michigan
10 Virtual University shall work collaboratively with districts and
11 intermediate districts to establish a plan to make available
12 virtual resources that align to Michigan's K-12 curriculum
13 standards for use by students, educators, and parents.

14 (x) Create and maintain a public statewide catalog of virtual
15 learning courses being offered by all public schools and community
16 colleges in this state. The Michigan Virtual Learning Research
17 Institute shall identify and develop a list of nationally
18 recognized best practices for virtual learning and use this list to
19 support reviews of virtual course vendors, courses, and
20 instructional practices. The Michigan Virtual Learning Research
21 Institute shall also provide a mechanism for intermediate districts
22 to use the identified best practices to review content offered by
23 constituent districts. The Michigan Virtual Learning Research
24 Institute shall review the virtual course offerings of the Michigan
25 Virtual University, and make the results from these reviews
26 available to the public as part of the statewide catalog. The
27 Michigan Virtual Learning Research Institute shall ensure that the



1 statewide catalog is made available to the public on the Michigan
2 Virtual University website and shall allow the ability to link it
3 to each district's website as provided for in section 21f. The
4 statewide catalog shall also contain all of the following:

5 (A) The number of enrollments in each virtual course in the
6 immediately preceding school year.

7 (B) The number of enrollments that earned 60% or more of the
8 total course points for each virtual course in the immediately
9 preceding school year.

10 (C) The ~~completion~~**PASS** rate for each virtual course.

11 (xi) ~~Develop prototype and pilot~~**SUPPORT** registration, payment
12 services, and transcript functionality ~~to~~**FOR** the statewide catalog
13 and train key stakeholders on how to use new features.

14 (xii) Collaborate with key stakeholders to examine district
15 level accountability and teacher effectiveness issues related to
16 virtual learning under section 21f and make findings and
17 recommendations publicly available.

18 (xiii) Provide a report on the activities of the Michigan
19 Virtual Learning Research Institute.

20 (3) To further enhance its expertise and leadership in virtual
21 learning, the Michigan Virtual University shall continue to operate
22 the Michigan Virtual School as a statewide laboratory and quality
23 model of instruction by implementing virtual and blended learning
24 solutions for Michigan schools in accordance with the following
25 parameters:

26 (a) The Michigan Virtual School must maintain its
27 accreditation status from recognized national and international



1 accrediting entities.

2 (b) The Michigan Virtual University shall use no more than
3 \$1,000,000.00 of the amount allocated under this section to
4 subsidize the cost paid by districts for virtual courses.

5 (c) In providing educators responsible for the teaching of
6 virtual courses as provided for in this section, the Michigan
7 Virtual School shall follow the requirements to request and assess,
8 and the department of state police shall provide, a criminal
9 history check and criminal records check under sections 1230 and
10 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
11 the same manner as if the Michigan Virtual School were a school
12 district under those sections.

13 (4) From the funds allocated under subsection (1), the
14 Michigan Virtual University shall allocate up to \$500,000.00 to
15 support the expansion of new online and blended educator
16 professional development programs.

17 (5) If the course offerings are included in the statewide
18 catalog of virtual courses under subsection (2)(b)(x), the Michigan
19 Virtual School operated by the Michigan Virtual University may
20 offer virtual course offerings, including, but not limited to, all
21 of the following:

22 (a) Information technology courses.

23 (b) College level equivalent courses, as defined in section
24 1471 of the revised school code, MCL 380.1471.

25 (c) Courses and dual enrollment opportunities.

26 (d) Programs and services for at-risk pupils.

27 (e) High school equivalency test preparation courses for



1 adjudicated youth.

2 (f) Special interest courses.

3 (g) Professional development programs for teachers, school
4 administrators, other school employees, and school board members.

5 (6) If a home-schooled or nonpublic school student is a
6 resident of a district that subscribes to services provided by the
7 Michigan Virtual School, the student may use the services provided
8 by the Michigan Virtual School to the district without charge to
9 the student beyond what is charged to a district pupil using the
10 same services.

11 (7) Not later than December 1 of each fiscal year, the
12 Michigan Virtual University shall provide a report to the house and
13 senate appropriations subcommittees on state school aid, the state
14 budget director, the house and senate fiscal agencies, and the
15 department that includes at least all of the following information
16 related to the Michigan Virtual School for the preceding state
17 fiscal year:

18 (a) A list of the districts served by the Michigan Virtual
19 School.

20 (b) A list of virtual course titles available to districts.

21 (c) The total number of virtual course enrollments and
22 information on registrations and completions by course.

23 (d) The overall course completion rate percentage.

24 (8) In addition to the information listed in subsection (7),
25 the report under subsection (7) shall also include a plan to serve
26 at least 600 schools with courses from the Michigan Virtual School
27 or with content available through the internet-based platform



1 identified in subsection (2) (b) (ix) .

2 (9) The governor may appoint an advisory group for the
3 Michigan Virtual Learning Research Institute established under
4 subsection (2). The members of the advisory group shall serve at
5 the pleasure of the governor and shall serve without compensation.
6 The purpose of the advisory group is to make recommendations to the
7 governor, the legislature, and the president and board of the
8 Michigan Virtual University that will accelerate innovation in this
9 state's education system in a manner that will prepare elementary
10 and secondary students to be career and college ready and that will
11 promote the goal of increasing the percentage of citizens of this
12 state with high-quality degrees and credentials to at least 60% by
13 2025.

14 (10) Not later than November 1 ~~, 2017,~~ **OF EACH YEAR,** the
15 Michigan Virtual University shall submit to the house and senate
16 appropriations subcommittees on state school aid, the state budget
17 director, and the house and senate fiscal agencies a detailed
18 budget for ~~the 2017-2018~~ **THAT** fiscal year that includes a breakdown
19 on its projected costs to deliver virtual educational services to
20 districts and a summary of the anticipated fees to be paid by
21 districts for those services. Not later than March 1 each year, the
22 Michigan Virtual University shall submit to the house and senate
23 appropriations subcommittees on state school aid, the state budget
24 director, and the house and senate fiscal agencies a breakdown on
25 its actual costs to deliver virtual educational services to
26 districts and a summary of the actual fees paid by districts for
27 those services based on audited financial statements for the



1 immediately preceding fiscal year.

2 (11) As used in this section:

3 (a) "Blended learning" means a hybrid instructional delivery
4 model where pupils are provided content, instruction, and
5 assessment, in part at a supervised educational facility away from
6 home where the pupil and a teacher with a valid Michigan teaching
7 certificate are in the same physical location and in part through
8 internet-connected learning environments with some degree of pupil
9 control over time, location, and pace of instruction.

10 (b) "Cyber school" means a full-time instructional program of
11 virtual courses for pupils that may or may not require attendance
12 at a physical school location.

13 (c) "Virtual course" means a course of study that is capable
14 of generating a credit or a grade and that is provided in an
15 interactive learning environment in which the majority of the
16 curriculum is delivered using the internet and in which pupils are
17 separated from their instructor or teacher of record by time or
18 location, or both.

19 Sec. 99h. (1) From the state school aid fund appropriation in
20 section 11, there is allocated an amount not to exceed
21 \$2,500,000.00 for ~~2017-2018~~**2018-2019** for competitive grants to
22 districts, and from the general fund appropriation in section 11,
23 there is allocated an amount not to exceed \$300,000.00 for ~~2017-~~
24 ~~2018~~**2018-2019** for competitive grants to nonpublic schools, that
25 provide pupils in grades K to 12 with expanded opportunities to
26 improve mathematics, science, and technology skills by
27 participating in events hosted by a science and technology



1 development program known as FIRST (for inspiration and recognition
2 of science and technology) Robotics, including JR FIRST Lego
3 League, FIRST Lego League, FIRST tech challenge, and FIRST Robotics
4 competition, **OR OTHER COMPETITIVE ROBOTICS PROGRAMS, INCLUDING**
5 **THOSE HOSTED BY THE ROBOTICS EDUCATION AND COMPETITION (REC)**
6 **FOUNDATION.** Programs funded under this section are intended to
7 increase the number of pupils demonstrating proficiency in science
8 and mathematics on the state assessments and to increase the number
9 of pupils who are college- and career-ready upon high school
10 graduation. Notwithstanding section 17b, grant payments to
11 districts and nonpublic schools under this section shall be paid on
12 a schedule determined by the department. The department shall set
13 maximum grant awards for each different level of competition in a
14 manner that both maximizes the number of teams that will be able to
15 receive funds and expands the geographical distribution of teams.

16 (2) A district or nonpublic school applying for a grant under
17 this section shall submit an application in a form and manner
18 determined by the department. To be eligible for a grant, a
19 district or nonpublic school shall demonstrate in its application
20 that the district or nonpublic school has established a partnership
21 for the purposes of the FIRST Robotics program with at least 1
22 sponsor, business entity, higher education institution, or
23 technical school, shall submit a spending plan, and shall pay at
24 least 25% of the cost of the FIRST Robotics program.

25 (3) The department shall distribute the grant funding under
26 this section for the following purposes:

27 (a) Grants to districts or nonpublic schools to pay for



1 stipends not to exceed \$1,500.00 for 1 coach per team.

2 (b) Grants to districts or nonpublic schools for event
3 registrations, materials, travel costs, and other expenses
4 associated with the preparation for and attendance at FIRST
5 Robotics events and competitions. Each grant recipient shall
6 provide a local match from other private or local funds for the
7 funds received under this subdivision equal to at least 50% of the
8 costs of participating in an event.

9 (c) Grants to districts or nonpublic schools for awards to
10 teams that advance to the state and world championship
11 competitions. The department shall determine an equal amount per
12 team for those teams that advance to the state championship and a
13 second equal award amount to those teams that advance to the world
14 championship.

15 (4) A nonpublic school that receives a grant under this
16 section may use the funds for either FIRST Robotics or Science
17 Olympiad programs.

18 (5) To be eligible to receive funds under this section, a
19 nonpublic school must be a nonpublic school registered with the
20 department and must meet all applicable state reporting
21 requirements for nonpublic schools.

22 ~~Sec. 99k. (1) From the appropriation in section 11, there is~~
23 ~~allocated an amount not to exceed \$500,000.00 for 2017-2018 for~~
24 ~~competitive grants to districts that provide pupils in grades 6 to~~
25 ~~12 with expanded opportunities to improve computer science skills~~
26 ~~by participating in cybersecurity competitive events hosted by~~
27 ~~Merit Network, Incorporated, known as Michigan High School Cyber~~



~~Challenge, or hosted by the Air Force Association, known as Cyberpatriot. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on state assessments and to increase the number of pupils who are college- and career-ready upon high school graduation. Notwithstanding section 17b, grant payments to districts under this section shall be paid on a schedule determined by the department. The department shall set maximum grant awards for each competition in a manner that both maximizes the number of teams that will be able to receive funds and the geographical distribution of teams.~~

~~—— (2) A district applying for a grant under this section shall submit an application in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that the district has established a partnership with at least 1 sponsor, business entity, higher education institution, or technical school, shall submit a spending plan, and shall pay at least 25% of the cost of the selected cybersecurity program.~~

~~—— (3) The department shall distribute the grant funding under this section for the following purposes:~~

~~—— (a) Grants to districts to pay for stipends not to exceed \$1,500.00 for 1 coach or mentor per team.~~

~~—— (b) Grants to districts for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at events and competitions. Each grant recipient shall provide a local match from other private or local funds for~~



~~the funds received under this subdivision equal to at least 50% of the costs of participating in an event.~~

~~—— (c) Grants to districts for awards to teams that advance to state and world championship competitions. The department shall determine an equal amount per team for those teams that advance to the state championship and a second equal award amount to those teams that advance to the world championship for the selected cybersecurity program.~~

~~—— (4) The funds allocated under this section are a work project appropriation, and any unexpended funds for 2017-2018 are carried forward into 2018-2019. The purpose of the work project is to continue to implement the projects described under subsection (1). The estimated completion date of the work project is September 30, 2020.~~

(1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,000,000.00 FOR 2018-2019 TO THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET TO SUPPORT CRITICAL CYBERSECURITY TRAINING AND INFRASTRUCTURE PROGRAMS, AND IN COLLABORATION WITH THE DEPARTMENT, TO INCREASE THE NUMBER OF PUPILS WITH SKILLS AND CREDENTIALS TO PURSUE CAREERS IN THE EMERGING FIELD OF CYBERSECURITY.

(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$620,000.00 TO SUPPORT A COMPETITIVE GRANT PROGRAM. FUNDS ALLOCATED UNDER THIS SUBSECTION MUST BE USED TO SUPPORT A PIPELINE FOR PUPILS THAT IS INTEGRATED INTO A ROBUST, HIGH-QUALITY EDUCATIONAL SYSTEMIC INFRASTRUCTURE. THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL AWARD GRANTS TO DISTRICTS



1 THAT PROVIDE PUPILS IN GRADES 6 TO 12 WITH EXPANDED OPPORTUNITIES
2 TO IMPROVE COMPUTER SCIENCE SKILLS BY PARTICIPATING IN COMPETITIVE
3 CYBERSECURITY EVENTS INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

4 (A) GOVERNOR'S HIGH SCHOOL CHALLENGE.

5 (B) NATIONAL YOUTH CYBER DEFENSE COMPETITION.

6 (C) CYBER SECURITY FOR AUTOMOTIVE CHALLENGE (CYBERAUTO
7 CHALLENGE).

8 (3) THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL
9 COORDINATE WITH THE DEPARTMENT TO ADMINISTER GRANTS FUNDED UNDER
10 SUBSECTION (2). PROGRAMS FUNDED UNDER SUBSECTION (2) ARE INTENDED
11 TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN
12 SCIENCE AND MATHEMATICS ON STATE ASSESSMENTS AND TO INCREASE THE
13 NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL
14 GRADUATION. THE DEPARTMENT SHALL SET MAXIMUM GRANT AWARDS FOR EACH
15 COMPETITION IN A MANNER THAT MAXIMIZES BOTH THE NUMBER OF TEAMS
16 THAT RECEIVE FUNDS AND THE GEOGRAPHICAL DISTRIBUTION OF TEAMS.

17 (4) A DISTRICT APPLYING FOR A GRANT UNDER SUBSECTION (2) SHALL
18 SUBMIT AN APPLICATION IN A FORM AND MANNER DETERMINED BY THE
19 DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL DO ALL OF
20 THE FOLLOWING:

21 (A) DEMONSTRATE IN ITS APPLICATION THAT THE DISTRICT HAS
22 ESTABLISHED A PARTNERSHIP WITH AT LEAST 1 SPONSOR, BUSINESS ENTITY,
23 HIGHER EDUCATION INSTITUTION, OR TECHNICAL SCHOOL.

24 (B) SUBMIT A SPENDING PLAN.

25 (C) PAY AT LEAST 25% OF THE COST OF THE SELECTED CYBERSECURITY
26 PROGRAM.

27 (5) DISTRICTS MAY USE FUNDS RECEIVED UNDER SUBSECTION (2) FOR



1 EVENT REGISTRATION FEES, MATERIALS, TRAVEL COSTS, STIPENDS TO
2 COACHES, AND OTHER EXPENSES ASSOCIATED WITH THE PREPARATION FOR AND
3 ATTENDANCE AT EVENTS AND COMPETITIONS.

4 (6) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
5 AN AMOUNT NOT TO EXCEED \$1,100,000.00 TO SUPPORT CRITICAL
6 CYBERSECURITY TRAINING AND INFRASTRUCTURE PROGRAMS, AS APPROVED BY
7 THIS STATE'S INFORMATION TECHNOLOGY GOVERNANCE COUNCIL. FUNDING
8 ALLOCATED UNDER THIS SUBSECTION MAY BE USED TO EXPAND THE MICHIGAN
9 HIGH SCHOOL CYBER CHALLENGE PROGRAM, AS APPROVED BY THE DEPARTMENT
10 OF TECHNOLOGY, MANAGEMENT, AND BUDGET. THE EXPANSION MUST INCLUDE,
11 BUT IS NOT LIMITED TO, BOTH OF THE FOLLOWING:

12 (A) AN OPEN PROFESSIONAL CREDENTIALING OR MICRO-CREDENTIALING
13 PROCESS, OR BOTH, FOR ANY PUPIL IN GRADES 9 TO 12 WHO DEMONSTRATES
14 MASTERY OF INDUSTRY-RECOGNIZED CYBERSECURITY SKILLS.

15 (B) COLLABORATION WITH OTHER CYBERSECURITY PROGRAMS TO ENSURE
16 ALIGNMENT OF COACH, MENTOR, AND EDUCATOR SKILLS.

17 (7) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
18 AN AMOUNT NOT TO EXCEED \$280,000.00 TO SUPPORT THE EXPANSION OF THE
19 MICHIGAN CYBERPATRIOT PROGRAM, AS APPROVED BY THE DEPARTMENT OF
20 TECHNOLOGY, MANAGEMENT, AND BUDGET. THE EXPANSION MUST INCLUDE, BUT
21 IS NOT LIMITED TO, ALL OF THE FOLLOWING:

22 (A) EDUCATION PROVIDED IN MULTIPLE MODALITIES AND CONNECTED TO
23 CURRENT STATE PROFESSIONAL DEVELOPMENT PLATFORMS.

24 (B) COLLABORATION WITH OTHER CYBERSECURITY PROGRAMS TO ENSURE
25 ALIGNMENT OF PUPIL SKILLS AND READINESS TO PARTICIPATE IN THE
26 CREDENTIALING PROCESS.

27 (C) COLLABORATION WITH THE DEPARTMENT AND OTHER EDUCATIONAL



**ENTITIES TO ENSURE THE ALIGNMENT OF THE MICHIGAN INTEGRATED
TECHNOLOGY COMPETENCIES FOR STUDENTS (MITECS) AND THE EMERGING
COMPUTER SCIENCE STANDARDS.**

Sec. 99r. (1) From the general fund appropriation under section 11, there is allocated for ~~2016-2017 an amount not to exceed \$75,000.00, and there is allocated for 2017-2018-2018-2019~~ an amount not to exceed ~~\$250,000.00,~~ **\$300,000.00 TO THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET** to support the ~~creation~~ **FUNCTIONS** of the **EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT FOR THE** MiSTEM network.

~~———— (2) From the general fund allocation under this section, there is allocated for 2016-2017 an amount not to exceed \$75,000.00 to the department of technology, management, and budget to support the functions of a transitional executive director and executive assistant for the MiSTEM network. The department of technology, management, and budget shall work with the Michigan Mathematics and Science Centers Network and the MiSTEM council to hire the transitional executive director and executive assistant. The transitional executive director and executive assistant shall work with the president and executive director of the Michigan Mathematics and Science Centers Network and the chairperson and vice-chairperson of the MiSTEM council. The transitional executive director and executive assistant shall do all of the following:~~

~~———— (a) Develop a plan for the creation of MiSTEM network regions that does all of the following:~~

~~———— (i) Creates a structured relationship between the MiSTEM council, MiSTEM network executive director and executive assistant,~~



~~and MiSTEM network region staff that ensures services to all regions and local communities in each region.~~

~~—— (ii) Empowers the MiSTEM network regions in a manner that creates a robust statewide STEM culture, empowers STEM teachers, integrates business and education into the MiSTEM network, and ensures high-quality and equitable distribution of STEM experiences for pupils.~~

~~—— (iii) Identifies region boundaries throughout the state and identifies fiscal agents within those regions.~~

~~—— (iv) Identifies MiSTEM state and regional goals and objectives and processes by which goals and objectives shall be measured.~~

~~—— (v) Includes processes by which the MiSTEM network regions apply for MiSTEM grants, provide feedback on grant-funded programming, share best practices, and create regional master plans.~~

~~—— (vi) Creates a marketing campaign, including, at least, an online presence which includes dashboards of outcomes for the MiSTEM network.~~

~~—— (b) Form a committee for the purpose of identifying each MiSTEM network region and selecting a fiscal agent and determining staffing for that region. Fiscal agents shall be an intermediate district within the region, a university within the region, or another organization that served as fiscal agent within the Michigan Mathematics and Science Centers Network. Agencies interested in serving as the region's fiscal agent shall be included on this committee. The committee shall also include representatives of the general education leadership network and the~~

~~governor's talent investment board, in addition to the math and science centers and MiSTEM council. The committee shall identify necessary staffing levels and locations of staff and determine processes by which the entire region will receive and share services. All fiscal agents for the Michigan Mathematics and Science Centers Network are required to maintain current levels of effort for the MiSTEM network as for the Michigan Mathematics and Science Centers Network.~~

~~—— (c) Establish a system to distribute and monitor MiSTEM grants during the creation of the MiSTEM network. The monitoring of the grants shall include conducting reviews of recipients and the experiences and feedback of pupils.~~

~~—— (d) Report to the governor and the legislature on the development of the MiSTEM network.~~

~~—— (e) Submit the plan developed under subdivision (a) to the governor and the legislature on or before December 1, 2017.~~

~~(2) (3) From the general fund allocation under this section, there is allocated for 2017-2018 an amount not to exceed \$250,000.00 to support a permanent executive director and an executive assistant for the MiSTEM network. After the creation of the MiSTEM network region, the transitional executive director funded under subsection (2) may be appointed as the permanent executive director, or a new permanent executive director may be hired. The permanent executive director and executive assistant~~ **FOR THE MISTEM NETWORK** shall do all of the following:

(a) Serve as a liaison among and between the department, the department of technology, management, and budget, the MiSTEM



1 advisory council, **THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS**
 2 **NETWORK, THE GOVERNOR'S TALENT INVESTMENT BOARD, THE GENERAL**
 3 **EDUCATION LEADERSHIP NETWORK**, and the ~~regional-MiSTEM centers~~
 4 **REGIONS** in a manner that creates a robust statewide STEM culture,
 5 that empowers STEM teachers, that integrates business and education
 6 into the STEM network, and that ensures high-quality STEM
 7 experiences for pupils.

8 (b) Coordinate the implementation of a marketing campaign,
 9 including, but not limited to, a website that includes dashboards
 10 of outcomes, to build STEM awareness and communicate STEM needs and
 11 opportunities to pupils, parents, educators, and the business
 12 community.

13 (c) ~~Award~~ **WORK WITH THE DEPARTMENT AND THE MISTEM ADVISORY**
 14 **COUNCIL TO COORDINATE, AWARD**, and monitor MiSTEM state and federal
 15 grants to the MiSTEM network regions and conduct reviews of grant
 16 recipients, including, but not limited to, pupil experience and
 17 feedback.

18 (d) Report to the governor, the legislature, **THE DEPARTMENT**,
 19 and the MiSTEM advisory council annually on the activities and
 20 performance of the MiSTEM network regions.

21 (e) Coordinate recurring discussions and work with regional
 22 staff to ensure that a network or loop of feedback and best
 23 practices are shared, including funding, programming, professional
 24 learning opportunities, discussion of MiSTEM strategic vision, and
 25 regional objectives.

26 ~~—— (f) Coordinate major grant application efforts with the MiSTEM~~
 27 ~~advisory council to assist regional staff with grant applications~~



~~on a local level. The MiSTEM advisory council shall leverage private and nonprofit relationships to coordinate and align private funds in addition to funds appropriated under this section.~~

(F) ~~(g)~~ Train state and regional staff in the STEMworks rating system, IN COLLABORATION WITH THE MISTEM ADVISORY COUNCIL AND THE DEPARTMENT.

~~(h) Hire all MiSTEM network staff no later than July 1, 2018.~~

(G) COLLABORATE WITH THE MISTEM NETWORK TO HIRE MISTEM NETWORK REGION STAFF.

Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed ~~\$6,234,300.00~~ **\$7,834,300.00** from the state school aid fund appropriation and an amount not to exceed ~~\$1,600,000.00~~ from the ~~general fund appropriation~~ for Michigan science, technology, engineering, and mathematics (MiSTEM) programs. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount estimated at ~~\$4,700,000.00~~ **\$3,500,000.00** from DED-OESE, title II, mathematics and science partnership grants. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on the state assessments and to increase the number of pupils who are college- and career-ready upon high school graduation. Notwithstanding section 17b, payments under this section shall be paid on a schedule determined by the department.

~~(2) From the general fund allocation in subsection (1), there is allocated an amount not to exceed \$50,000.00 to the department for administrative, training, and travel costs related to the~~



1 ~~MiSTEM advisory council.~~ **THE MISTEM ADVISORY COUNCIL IS CREATED.**

2 All of the following apply to the MiSTEM advisory council. ~~funded~~
3 ~~under this subsection.~~

4 (a) ~~The MiSTEM advisory council is created.~~ The MiSTEM
5 advisory council shall provide to the governor, legislature,
6 department of talent and economic development, and department
7 recommendations designed to improve and promote innovation in STEM
8 education and to prepare students for careers in science,
9 technology, engineering, and mathematics.

10 (b) The MiSTEM advisory council created under subdivision (a)
11 shall consist of the following members:

12 (i) The governor shall appoint 11 voting members who are
13 representative of business sectors that are important to Michigan's
14 economy and rely on a STEM-educated workforce, nonprofit
15 organizations and associations that promote STEM education, K-12
16 and postsecondary education entities involved in STEM-related
17 career education, or other sectors as considered appropriate by the
18 governor. Each of these members shall serve at the pleasure of the
19 governor and for a term determined by the governor.

20 (ii) The senate majority leader shall appoint 2 members of the
21 senate to serve as nonvoting, ex-officio members of the MiSTEM
22 advisory council, including 1 majority party member and 1 minority
23 party member.

24 (iii) The speaker of the house of representatives shall
25 appoint 2 members of the house of representatives to serve as
26 nonvoting, ex-officio members of the MiSTEM advisory council,
27 including 1 majority party member and 1 minority party member.



1 (c) Each member of the MiSTEM advisory council shall serve
2 without compensation.

3 (d) The MiSTEM advisory council annually shall review and make
4 recommendations to the governor, the legislature, and the
5 department concerning changes to the statewide strategy adopted by
6 the council for delivering STEM education-related opportunities to
7 pupils. The MiSTEM advisory council shall use funds received under
8 this subsection to ensure that its members or their designees are
9 trained in the Change the Equation STEMworks rating system program
10 for the purpose of rating STEM programs.

11 (e) The MiSTEM advisory council shall make specific funding
12 recommendations for the funds allocated under subsection (3) by
13 December 15 of each fiscal year. ~~The amount of each grant~~
14 ~~recommended shall not exceed \$100,000.00.~~ Each specific funding
15 recommendation shall be for a program approved by the MiSTEM
16 advisory council. To be eligible for MiSTEM advisory council
17 approval, a program must satisfy all of the following:

18 (i) Align with this state's academic standards.

19 (ii) Have STEMworks certification.

20 (iii) Provide project-based experiential learning, student
21 programming, or educator professional learning experiences.

22 (iv) Focus predominantly on classroom-based STEM experiences
23 or professional learning experiences.

24 (f) The MiSTEM advisory council shall approve programs that
25 **REPRESENT ALL NETWORK REGIONS AND** include a diverse array of
26 options for students and educators and at least 1 program in each
27 of the following areas:



1 (i) Robotics.

2 (ii) Computer science or coding.

3 (iii) Engineering or bioscience.

4 (g) The MiSTEM advisory council is encouraged to work with the
5 MiSTEM ~~Network regions~~ **NETWORK** to develop locally and regionally
6 developed programs and professional development experiences for the
7 programs on the list of approved programs.

8 (h) If the MiSTEM advisory council is unable to make specific
9 funding recommendations by December 15 of a fiscal year, the
10 department of ~~technology, management, and budget~~ shall award and
11 ~~the department shall~~ distribute the funds allocated under
12 subsection (3) on a competitive grant basis that at least follows
13 the statewide STEM strategy plan and rating system recommended by
14 the MiSTEM advisory council. Each grant ~~shall not exceed~~
15 ~~\$100,000.00~~ and must provide STEM education-related opportunities
16 for pupils.

17 (i) The MiSTEM advisory council shall work with the executive
18 director of the MiSTEM network funded under section 99r to
19 implement the statewide STEM strategy adopted by the MiSTEM
20 advisory council.

21 (3) From the state school aid fund money allocated under
22 subsection (1), there is allocated for ~~2017-2018~~ **2018-2019** an
23 amount not to exceed ~~\$2,850,000.00~~ **\$4,000,000.00** for the purpose of
24 funding programs under this section for ~~2017-2018,~~ **2018-2019**, as
25 recommended by the MiSTEM advisory council.

26 ~~—— (4) From the state school aid fund allocation under subsection~~
27 ~~(1), there is allocated for 2017-2018 an amount not to exceed~~



~~\$3,299,300.00 to support the activities and programs of mathematics and science centers. In addition, from the federal funds allocated under subsection (1), there is allocated for 2017-2018 an amount estimated at \$4,700,000.00 from DED-OESE, title II, mathematics and science partnership grants, for the purposes of this subsection. All of the following apply to the programs and funding under this subsection:~~

~~—— (a) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.~~

~~—— (b) The department shall not award a state grant under this subsection to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.~~

~~—— (c) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this subsection.~~



~~1 (d) Allocations under this subsection to support the
2 activities and programs of mathematics and science centers shall be
3 continuing support grants to all 33 established mathematics and
4 science centers. For 2017-2018, each established mathematics and
5 science center shall receive state funding in an amount equal to
6 100% of the amount it was allocated under former section 99 for
7 2014-2015. If a center declines state funding or a center closes,
8 the remaining money available under this subsection shall be
9 distributed to the remaining centers, as determined by the
10 department.~~

~~11 (e) From the funds allocated under this subsection, the
12 department shall distribute for 2017-2018 an amount not to exceed
13 \$750,000.00 in a form and manner determined by the department to
14 those centers able to provide curriculum and professional
15 development support to assist districts in implementing the
16 Michigan merit curriculum components for mathematics and science.
17 Funding under this subdivision is in addition to funding allocated
18 under subdivision (d).~~

~~19 (f) It is the intent of the legislature that the funding
20 allocated under this subsection represents the final year of
21 funding for mathematics and science centers and that mathematics
22 and science centers shall not be funded in 2018-2019.~~

~~23 (5) From the funds allocated under subsection (1), there is
24 allocated an amount not to exceed \$85,000.00 to the Michigan
25 Mathematics and Science Centers Network to reimburse intermediate
26 school districts for transition costs incurred as the centers
27 transition to MiSTEM network regions.~~



1 **(4)** ~~(6)~~ From the ~~general~~ **SCHOOL AID** fund allocation under
 2 subsection (1), there is allocated an amount not to exceed
 3 ~~\$1,400,000.00 to~~ **\$3,834,300.00 TO SUPPORT THE ACTIVITIES AND**
 4 **PROGRAMS OF** the MiSTEM network regions. ~~For 2017-2018, each~~
 5 ~~established MiSTEM network region shall receive funding under this~~
 6 ~~subsection in an amount equal to 50% of the state funding amount~~
 7 ~~allocated for 2017-2018 to the mathematics and science centers~~
 8 ~~located within that region to allow the MiSTEM network region to~~
 9 ~~begin operating by April 1, 2018. For former mathematics and~~
 10 ~~science centers with territory in more than 1 MiSTEM network~~
 11 ~~region, the amount allocated shall be divided proportionally.~~ **IN**
 12 **ADDITION, FROM THE FEDERAL FUNDS ALLOCATED UNDER SUBSECTION (1),**
 13 **THERE IS ALLOCATED AN AMOUNT ESTIMATED AT \$3,500,000.00 FROM DED-**
 14 **OESE, TITLE II, MATHEMATICS AND SCIENCE PARTNERSHIP GRANTS, FOR THE**
 15 **PURPOSES OF THIS SUBSECTION. BEGINNING IN 2018-2019, THE FISCAL**
 16 **AGENT FOR EACH MISTEM NETWORK REGION SHALL RECEIVE \$200,000.00 FOR**
 17 **THE BASE OPERATIONS OF EACH REGION. THE REMAINING FUNDS WILL BE**
 18 **DISTRIBUTED TO EACH FISCAL AGENT IN AN EQUAL AMOUNT PER PUPIL,**
 19 **BASED ON THE NUMBER OF K TO 12 PUPILS ENROLLED IN DISTRICTS WITHIN**
 20 **EACH REGION IN THE PRIOR FISCAL YEAR.**

21 **(5)** ~~(7)~~ A MiSTEM network region shall do all of the following:
 22 (a) Collaborate with the ~~talent district~~ **career AND**
 23 **EDUCATIONAL ADVISORY** council that is located in the ~~prosperity~~
 24 **MISTEM** region to develop a regional strategic plan for STEM
 25 education that creates a robust regional STEM culture, that
 26 empowers STEM teachers, that integrates business and education into
 27 the STEM network, and that ensures high-quality STEM experiences



1 for pupils. At a minimum, a regional STEM strategic plan should do
2 all of the following:

3 (i) Identify regional employer need for STEM.

4 (ii) Identify processes for regional employers and educators
5 to create guided pathways for STEM careers that include internships
6 or externships, apprenticeships, and other experiential engagements
7 for pupils.

8 (iii) Identify educator professional development
9 opportunities, including internships or externships and
10 apprenticeships, that integrate this state's science ~~content~~
11 standards into high-quality STEM experiences that engage pupils.

12 (b) Facilitate regional STEM events such as educator and
13 employer networking and STEM career fairs to raise STEM awareness.

14 (c) Contribute to the MiSTEM website and engage in other
15 MiSTEM network functions to further the mission of STEM in this
16 state in coordination with the MiSTEM advisory council and its
17 executive director.

18 (d) Facilitate application and implementation of state and
19 federal funds under this subsection and any other grants or funds
20 for the MiSTEM network region.

21 (e) Work with districts to provide STEM programming and
22 professional development.

23 (f) Coordinate recurring discussions and work with the ~~talent~~
24 ~~district-career~~ **AND EDUCATIONAL ADVISORY** council to ensure that
25 feedback and best practices are being shared, including funding,
26 program, professional learning opportunities, and regional
27 strategic plans.



1 ~~(6) (8)~~—In order to receive state or federal funds under
 2 subsection (4), ~~or (6)~~, a grant recipient shall allow access for
 3 the department or the department's designee to audit all records
 4 related to the program for which it receives those funds. The grant
 5 recipient shall reimburse the state for all disallowances found in
 6 the audit.

7 ~~(7) (9)~~—In order to receive state funds under subsection (4),
 8 ~~or (6)~~, a grant recipient shall provide at least a 10% local match
 9 from local public or private resources for the funds received under
 10 this subsection.

11 ~~(8) (10)~~—Not later than July 1, 2019 and July 1 of each year
 12 thereafter, a MiSTEM network region that receives funds under
 13 subsection ~~(6)~~ **(4)** shall report to the executive director of the
 14 MiSTEM network in a form and manner prescribed by the executive
 15 director on performance measures developed by the MiSTEM network
 16 regions and approved by the executive director. The performance
 17 measures shall be designed to ensure that the activities of the
 18 MiSTEM network are improving student academic outcomes.

19 ~~(9) (11)~~—Not more than 5% of a MiSTEM network region grant
 20 under subsection **(4)** **OR** (6) may be retained by a fiscal agent for
 21 serving as the fiscal agent of a MiSTEM network region.

22 ~~(10) (12)~~—As used in this section:

23 **(A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN**
 24 **ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED**
 25 **IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,**
 26 **AND PARENT REPRESENTATIVES.**

27 ~~(B) (a)~~—"DED" means the United States Department of Education.



1 (C) ~~(b)~~ "DED-OESE" means the DED Office of Elementary and
2 Secondary Education.

3 (D) ~~(e)~~ "STEM" means science, technology, engineering, and
4 mathematics delivered in an integrated fashion using cross-
5 disciplinary learning experiences that can include language arts,
6 performing and fine arts, and career and technical education.

7 ~~(d) "Talent district career council" means an advisory council~~
8 ~~to the local workforce development boards located in a prosperity~~
9 ~~region consisting of educational, employer, labor, and parent~~
10 ~~representatives.~~

11 ~~(13) From the general fund allocation under subsection (1),~~
12 ~~there is allocated an amount not to exceed \$150,000.00 for 2017-~~
13 ~~2018 for a grant to the Van Andel Education Institute for the~~
14 ~~purposes of advancing and promoting science education and~~
15 ~~increasing the number of students who choose to pursue careers in~~
16 ~~science or science-related fields. Funds allocated under this~~
17 ~~subsection shall be used to provide professional development for~~
18 ~~science teachers in using student-driven, inquiry-based~~
19 ~~instruction.~~

20 ~~(14) Not later than January 1, 2019, the executive director of~~
21 ~~the MiSTEM centers network shall report to the house and senate~~
22 ~~appropriations subcommittees on school aid and the house and senate~~
23 ~~fiscal agencies on the number of male and female MiSTEM center~~
24 ~~program participants and the steps, if any, that the MiSTEM centers~~
25 ~~are taking to reduce any disparity between the number of male and~~
26 ~~female participants.~~

27 Sec. 99t. (1) From the general fund appropriation under



1 section 11, there is allocated an amount not to exceed
2 ~~\$1,100,000.00 for 2017-2018~~ **\$1,500,000.00 FOR 2018-2019** to purchase
3 statewide access to an online algebra tool that meets all of the
4 following:

5 (a) Provides students statewide with complete access to videos
6 aligned with state standards including study guides and workbooks
7 that are aligned with the videos.

8 (b) Provides students statewide with access to a personalized
9 online algebra learning tool including adaptive diagnostics.

10 (c) Provides students statewide with dynamic algebra practice
11 assessments that emulate the state assessment with immediate
12 feedback and help solving problems.

13 (d) Provides students statewide with online access to algebra
14 help 24 hours a day and 7 days a week from study experts, teachers,
15 and peers on a moderated social networking platform.

16 (e) Provides an online algebra professional development
17 network for teachers.

18 (f) Is already provided under a statewide contract in at least
19 1 other state that has a population of at least 18,000,000 but not
20 more than 19,000,000 according to the most recent decennial census
21 and is offered in that state in partnership with a public
22 university.

23 (2) The department shall purchase the online algebra tool that
24 was chosen under this section in ~~2016-2017~~. **2017-2018**.

25 (3) A grantee receiving funding under this section shall
26 comply with the requirements of section 19b.

27 Sec. 99u. (1) From the general fund appropriation under



1 section 11, there is allocated for ~~2017-2018~~**2018-2019** an amount
2 not to exceed \$1,000,000.00 to purchase statewide access to an
3 online mathematics tool that meets all of the following:

4 (a) Provides students statewide with complete access to
5 mathematics support aligned with state standards through a program
6 that has all of the following elements:

7 (i) Student motivation.

8 (ii) Valid and reliable assessments.

9 (iii) Personalized learning pathways.

10 (iv) Highly qualified, live teachers available all day and all
11 year.

12 (v) Twenty-four-hour reporting.

13 (vi) Content built for rigorous mathematics.

14 (b) Has a record of improving student mathematics scores in at
15 least 5 other states.

16 **(C) RECEIVED FUNDING UNDER THIS SECTION IN 2017-2018.**

17 (2) A grantee that receives funding under this section shall
18 comply with the requirements of section 19b.

19 Sec. 102d. (1) From the funds appropriated in section 11,
20 there is allocated an amount not to exceed \$1,500,000.00 for ~~2017-~~
21 ~~2018-2018-2019~~ for reimbursements to districts, intermediate
22 districts, and authorizing bodies of public school academies for
23 the licensing of school data analytical tools as described under
24 this section. The reimbursement is for districts, intermediate
25 districts, and authorizing bodies of public school academies that
26 choose to use a school data analytical tool to assist the district,
27 intermediate district, or authorizing body of a public school



1 academy and that enter into a licensing agreement for a school data
2 analytical tool with 1 of the vendors approved by the department of
3 technology, management, and budget under subsection (2). Funds
4 allocated under this section are intended to provide districts,
5 intermediate districts, and authorizing bodies of public school
6 academies with financial forecasting and transparency reporting
7 tools to help improve the financial health of districts and to
8 improve communication with the public, resulting in increased fund
9 balances for districts and intermediate districts.

10 (2) Not later than October 15, ~~2017~~,**2018**, the department of
11 technology, management, and budget shall review vendors for school
12 data analytical tools and provide districts, intermediate
13 districts, and authorizing bodies of public school academies with a
14 list of up to 2 approved vendors that districts, intermediate
15 districts, and authorizing bodies of public school academies may
16 use to be eligible for a reimbursement paid under this section. In
17 addition, a vendor approved under this section for ~~2016-2017-2017-~~
18 **2018** is considered to be approved for use by a district,
19 intermediate district, or authorizing body of a public school
20 academy and for reimbursement for ~~2017-2018.~~**2018-2019**. An approved
21 school data analytical tool supplied by the vendor must meet at
22 least all of the following:

- 23 (a) Analyzes financial data.
24 (b) Analyzes academic data.
25 (c) Provides early warning indicators of financial stress.
26 (d) Has the capability to provide peer district comparisons of
27 both financial and academic data.



1 (e) Has the capability to provide financial projections for at
2 least 3 subsequent fiscal years.

3 (3) Funds allocated under this section shall be paid to
4 districts, intermediate districts, and authorizing bodies of public
5 school academies as a reimbursement for already having a licensing
6 agreement or for entering into a licensing agreement not later than
7 December 1, ~~2017~~**2018** with a vendor approved under subsection (2)
8 to implement a school data analytical tool. Reimbursement will be
9 prorated for the portion of the state fiscal year not covered by
10 the licensing agreement. However, a licensing agreement that takes
11 effect after October 1, ~~2017~~**2018** and before December 1, ~~2017~~**2018**
12 will not be prorated if the term of the agreement is at least 1
13 year. Reimbursement under this section shall be made as follows:

14 (a) All districts, intermediate districts, and authorizing
15 bodies of public school academies seeking reimbursement shall
16 submit requests not later than December 1, ~~2017~~**2018** indicating the
17 cost paid for the financial data analytical tool.

18 (b) The department shall determine the sum of the funding
19 requests under subdivision (a) and, if there are sufficient funds,
20 shall pay 1/2 of the costs submitted under subdivision (a). If
21 there are insufficient funds to pay 1/2 of the costs submitted
22 under (a), then reimbursement shall be made on an equal percentage
23 basis.

24 (c) Funds remaining after the calculation and payment under
25 subdivision (b) shall be distributed on an equal per-pupil basis,
26 with an intermediate district's pupils considered to be the sum of
27 the pupil memberships of the constituent districts for which the



1 intermediate district is purchasing the financial data analytical
2 tool, and with an authorizing body's pupils considered to be the
3 sum of the pupil memberships of the public school academies
4 authorized by the authorizing body for which the authorizing body
5 is purchasing the financial data analytical tool.

6 (d) The reimbursement to a district, intermediate district, or
7 authorizing body of a public school academy shall not be greater
8 than the amount paid for a data analytics application.

9 (e) A district, intermediate district, or authorizing body of
10 a public school academy shall not be reimbursed for the purchase of
11 more than 1 software application.

12 (4) If an intermediate district purchases both a school data
13 analytical tool specifically for intermediate district finances and
14 a school data analytical tool for those constituent districts that
15 opt in, the intermediate district shall be reimbursed for both
16 purchases under this section.

17 (5) If an intermediate district makes available to 1 or more
18 of its constituent districts a school data analytical tool funded
19 under this section, that constituent district shall not be
20 reimbursed under this section for the purchase of that school data
21 analytical tool if the constituent district has opted in for that
22 tool.

23 (6) If an authorizing body of a public school academy makes
24 available to 1 or more public school academies a school data
25 analytical tool funded under this section, the public school
26 academy shall not be reimbursed under this section for the purchase
27 of a school data analytical tool if the public school academy opted



1 in for that tool.

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

4 Sec. 104. (1) In order to receive state aid under this
5 article, a district shall comply with sections 1249, 1278a, 1278b,
6 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
7 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
8 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
9 the state school aid fund money appropriated in section 11, there
10 is allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
11 ~~\$34,709,400.00~~ **\$31,009,400.00** for payments on behalf of districts
12 for costs associated with complying with those provisions of law.
13 In addition, from the federal funds appropriated in section 11,
14 there is allocated for ~~2017-2018-2018-2019~~ an amount estimated at
15 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
16 funds, and from DED-OSERS, section 504 of part B of the individuals
17 with disabilities education act, Public Law 94-142, plus any
18 carryover federal funds from previous year appropriations, for the
19 purposes of complying with the federal no child left behind act of
20 2001, Public Law 107-110, or the every student succeeds act, Public
21 Law 114-95.

22 (2) The results of each test administered as part of the
23 Michigan student test of educational progress (M-STEP), including
24 tests administered to high school students, shall include an item
25 analysis that lists all items that are counted for individual pupil
26 scores and the percentage of pupils choosing each possible
27 response. The department shall work with the center to identify the



number of students enrolled at the time assessments are given by each district. In calculating the percentage of pupils assessed for a district's scorecard, the department shall use only the number of pupils enrolled in the district at the time the district administers the assessments and shall exclude pupils who enroll in the district after the district administers the assessments.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed \$1,000,000.00 for ~~2017-2018-2018-~~ **2019** to an intermediate district described in this subsection to implement a Michigan kindergarten entry observation tool in ~~2017-2018.-2018-2019~~. The funding under this subsection is allocated to an intermediate district in prosperity region 9 with at least 3,000 kindergarten pupils enrolled in its constituent districts to continue participation in the Maryland-Ohio pilot and cover the costs of implementing the ~~pilot~~-observation tool, including a contract with a university for implementation of the ~~pilot~~-observation tool, **ALSO REFERRED TO AS THE KINDERGARTEN READINESS ASSESSMENT**. The intermediate district shall continue implementation of the ~~2016-2017 pilot study with existing participating intermediate districts during the 2017-2018 school year. The Michigan kindergarten entry observation. shall-~~ **THE KINDERGARTEN READINESS ASSESSMENT MUST** be conducted in all kindergarten classrooms in districts located in prosperity regions



1 4, 5, and 9 beginning in August 2018. ~~2019.~~ A constituent district
 2 of an intermediate district located within **THESE** prosperity ~~region~~
 3 ~~4, 5, or 9~~ **REGIONS** shall administer the Maryland-Ohio tool within
 4 each kindergarten classroom to either the full census of
 5 kindergarten pupils or a representative sample of not less than 35%
 6 of the enrolled kindergarten pupils in each classroom. The
 7 intermediate district receiving the funding allocated under this
 8 subsection shall work with other intermediate districts to
 9 implement the Michigan kindergarten entry observation, engage with
 10 the office of great start and the department, and provide a report
 11 to the legislature on the demonstrated readiness of kindergarten
 12 pupils within the participating intermediate districts. That
 13 intermediate district may share this funding with the other
 14 affected intermediate districts and districts. ~~Allowable costs~~
 15 ~~under this subsection include those incurred in July, August, and~~
 16 ~~September 2017 as well as those incurred in 2017-2018.~~ As used in
 17 this subsection, "kindergarten" may include a classroom for young
 18 5-year-olds, commonly referred to as "young 5s" or "developmental
 19 kindergarten". The department shall approve the language and
 20 literacy domain within the Maryland-Ohio tool, also referred to as
 21 the "Kindergarten Readiness Assessment", for use by districts as an
 22 initial assessment that may be delivered to all kindergarten
 23 students to assist with identifying any possible area of concern
 24 for a student in English language arts.

25 ~~— (5) The department shall continue to make the kindergarten~~
 26 ~~entry assessment developed by the department and field tested in~~
 27 ~~2015-2016 available to districts in 2017-2018.~~



(5) ~~(6)~~—The department may recommend, but may not require, districts to allow pupils to use an external keyboard with tablet devices for online M-STEP testing, including, but not limited to, open-ended test items such as constructed response or equation builder items.

(6) ~~(7)~~—Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(7) ~~(8)~~—From the allocation in subsection (1), there is allocated an amount not to exceed ~~\$3,200,000.00~~ **\$500,000.00** for the development or selection of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored. The department and the center shall ensure that any data collected by the online reporting tool do not provide individually identifiable student data to the federal government.

(8) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR BENCHMARK ASSESSMENTS THAT ARE APPROVED BY THE DEPARTMENT UNDER MICHIGAN SOLICITATION "180000000144: ADMINISTRATION, SCORING, AND REPORTING OF BENCHMARK ASSESSMENTS".

(9) As used in this section:

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

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

(c) "DED-OSERS" means the DED Office of Special Education and



1 Rehabilitative Services.

2 Sec. 104c. (1) In order to receive state aid under this
3 article, a district shall administer the state assessments
4 described in this section.

5 (2) For the purposes of this section, the department shall
6 develop ~~for use in the spring of 2015-2016~~ **AND ADMINISTER** the
7 Michigan student test of educational progress (M-STEP) assessments
8 in English language arts and mathematics. These assessments shall
9 be aligned to state standards.

10 (3) For the purposes of this section, the department shall
11 implement a summative assessment system that is proven to be valid
12 and reliable for administration to pupils as provided under this
13 subsection. The summative assessment system shall meet all of the
14 following requirements:

15 (a) The summative assessment system shall measure student
16 proficiency on the current state standards, shall measure student
17 growth for consecutive grade levels in which students are assessed
18 in the same subject area in both grade levels, and shall be capable
19 of measuring individual student performance.

20 (b) The summative assessments for English language arts and
21 mathematics shall be administered to all public school pupils in
22 grades 3 to 11, including those pupils as required by the federal
23 individuals with disabilities education act, Public Law 108-446,
24 and by title I of the federal every student succeeds act (ESSA),
25 Public Law 114-95.

26 (c) The summative assessments for science shall be
27 administered to all public school pupils in at least grades ~~4 and~~



1 ~~7~~**5 AND 8**, including those pupils as required by the federal
2 individuals with disabilities education act, Public Law 108-446,
3 and by title I of the federal every student succeeds act (ESSA),
4 Public Law 114-95.

5 (d) The summative assessments for social studies shall be
6 administered to all public school pupils in at least grades 5 and
7 8, including those pupils as required by the federal individuals
8 with disabilities education act, Public Law 108-446, and by title I
9 of the federal every student succeeds act (ESSA), Public Law 114-
10 95.

11 (e) The content of the summative assessments shall be aligned
12 to state standards.

13 (f) The pool of questions for the summative assessments shall
14 be subject to a transparent review process for quality, bias, and
15 sensitive issues involving educator review and comment. The
16 department shall post samples from tests or retired tests featuring
17 questions from this pool for review by the public.

18 (g) The summative assessment system shall ensure that
19 students, parents, and teachers are provided with reports that
20 convey individual student proficiency and growth on the assessment
21 and that convey individual student domain-level performance in each
22 subject area, including representative questions, and individual
23 student performance in meeting state standards.

24 (h) The summative assessment system shall be capable of
25 providing, and the department shall ensure that students, parents,
26 teachers, administrators, and community members are provided with,
27 reports that convey aggregate student proficiency and growth data



1 by teacher, grade, school, and district.

2 (i) The summative assessment system shall ensure the
3 capability of reporting the available data to support educator
4 evaluations.

5 (j) The summative assessment system shall ensure that the
6 reports provided to districts containing individual student data
7 are available within 60 days after completion of the assessments.

8 (k) The summative assessment system shall ensure that access
9 to individually identifiable student data meets all of the
10 following:

11 (i) Is in compliance with 20 USC 1232g, commonly referred to
12 as the family educational rights and privacy act of 1974.

13 (ii) Except as may be provided for in an agreement with a
14 vendor to provide assessment services, as necessary to support
15 educator evaluations pursuant to subdivision (i), or for research
16 or program evaluation purposes, is available only to the student;
17 to the student's parent or legal guardian; and to a school
18 administrator or teacher, to the extent that he or she has a
19 legitimate educational interest.

20 (l) The summative assessment system shall ensure that the
21 assessments are pilot tested before statewide implementation.

22 (m) The summative assessment system shall ensure that
23 assessments are designed so that the maximum total combined length
24 of time that schools are required to set aside for a pupil to
25 answer all test questions on all assessments that are part of the
26 system for the pupil's grade level does not exceed that maximum
27 total combined length of time for the previous statewide assessment



1 system or 9 hours, whichever is less. This subdivision does not
 2 limit the amount of time a district may allow a pupil to complete a
 3 test.

4 (n) The total cost of executing the summative assessment
 5 system statewide each year, including, but not limited to, the cost
 6 of contracts for administration, scoring, and reporting, shall not
 7 exceed an amount equal to 2 times the cost of executing the
 8 previous statewide assessment after adjustment for inflation.

9 (o) Beginning with the 2017-2018 school year, the summative
 10 assessment system shall not require more than 3 hours in duration,
 11 on average, for an individual pupil to complete the combined
 12 administration of the math and English language arts portions of
 13 the assessment for any 1 grade level.

14 ~~—— (4) In an effort to develop a cohesive state assessment~~
 15 ~~system, the department shall implement a request for information~~
 16 ~~process for a common formative assessment system that is fully~~
 17 ~~aligned to this state's content standards for English language arts~~
 18 ~~and mathematics. The department may use information compiled from a~~
 19 ~~request for proposal in 2016-2017 to satisfy this request.~~

20 **(4)** ~~(5) Beginning in the 2015-2016 school year, the THE~~
 21 ~~department shall field test~~ **ADMINISTER BENCHMARK** assessments in the
 22 fall and spring of each school year to measure English language
 23 arts and mathematics in each of grades K to 2. ~~for full~~
 24 ~~implementation when the assessments have been successfully field~~
 25 ~~tested. This full~~ **FULL** implementation shall occur not later than
 26 the 2018-2019 school year. These assessments are necessary to
 27 determine a pupil's proficiency level before grade 3.



~~(6) Not later than November 1, 2017, the department shall issue a request for information for not less than 3 benchmark assessments that each meet all of the following:~~

~~(a) Assesses all of grades 3 through 7 in math and English language arts.~~

~~(b) Is aligned with this state's content standards such that items were written for this state's content standards.~~

~~(c) Is computer adaptive above and below grade level.~~

~~(d) Produces a pupil's results in not more than 48 hours from the time the benchmark assessment is administered.~~

~~(e) Is self-scoring.~~

~~(f) Aligns to this state's content standards.~~

~~(g) Measures the academic growth of pupils and provides an estimate for adequate yearly growth.~~

~~(h) Demonstrates validity and reliability as appropriate for a computer adaptive assessment.~~

~~(i) Is provided by a vendor that is willing to negotiate a discounted state rate for pricing.~~

~~(7) Not later than March 1, 2018 and in consultation with experts in the field of education and educational assessment measurement, the department shall approve at least 3 benchmark assessments that were included in a response to the request for information under subsection (6) and meet the requirements described in subsection (6).~~

~~(8) The department shall use the responses to the request for information to create a benchmark assessment budget request for the 2018-2019 fiscal year.~~



(5) THE DEPARTMENT SHALL PROVIDE GUIDANCE TO DISTRICTS ON
 OPTIONS FOR ADOPTING AND IMPLEMENTING DEPARTMENT-APPROVED BENCHMARK
 ASSESSMENTS FOR GRADES 3 TO 7 IN ENGLISH LANGUAGE ARTS AND
 MATHEMATICS AND SHALL RECOMMEND THAT DISTRICTS COMMIT TO USING THE
 SAME BENCHMARK ASSESSMENT FOR NO LESS THAN 3 YEARS WITHOUT
 SWITCHING TO ANOTHER BENCHMARK ASSESSMENT.

(6) ~~(9)~~—This section does not prohibit districts from adopting
 interim assessments.

(7) ~~(10)~~—As used in this section, "English language arts"
 means that term as defined in section 104b.

Sec. 104d. (1) From the state school aid fund money
 appropriated in section 11, there is allocated for ~~2017-2018-2018-~~
2019 an amount not to exceed \$4,000,000.00 for providing
 reimbursement to districts that purchase a computer-adaptive test,
 or that purchase 1 or more diagnostic tools, screening tools, or
 benchmark assessments for pupils in grades K to 3 that are intended
 to increase reading proficiency by grade 4.

(2) In order to receive reimbursement under this section for
 the purchase of a computer-adaptive test, the computer-adaptive
 test must provide for at least all of the following:

(a) Internet-delivered, standards-based assessment using a
 computer-adaptive model to target the instructional level of each
 pupil.

(b) Unlimited testing opportunities throughout the ~~2017-2018~~
2018-2019 school year.

(c) Valid and reliable diagnostic assessment data.

(d) Adjustment of testing difficulty based on previous answers



1 to test questions.

2 (e) Immediate feedback to pupils and teachers.

3 (3) In order to receive reimbursement under this section for
4 the purchase of 1 or more diagnostic tools or screening tools for
5 pupils in grades K to 3, each of the tools must meet all of the
6 following:

7 (a) Be reliable.

8 (b) Be valid.

9 (c) Be useful. As used in this subdivision, "useful" means
10 that a tool is easy to administer and requires a short time to
11 complete and that results are linked to intervention.

12 (4) In order to receive funding under this section for the
13 purchase of 1 or more benchmark assessments for pupils in grades K
14 to 3, each of the benchmark assessments must meet all of the
15 following:

16 (a) Be aligned to the state standards of this state.

17 (b) Complement this state's summative assessment system.

18 (c) Be administered at least once a year before the
19 administration of any summative assessment to monitor pupil
20 progress.

21 (d) Provide information on pupil achievement with regard to
22 learning the content required in a given year or grade span.

23 (5) Reimbursement under this section shall be made to eligible
24 districts that purchase a computer-adaptive test or 1 or more
25 diagnostic tools, screening tools, or benchmark assessments
26 described in this section by October 15, ~~2017~~**2018** and shall be
27 made on an equal per-pupil basis according to the available

1 funding, based on the number of pupils for whom assessments were
2 purchased.

3 (6) In order to receive reimbursement under this section, a
4 district shall demonstrate to the satisfaction of the department
5 that each qualifying computer-adaptive test, diagnostic tool,
6 screening tool, or benchmark assessment was purchased by the
7 district by December 1, ~~2017-2018~~ **AND SHALL REPORT TO THE**
8 **DEPARTMENT WHICH TESTS, TOOLS, AND ASSESSMENTS THE DISTRICT**
9 **PURCHASED.**

10 (7) **NOT LATER THAN FEBRUARY 1, 2019, THE DEPARTMENT SHALL**
11 **COMPILE THE DATA PROVIDED BY DISTRICTS UNDER SUBSECTION (6) AND**
12 **REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON**
13 **SCHOOL AID AND THE HOUSE AND SENATE FISCAL AGENCIES THE NUMBER OF**
14 **DISTRICTS THAT PURCHASED EACH TEST, TOOL, AND ASSESSMENT.**

15 Sec. 104e. (1) From the general fund appropriation in section
16 11, there is allocated an amount not to exceed \$250,000.00 for the
17 implementation of an assessment digital literacy preparation pilot
18 project for pupils enrolled in grades K to 8 **FOR 2017-2018 AND**
19 **2018-2019.** The department shall ensure that a pilot project funded
20 under this subsection satisfies all of the following:

21 (a) Is available to districts in the 2017-2018 **AND 2018-2019**
22 **school year.—YEARS.**

23 (b) Focuses on ensuring pupils have the necessary skills
24 required for state online assessments by assessing pupil digital
25 literacy skill levels and providing teachers with a digital
26 curriculum targeted at areas of determined weakness.

27 (c) Allows pupils to engage with the digital curriculum in an



1 independent or teacher-facilitated modality.

2 (d) Includes training and professional development for
3 teachers.

4 (e) Is implemented in at least ~~220~~**50** districts that operate
5 grades K to 8 and that represent a diverse geography and socio-
6 economic demographic.

7 (2) Funding under subsection (1) shall be allocated to a
8 district that operates at least grades K to 8 and has a partnership
9 with a third party that is experienced in the assessment of digital
10 literacy and the preparation of digital literacy skills and has
11 demonstrable experience serving districts in this state and local
12 education agencies in other states. The district, along with its
13 third-party partner, shall provide a report to the house and senate
14 appropriations subcommittees on school aid and the house and senate
15 fiscal agencies on the efficacy and usefulness of the assessment
16 digital literacy preparation pilot project no later than ~~September~~
17 ~~30, 2018~~**APRIL 1, 2019**.

18 (3) Notwithstanding section 17b, payments under subsection (1)
19 shall be made in a manner determined by the department.

20 Sec. 107. (1) From the appropriation in section 11, there is
21 allocated an amount not to exceed \$27,000,000.00 for ~~2017-2018~~
22 **2018-2019** for adult education programs authorized under this
23 section. Except as otherwise provided under subsections (14) ~~7~~
24 ~~(15), and (19), AND (15)~~, funds allocated under this section are
25 restricted for adult education programs as authorized under this
26 section only. A recipient of funds under this section shall not use
27 those funds for any other purpose.



(2) To be eligible for funding under this section, an eligible adult education provider shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, an individual shall be enrolled in an adult basic education program, an adult secondary education program, an adult English as a second language program, a high school equivalency test preparation program, or a high school completion program, that meets the requirements of this section, and for which instruction is provided, and **THE INDIVIDUAL** shall ~~meet either of the following:~~

~~—— (a) Has attained 20 years of age.~~

~~—— (b) Has attained 18 years of age and the individual's~~

~~graduating class has graduated.~~ **BE AT LEAST 18 YEARS OF AGE AND THE INDIVIDUAL'S GRADUATING CLASS SHALL HAVE GRADUATED.**

(4) By April 1 of each fiscal year, the intermediate districts within a prosperity region or subregion shall determine which intermediate district will serve as the prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify the department in a form and manner determined by the department. The department shall approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for adult education programs in each of the prosperity regions or subregions identified by the department. An intermediate district shall not use more than 5% of the funds

1 allocated under this subsection for administration costs for
2 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
3 allocation provided to each intermediate district serving as a
4 fiscal agent shall be based on the proportion of total funding
5 formerly received by the adult education providers in that
6 prosperity region or subregion in 2013-2014, and 33% shall be
7 allocated based on the factors in subdivisions (a), (b), and (c).
8 For 2018-2019, 33% of the allocation provided to each intermediate
9 district serving as a fiscal agent shall be based upon the
10 proportion of total funding formerly received by the adult
11 education providers in that prosperity region in 2013-2014 and 67%
12 of the allocation shall be based upon the factors in subdivisions
13 (a), (b), and (c). Beginning in 2019-2020, 100% of the allocation
14 provided to each intermediate district serving as a fiscal agent
15 shall be based on the factors in subdivisions (a), (b), and (c).
16 The funding factors for this section are as follows:

17 (a) Sixty percent of this portion of the funding shall be
18 distributed based upon the proportion of the state population of
19 individuals between the ages of 18 and 24 that are not high school
20 graduates that resides in each of the prosperity regions or
21 subregions, as reported by the most recent 5-year estimates from
22 the American ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the
23 United States Census Bureau.

24 (b) Thirty-five percent of this portion of the funding shall
25 be distributed based upon the proportion of the state population of
26 individuals age 25 or older who are not high school graduates that
27 resides in each of the prosperity regions or subregions, as

1 reported by the most recent 5-year estimates from the American
 2 ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the United States
 3 Census Bureau.

4 (c) Five percent of this portion of the funding shall be
 5 distributed based upon the proportion of the state population of
 6 individuals age 18 or older who lack basic English language
 7 proficiency that resides in each of the prosperity regions or
 8 subregions, as reported by the most recent 5-year estimates from
 9 the American ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the
 10 United States Census Bureau.

11 (5) To be an eligible fiscal agent, an intermediate district
 12 must agree to do the following in a form and manner determined by
 13 the department:

14 (a) Distribute funds to adult education programs in a
 15 prosperity region or subregion as described in this section.

16 (b) Collaborate with the ~~talent district~~ **career AND**
 17 **EDUCATIONAL ADVISORY** council, which is an advisory council of the
 18 workforce development boards located in the prosperity region or
 19 subregion, or its successor, to develop a regional strategy that
 20 aligns adult education programs and services into an efficient and
 21 effective delivery system for adult education learners, with
 22 special consideration for providing contextualized learning and
 23 career pathways and addressing barriers to education and
 24 employment.

25 (c) Collaborate with the ~~talent district~~ **career AND**
 26 **EDUCATIONAL ADVISORY** council, which is an advisory council of the
 27 workforce development boards located in the prosperity region or



1 subregion, or its successor, to create a local process and criteria
2 that will identify eligible adult education providers to receive
3 funds allocated under this section based on location, demand for
4 services, past performance, quality indicators as identified by the
5 department, and cost to provide instructional services. The fiscal
6 agent shall determine all local processes, criteria, and provider
7 determinations. However, the local processes, criteria, and
8 provider services must be approved by the department before funds
9 may be distributed to the fiscal agent.

10 (d) Provide oversight to its adult education providers
11 throughout the program year to ensure compliance with the
12 requirements of this section.

13 (e) Report adult education program and participant data and
14 information as prescribed by the department.

15 (6) An adult basic education program, an adult secondary
16 education program, or an adult English as a second language program
17 operated on a year-round or school year basis may be funded under
18 this section, subject to all of the following:

19 (a) The program enrolls adults who are determined by a
20 department-approved assessment, in a form and manner prescribed by
21 the department, to be below twelfth grade level in reading or
22 mathematics, or both, or to lack basic English proficiency.

23 (b) The program tests individuals for eligibility under
24 subdivision (a) before enrollment and upon completion of the
25 program in compliance with the state-approved assessment policy.

26 (c) A participant in an adult basic education program is
27 eligible for reimbursement until 1 of the following occurs:

1 (i) The participant's reading and mathematics proficiency are
2 assessed at or above the ninth grade level.

3 (ii) The participant fails to show progress on 2 successive
4 assessments after having completed at least 450 hours of
5 instruction.

6 (d) A participant in an adult secondary education program is
7 eligible for reimbursement until 1 of the following occurs:

8 (i) The participant's reading and mathematics proficiency are
9 assessed above the twelfth grade level.

10 (ii) The participant fails to show progress on 2 successive
11 assessments after having at least 450 hours of instruction.

12 (e) A funding recipient enrolling a participant in an English
13 as a second language program is eligible for funding according to
14 subsection (9) until the participant meets 1 of the following:

15 (i) The participant is assessed as having attained basic
16 English proficiency as determined by a department-approved
17 assessment.

18 (ii) The participant fails to show progress on 2 successive
19 department-approved assessments after having completed at least 450
20 hours of instruction. The department shall provide information to a
21 funding recipient regarding appropriate assessment instruments for
22 this program.

23 (7) A high school equivalency test preparation program
24 operated on a year-round or school year basis may be funded under
25 this section, subject to all of the following:

26 (a) The program enrolls adults who do not have a high school
27 diploma or a high school equivalency certificate.

1 (b) The program shall administer a pre-test approved by the
2 department before enrolling an individual to determine the
3 individual's literacy levels, shall administer a high school
4 equivalency practice test to determine the individual's potential
5 for success on the high school equivalency test, and shall
6 administer a post-test upon completion of the program in compliance
7 with the state-approved assessment policy.

8 (c) A funding recipient shall receive funding according to
9 subsection (9) for a participant, and a participant may be enrolled
10 in the program until 1 of the following occurs:

11 (i) The participant achieves a high school equivalency
12 certificate.

13 (ii) The participant fails to show progress on 2 successive
14 department-approved assessments used to determine readiness to take
15 a high school equivalency test after having completed at least 450
16 hours of instruction.

17 (8) A high school completion program operated on a year-round
18 or school year basis may be funded under this section, subject to
19 all of the following:

20 (a) The program enrolls adults who do not have a high school
21 diploma.

22 (b) The program tests participants described in subdivision
23 (a) before enrollment and upon completion of the program in
24 compliance with the state-approved assessment policy.

25 (c) A funding recipient shall receive funding according to
26 subsection (9) for a participant in a course offered under this
27 subsection until 1 of the following occurs:



1 (i) The participant passes the course and earns a high school
2 diploma.

3 (ii) The participant fails to earn credit in 2 successive
4 semesters or terms in which the participant is enrolled after
5 having completed at least 900 hours of instruction.

6 (9) A funding recipient shall receive payments under this
7 section in accordance with all of the following:

8 (a) Statewide allocation criteria, including 3-year average
9 enrollments, census data, and local needs.

10 (b) Participant completion of the adult basic education
11 objectives by achieving an educational gain as determined by the
12 national reporting system levels; for achieving basic English
13 proficiency, as determined by the department; for achieving a high
14 school equivalency certificate or passage of 1 or more individual
15 high school equivalency tests; for attainment of a high school
16 diploma or passage of a course required for a participant to attain
17 a high school diploma; for enrollment in a postsecondary
18 institution, or for entry into or retention of employment, as
19 applicable.

20 (c) Participant completion of core indicators as identified in
21 the innovation and opportunity act.

22 (d) Allowable expenditures.

23 (10) A person who is not eligible to be a participant funded
24 under this section may receive adult education services upon the
25 payment of tuition. In addition, a person who is not eligible to be
26 served in a program under this section due to the program
27 limitations specified in subsection (6), (7), or (8) may continue



1 to receive adult education services in that program upon the
2 payment of tuition. The tuition level shall be determined by the
3 local or intermediate district conducting the program.

4 (11) An individual who is an inmate in a state correctional
5 facility shall not be counted as a participant under this section.

6 (12) A funding recipient shall not commingle money received
7 under this section or from another source for adult education
8 purposes with any other funds and shall establish a separate ledger
9 account for funds received under this section. This subsection does
10 not prohibit a district from using general funds of the district to
11 support an adult education or community education program.

12 (13) A funding recipient receiving funds under this section
13 may establish a sliding scale of tuition rates based upon a
14 participant's family income. A funding recipient may charge a
15 participant tuition to receive adult education services under this
16 section from that sliding scale of tuition rates on a uniform
17 basis. The amount of tuition charged per participant shall not
18 exceed the actual operating cost per participant minus any funds
19 received under this section per participant. A funding recipient
20 may not charge a participant tuition under this section if the
21 participant's income is at or below 200% of the federal poverty
22 guidelines published by the United States Department of Health and
23 Human Services.

24 (14) In order to receive funds under this section, a funding
25 recipient shall furnish to the department, in a form and manner
26 determined by the department, all information needed to administer
27 this program and meet federal reporting requirements; shall allow



1 the department or the department's designee to review all records
2 related to the program for which it receives funds; and shall
3 reimburse the state for all disallowances found in the review, as
4 determined by the department. In addition, a funding recipient
5 shall agree to pay to a career and technical education program
6 under section 61a the amount of funding received under this section
7 in the proportion of career and technical education coursework used
8 to satisfy adult basic education programming, as billed to the
9 funding recipient by programs operating under section 61a.

10 ~~—— (15) From the amount appropriated in subsection (1), an amount~~
11 ~~not to exceed \$500,000.00 shall be allocated for 2017-2018 to not~~
12 ~~more than 1 pilot program that is located in a prosperity region~~
13 ~~with 2 or more subregions and that connects adult education~~
14 ~~participants directly with employers by linking adult education,~~
15 ~~career and technical skills, and workforce development. To be~~
16 ~~eligible for funding under this subsection, a pilot program shall~~
17 ~~provide a collaboration linking adult education programs within the~~
18 ~~county, the area career/technical center, and local employers, and~~
19 ~~shall meet the additional criteria in subsections (16) and (17).~~
20 ~~Funding under this subsection for 2017-2018 is for the third of 3~~
21 ~~years of funding.~~

22 ~~—— (16) A pilot program funded under subsection (15) shall~~
23 ~~require adult education staff to work with Michigan works! agency~~
24 ~~to identify a cohort of participants who are most prepared to~~
25 ~~successfully enter the workforce. Participants identified under~~
26 ~~this subsection shall be dually enrolled in adult education~~
27 ~~programming and at least 1 technical course at the area~~



~~career/technical center.~~

~~—— (17) A pilot program funded under subsection (15) shall have on staff an adult education navigator who will serve as a caseworker for each participant identified under subsection (16). The navigator shall work with adult education staff and potential employers to design an educational program best suited to the personal and employment needs of the participant, and shall work with human service agencies or other entities to address any barrier in the way of participant access.~~

~~—— (18) Not later than December 1, 2018, the pilot program funded under subsection (15) shall provide to the senate and house appropriations subcommittees on school aid, to the senate and house fiscal agencies, and to the state budget director a report detailing number of participants, graduation rates, and a measure of transitioning to employment.~~

(15) (19) From the amount appropriated in subsection (1), an amount not to exceed \$2,000,000.00 shall be allocated for ~~2017-2018~~ **2018-2019** for grants to not more than 5 pilot programs ~~that are additional to the pilot program funded under subsection (15) to~~ connect adult education participants with employers as provided under this subsection. **TO BE ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PILOT PROGRAM MUST PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE COUNTY, THE AREA CAREER AND TECHNICAL CENTER, AND LOCAL EMPLOYERS.** The grant to each eligible pilot program shall be up to \$400,000.00. To receive funding under this subsection, an eligible pilot program shall satisfy all of the following:



(a) Meets 1 of the following:

(i) Is located in prosperity region 1c.

(ii) Is located in prosperity region 2 and borders prosperity region 4.

(iii) Is located in prosperity region 4a and borders prosperity region 5.

(iv) Is located in prosperity region 5 and borders Lake Huron.

(v) Is located in prosperity region 9 and borders a neighboring state.

~~_____ (b) Begins operations at the start of the 2017-2018 school year.~~

~~_____ (c) Replicates the pilot program funded under subsection (15).~~

~~_____ (d) Meets the requirements under subsections (15), (16), and (17) for a pilot program funded under subsection (15).~~

(B) SHALL REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN WORKS! AGENCY TO IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST PREPARED TO SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS IDENTIFIED UNDER THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT EDUCATION PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA CAREER AND TECHNICAL CENTER.

(C) SHALL HAVE AN INDIVIDUAL STAFFED AS AN ADULT EDUCATION NAVIGATOR WHO WILL SERVE AS A CASEWORKER FOR EACH PARTICIPANT IDENTIFIED UNDER SUBDIVISION (B). THE NAVIGATOR SHALL WORK WITH ADULT EDUCATION STAFF AND POTENTIAL EMPLOYERS TO DESIGN AN EDUCATIONAL PROGRAM BEST SUITED TO THE PERSONAL AND EMPLOYMENT NEEDS OF THE PARTICIPANT AND SHALL WORK WITH HUMAN SERVICE AGENCIES OR OTHER ENTITIES TO ADDRESS ANY BARRIER IN THE WAY OF PARTICIPANT



1 **ACCESS.**

2 **(16)** ~~(20)~~ Not later than December 1, ~~2018,~~ **2019**, a pilot
 3 program funded under subsection ~~(19)~~ **(15)** shall provide a report to
 4 the senate and house appropriations subcommittees on school aid, to
 5 the senate and house fiscal agencies, and to the state budget
 6 director identifying the number of participants, graduation rates,
 7 and a measure of transition to employment.

8 **(17)** ~~(21)~~ The department shall approve at least 3 high school
 9 equivalency tests and determine whether a high school equivalency
 10 certificate meets the requisite standards for high school
 11 equivalency in this state.

12 **(18)** ~~(22)~~ As used in this section:

13 **(A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN**
 14 **ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED**
 15 **IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,**
 16 **AND PARENT REPRESENTATIVES.**

17 **(B)** ~~(a)~~ "Career pathway" means a combination of rigorous and
 18 high-quality education, training, and other services that comply
 19 with all of the following:

20 (i) Aligns with the skill needs of industries in the economy
 21 of this state or in the regional economy involved.

22 (ii) Prepares an individual to be successful in any of a full
 23 range of secondary or postsecondary education options, including
 24 apprenticeships registered under the act of August 16, 1937

25 (commonly known as the "national apprenticeship act"), 29 USC 50 et
 26 seq.

27 (iii) Includes counseling to support an individual in



1 achieving the individual's education and career goals.

2 (iv) Includes, as appropriate, education offered concurrently
3 with and in the same context as workforce preparation activities
4 and training for a specific occupation or occupational cluster.

5 (v) Organizes education, training, and other services to meet
6 the particular needs of an individual in a manner that accelerates
7 the educational and career advancement of the individual to the
8 extent practicable.

9 (vi) Enables an individual to attain a secondary school
10 diploma or its recognized equivalent, and at least 1 recognized
11 postsecondary credential.

12 (vii) Helps an individual enter or advance within a specific
13 occupation or occupational cluster.

14 (C) ~~(b)~~ "Department" means the department of talent and
15 economic development.

16 (D) ~~(e)~~ "Eligible adult education provider" means a district,
17 intermediate district, a consortium of districts, a consortium of
18 intermediate districts, or a consortium of districts and
19 intermediate districts that is identified as part of the local
20 process described in subsection (5)(c) and approved by the
21 department.

22 **SEC. 110. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**
23 **11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$600,000.00 FOR**
24 **2018-2019 TO EXPAND AN EXISTING ADVANCED 911 STATE CONTRACT FOR THE**
25 **SOLE PURPOSE OF IMPLEMENTING A STATEWIDE PILOT SECURE SCHOOLS**
26 **PROGRAM AND PANIC BUTTON APP PHONE APPLICATION SYSTEM IN PUBLIC AND**
27 **NONPUBLIC HIGH SCHOOLS.**



1 (2) THE PANIC BUTTON APP PHONE APPLICATION SYSTEM FUNDED UNDER
2 THIS SECTION MUST BE ABLE TO DO ALL OF THE FOLLOWING
3 SIMULTANEOUSLY:

4 (A) ALLOW AUTHORIZED USERS TO PLACE A VOICE CALL TO 911.

5 (B) PROVIDE INTELLIGENT NOTIFICATIONS VIA TEXT AND ELECTRONIC
6 MAIL.

7 (C) PROVIDE PUSH NOTIFICATIONS THAT CONTAIN INFORMATION
8 REGARDING THE IDENTITY AND LOCATION OF THE REPORTING PARTY,
9 RESPONSE TYPE REQUIRED BASED ON INCIDENT TYPE, AND ADDITIONAL
10 LOCATION DETAILS TO RELEVANT COMMUNITIES TO WHICH USERS BELONG
11 INCLUDING, BUT NOT LIMITED TO, BOTH OF THE FOLLOWING, AS APPLICABLE
12 BASED ON THE LOCATION AND CATEGORY OF THE EMERGENCY EVENT:

13 (i) KEY STAKEHOLDERS.

14 (ii) AUTHORIZED USERS, INCLUDING, BUT NOT LIMITED TO, ALL OF
15 THE FOLLOWING:

16 (A) SCHOOL STAFF.

17 (B) SCHOOL RESOURCE OFFICERS.

18 (C) 911.

19 (D) FIRST RESPONDER AGENCIES.

20 (D) ALLOW 911, SCHOOL OFFICIALS, AND FIRST RESPONDER AGENCIES
21 TO SEND MESSAGES TO PANIC BUTTON APP USERS BOTH DURING AND AFTER
22 EMERGENCY EVENTS IN ORDER TO FACILITATE ONGOING COMMUNICATIONS AND
23 COORDINATION.

24 (3) THE SECURE SCHOOLS PROGRAM FUNDED UNDER THIS SECTION MUST
25 INTEGRATE WITH THIS STATE'S CURRENT SUPPLEMENTAL 911 DATABASE TO
26 MAINTAIN INFORMATION VOLUNTARILY PROVIDED BY INDIVIDUALS AND
27 FACILITY MANAGERS VIA A SECURE WEB APPLICATION. ANY INFORMATION



SUBMITTED BY DISTRICTS UNDER THE SECURE SCHOOLS PROGRAM, INCLUDING, BUT NOT LIMITED TO, FLOORPLANS, AUTOMATED EXTERNAL DEFIBRILLATOR INFORMATION, SCHOOL SAFETY PLANS, REUNIFICATION PLANS, AND ENTRY OR EXIT POINTS MUST AUTOMATICALLY APPEAR TO 911 WHENEVER THE PANIC BUTTON APP IS ACTIVATED.

(4) FUNDS APPROPRIATED UNDER THIS SECTION MAY BE USED TO DEFRAY THE INITIAL COSTS ASSOCIATED WITH THE IMPLEMENTATION OF THE SECURE SCHOOLS PROGRAM, INCLUDING INSTALLATION, TRAINING, AND MAINTENANCE COSTS. FUNDS MUST BE DISTRIBUTED IN 2 PAYMENTS. THE FIRST PAYMENT MUST BE MADE BY OCTOBER 1, 2018 AND THE SECOND PAYMENT MUST BE MADE BY DECEMBER 30, 2018.

Sec. 147. (1) The allocation for ~~2017-2018~~**2018-2019** for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, shall be made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the ~~2017-2018~~**2018-2019** fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~36.88%~~**38.39%**, with ~~25.56%~~**26.18%** paid directly by the employer.

(b) For public school employees who first worked for a public



1 school reporting unit on or after July 1, 2010 and who are enrolled
2 in the health premium subsidy, the annual level percentage of
3 payroll contribution rate is estimated at ~~35.60%~~, **36.60%**, with
4 ~~24.28%~~ **24.39%** paid directly by the employer.

5 (c) For public school employees who first worked for a public
6 school reporting unit on or after July 1, 2010 and who participate
7 in the personal healthcare fund, the annual level percentage of
8 payroll contribution rate is estimated at ~~35.35%~~, **36.24%**, with
9 24.03% paid directly by the employer.

10 (d) For public school employees who first worked for a public
11 school reporting unit on or after September 4, 2012, who elect
12 defined contribution, and who participate in the personal
13 healthcare fund, the annual level percentage of payroll
14 contribution rate is estimated at ~~32.28%~~, **33.17%**, with 20.96% paid
15 directly by the employer.

16 (e) For public school employees who first worked for a public
17 school reporting unit before July 1, 2010, who elect defined
18 contribution, and who are enrolled in the health premium subsidy,
19 the annual level percentage of payroll contribution rate is
20 estimated at ~~32.53%~~, **33.53%**, with ~~21.21%~~ **21.32%** paid directly by
21 the employer.

22 (f) For public school employees who first worked for a public
23 school reporting unit before July 1, 2010, who elect defined
24 contribution, and who participate in the personal healthcare fund,
25 the annual level percentage of payroll contribution rate is
26 estimated at ~~32.28%~~, **33.17%**, with 20.96% paid directly by the
27 employer.



(g) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~36.63%~~, **38.03%**, with ~~25.31%~~ **25.82%** paid directly by the employer.

(H) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT AFTER JANUARY 31, 2018 AND WHO ELECT TO BECOME MEMBERS OF THE MPSERS PLAN, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 39.37%, WITH 27.16% PAID DIRECTLY BY THE EMPLOYER.

(3) In addition to the employer payments described in subsection (2), the employer shall pay the applicable contributions to the Tier 2 plan, as determined by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(4) The contribution rates in subsection (2) reflect an amortization period of ~~21~~ **20** years for ~~2017-2018~~ **2018-2019**. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 147a. (1) From the appropriation in section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed \$100,000,000.00 for payments to participating districts. A participating district that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this subsection shall be based on each



1 participating district's percentage of the total statewide payroll
 2 for all participating districts for the immediately preceding
 3 fiscal year. As used in this subsection, "participating district"
 4 means a district that is a reporting unit of the Michigan public
 5 school employees' retirement system under the public school
 6 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
 7 38.1437, and that reports employees to the Michigan public school
 8 employees' retirement system for the applicable fiscal year.

9 (2) In addition to the allocation under subsection (1), from
 10 the state school aid fund money appropriated under section 11,
 11 there is allocated an amount not to exceed ~~\$48,940,000.00 for 2017-~~
 12 ~~2018~~ **\$88,091,000.00 FOR 2018-2019** for payments to participating
 13 districts and intermediate districts and from the general fund
 14 money appropriated under section 11, there is allocated an amount
 15 not to exceed ~~\$29,000.00 for 2017-2018~~ **\$48,000.00 FOR 2018-2019** for
 16 payments to participating district libraries. The amount allocated
 17 to each participating entity under this subsection shall be based
 18 on each participating entity's percentage of the total statewide
 19 payroll for that type of participating entity for the immediately
 20 preceding fiscal year. A participating entity that receives money
 21 under this subsection shall use that money solely for the purpose
 22 of offsetting a portion of the normal cost contribution rate. As
 23 used in this subsection:

24 (a) "District library" means a district library established
 25 under the district library establishment act, 1989 PA 24, MCL
 26 397.171 to 397.196.

27 (b) "Participating entity" means a district, intermediate



1 district, or district library that is a reporting unit of the
2 Michigan public school employees' retirement system under the
3 public school employees retirement act of 1979, 1980 PA 300, MCL
4 38.1301 to 38.1437, and that reports employees to the Michigan
5 public school employees' retirement system for the applicable
6 fiscal year.

7 Sec. 147b. (1) The MPSERS retirement obligation reform reserve
8 fund is created as a separate account within the state school aid
9 fund.

10 (2) The state treasurer may receive money or other assets from
11 any source for deposit into the MPSERS retirement obligation reform
12 reserve fund. The state treasurer shall direct the investment of
13 the MPSERS retirement obligation reform reserve fund. The state
14 treasurer shall credit to the MPSERS retirement obligation reform
15 reserve fund interest and earnings from the MPSERS retirement
16 obligation reform reserve fund.

17 (3) Money available in the MPSERS retirement obligation reform
18 reserve fund shall not be expended without a specific
19 appropriation.

20 (4) Money in the MPSERS retirement obligation reform reserve
21 fund at the close of the fiscal year shall remain in the MPSERS
22 retirement obligation reform reserve fund and shall not lapse to
23 the state school aid fund or to the general fund. The department of
24 treasury shall be the administrator of the MPSERS retirement
25 obligation reform reserve fund for auditing purposes.

26 ~~—— (5) If the contributions described in section 43e of the~~
27 ~~public school employees retirement act of 1979, 1980 PA 300, MCL~~



~~38.1343e, as that section was added by 2010 PA 75, are determined by a final order of a court of competent jurisdiction for which all rights of appeal have been exhausted to be constitutional and if the order for preliminary injunction in case no. 10-45-MM issued on July 13, 2010 is lifted, the money placed in a separate interest bearing account as a result of implementing the preliminary injunction shall be deposited into the MPSERS retirement obligation reform reserve fund created in this section to be used solely for health care unfunded accrued liabilities.~~

~~———— (6) For the fiscal year ending September 30, 2018, \$55,000,000.00 from the state school aid fund shall be deposited into the MPSERS retirement obligation reform reserve fund to be used for the purposes under section 147e.~~

Sec. 147c. ~~(1)~~ From the appropriation in section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed ~~\$960,130,000.00~~ **\$1,032,000,000.00** from the state school aid fund for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system. In addition, from the general fund money appropriated in section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed ~~\$654,000.00~~ **\$700,000.00** for payments to district libraries that are participating entities of the Michigan public school employees' retirement system. All of the following apply to funding under this subsection:

(a) For ~~2017-2018~~, **2018-2019**, the amounts allocated under this subsection are estimated to provide an average MPSERS rate cap per pupil amount of ~~\$640.00~~ **\$690.00** and are estimated to provide a rate



cap per pupil for districts ranging between \$4.00 and
~~\$3,020.00.~~ **\$3,000.00.**

(b) Payments made under this subsection shall be equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(c) The amount allocated to each participating entity under this subsection shall be based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year for the same type of participating entities. A participating entity that receives funds under this subsection shall use the funds solely for the purpose of retirement contributions as specified in subdivision (d).

(d) Each participating entity receiving funds under this subsection shall forward an amount equal to the amount allocated under subdivision (c) to the retirement system in a form, manner, and time frame determined by the retirement system.

(e) Funds allocated under this subsection should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(f) Not later than December 20, ~~2017,~~ **2018**, the department



1 shall publish and post on its website an estimated MPSEERS rate cap
2 per pupil for each district.

3 (g) It is the intent of the legislature that any funds
4 allocated under this subsection are first applied to pension
5 contributions, and if any funds remain after that payment, those
6 remaining funds shall be applied to other postemployment benefit
7 contributions.

8 (h) As used in this subsection:

9 (i) "District library" means a district library established
10 under the district library establishment act, 1989 PA 24, MCL
11 397.171 to 397.196.

12 (ii) "MPSEERS rate cap per pupil" means an amount equal to the
13 quotient of the district's payment under this subsection divided by
14 the district's pupils in membership.

15 (iii) "Participating entity" means a district, intermediate
16 district, or district library that is a reporting unit of the
17 Michigan public school employees' retirement system under the
18 public school employees retirement act of 1979, 1980 PA 300, MCL
19 38.1301 to 38.1437, and that reports employees to the Michigan
20 public school employees' retirement system for the applicable
21 fiscal year.

22 (iv) "Retirement board" means the board that administers the
23 retirement system under the public school employees retirement act
24 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

25 (v) "Retirement system" means the Michigan public school
26 employees' retirement system under the public school employees
27 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.



~~(2) In addition to the funds allocated under subsection (1), from the appropriation in section 11, there is allocated for 2017-2018 only an amount not to exceed \$200,000,000.00 for payments to participating entities. Notwithstanding section 17b, payments to eligible participating entities under this subsection shall be paid in 1 installment no later than October 20, 2017. Payments under this subsection shall be made as follows:~~

~~(a) The amount allocated to each participating entity under this subsection shall be based on each participating entity's proportion of the total covered payroll for the fiscal year ending September 30, 2016. A participating entity that receives funds under this subsection shall use the funds solely for purposes of this subsection.~~

~~(b) Each participating entity receiving funds under this subsection shall forward an amount equal to the sum of the amount allocated under this subsection and the amount allocated under subsection (1) to the retirement system in a form, manner, and time frame prescribed by the retirement system.~~

~~(c) Payments under this subsection shall be used by the retirement system specifically for the payment or prepayment of the final years or partial years of any additional costs to the retirement system due to the operation of section 81b of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b, without regard to the amortization of those costs under section 81b(5) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b, and in a manner and form as determined by the office of retirement services.~~



~~1 (d) As used in this subsection:~~

~~2 (i) "Participating entity" means a district, intermediate
3 district, community college, or district library that is a
4 reporting unit of the Michigan public school employees' retirement
5 system under the public school employees retirement act of 1979,
6 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to
7 the Michigan public school employees' retirement system for the
8 applicable fiscal year.~~

~~9 (ii) "Retirement system" means the Michigan public school
10 employees' retirement system under the public school employees
11 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

12 Sec. 147e. (1) From the appropriation in section 11, there is
13 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
14 ~~\$23,100,000.00~~ **\$31,900,000.00** from the MPSERS retirement obligation
15 reform reserve fund **AND \$5,700,000.00 FROM THE STATE SCHOOL AID**
16 **FUND** for payments to participating entities.

17 (2) The payment to each participating entity under this
18 section shall be the sum of the amounts under this subsection as
19 follows:

20 (a) An amount equal to the contributions made by a
21 participating entity for the additional contribution made to a
22 qualified participant's Tier 2 account in an amount equal to the
23 contribution made by the qualified participant not to exceed 3% of
24 the qualified participant's compensation as provided for under
25 section 131(6) of the public school employees retirement act of
26 1979, 1980 PA 300, MCL 38.1431. ~~, if that act is amended by either~~
27 ~~Senate Bill No. 401 or House Bill No. 4647 of the 99th Legislature.~~



1 (b) Beginning October 1, 2017, an amount equal to the
2 contributions made by a participating entity for a qualified
3 participant who is only a Tier 2 qualified participant under
4 section 81d of the public school employees retirement act of 1979,
5 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
6 February 1, 2018, not to exceed 1%, of the qualified participant's
7 compensation. ~~if that act is amended by either Senate Bill No.~~
8 ~~401 or House Bill No. 4647 of the 99th Legislature.~~

9 (c) An amount equal to the increase in employer normal cost
10 contributions under section 41b(2) of the public school employees
11 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
12 that was hired after February 1, 2018 and chose to participate in
13 Tier 1, compared to the employer normal cost contribution for a
14 member under section 41b(1) of the public school employees
15 retirement act of 1979, 1980 PA 300, MCL 38.1341b. ~~if section 41b~~
16 ~~of the public school employees retirement act of 1979, 1980 PA 300,~~
17 ~~MCL 38.1341b, is amended by either Senate Bill No. 401 or House~~
18 ~~Bill No. 4647 of the 99th Legislature.~~

19 (3) As used in this section:

20 (a) "Member" means that term as defined under the public
21 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
22 to 38.1437.

23 (b) "Participating entity" means a district, intermediate
24 district, or community college that is a reporting unit of the
25 Michigan public school employees' retirement system under the
26 public school employees retirement act of 1979, 1980 PA 300, MCL
27 38.1301 to 38.1437, and that reports employees to the Michigan



1 public school employees' retirement system for the applicable
2 fiscal year.

3 (c) "Qualified participant" means that term as defined under
4 section 124 of the public school employees retirement act of 1979,
5 1980 PA 300, MCL 38.1424.

6 Sec. 152a. (1) As required by the court in the consolidated
7 cases known as ~~Adair v State of Michigan~~, **Adair v State of**
8 **Michigan**, 486 Mich 468 (2010), from the state school aid fund money
9 appropriated in section 11 there is allocated for ~~2017-2018~~ **2018-**
10 **2019** an amount not to exceed \$38,000,500.00 to be used solely for
11 the purpose of paying necessary costs related to the state-mandated
12 collection, maintenance, and reporting of data to this state.

13 (2) From the allocation in subsection (1), the department
14 shall make payments to districts and intermediate districts in an
15 equal amount per-pupil based on the total number of pupils in
16 membership in each district and intermediate district. The
17 department shall not make any adjustment to these payments after
18 the final installment payment under section 17b is made.

19 Sec. 152b. (1) From the general fund money appropriated under
20 section 11, there is allocated an amount not to exceed
21 \$2,500,000.00 ~~for each fiscal year for 2016-2017 and for 2017-2018~~
22 **AND FOR 2018-2019** to reimburse actual costs incurred by nonpublic
23 schools in complying with a health, safety, or welfare requirement
24 mandated by a law or administrative rule of this state.

25 (2) By January 1 of each applicable fiscal year, the
26 department shall publish a form for reporting actual costs incurred
27 by a nonpublic school in complying with a health, safety, or



1 welfare requirement mandated under state law containing each
2 health, safety, or welfare requirement mandated by a law or
3 administrative rule of this state applicable to a nonpublic school
4 and with a reference to each relevant provision of law or
5 administrative rule for the requirement. The form shall be posted
6 on the department's website in electronic form.

7 (3) By June 30 of each applicable fiscal year, a nonpublic
8 school seeking reimbursement for actual costs incurred in complying
9 with a health, safety, or welfare requirement under a law or
10 administrative rule of this state during each applicable school
11 year shall submit a completed form described in subsection (2) to
12 the department. This section does not require a nonpublic school to
13 submit a form described in subsection (2). A nonpublic school is
14 not eligible for reimbursement under this section if the nonpublic
15 school does not submit the form described in subsection (2) in a
16 timely manner.

17 (4) By August 15 of each applicable fiscal year, the
18 department shall distribute funds to each nonpublic school that
19 submits a completed form described under subsection (2) in a timely
20 manner. The superintendent shall determine the amount of funds to
21 be paid to each nonpublic school in an amount that does not exceed
22 the nonpublic school's actual costs in complying with a health,
23 safety, or welfare requirement under a law or administrative rule
24 of this state. The superintendent shall calculate a nonpublic
25 school's actual cost in accordance with this section.

26 (5) If the funds allocated under this section are insufficient
27 to fully fund payments as otherwise calculated under this section,



1 the department shall distribute funds under this section on a
2 prorated or other equitable basis as determined by the
3 superintendent.

4 (6) The department may review the records of a nonpublic
5 school submitting a form described in subsection (2) only for the
6 limited purpose of verifying the nonpublic school's compliance with
7 this section. If a nonpublic school does not allow the department
8 to review records under this subsection, the nonpublic school is
9 not eligible for reimbursement under this section.

10 (7) The funds appropriated under this section are for purposes
11 related to education, are considered to be incidental to the
12 operation of a nonpublic school, are noninstructional in character,
13 and are intended for the public purpose of ensuring the health,
14 safety, and welfare of the children in nonpublic schools and to
15 reimburse nonpublic schools for costs described in this section.

16 (8) Funds allocated under this section are not intended to aid
17 or maintain any nonpublic school, support the attendance of any
18 student at a nonpublic school, employ any person at a nonpublic
19 school, support the attendance of any student at any location where
20 instruction is offered to a nonpublic school student, or support
21 the employment of any person at any location where instruction is
22 offered to a nonpublic school student.

23 (9) For purposes of this section, "actual cost" means the
24 hourly wage for the employee or employees performing a task or
25 tasks required to comply with a health, safety, or welfare
26 requirement under a law or administrative rule of this state
27 identified by the department under subsection (2) and is to be



1 calculated in accordance with the form published by the department
2 under subsection (2), which shall include a detailed itemization of
3 costs. The nonpublic school shall not charge more than the hourly
4 wage of its lowest-paid employee capable of performing a specific
5 task regardless of whether that individual is available and
6 regardless of who actually performs a specific task. Labor costs
7 under this subsection shall be estimated and charged in increments
8 of 15 minutes or more, with all partial time increments rounded
9 down. When calculating costs under subsection (4), fee components
10 shall be itemized in a manner that expresses both the hourly wage
11 and the number of hours charged. The nonpublic school may not
12 charge any applicable labor charge amount to cover or partially
13 cover the cost of health or fringe benefits. A nonpublic school
14 shall not charge any overtime wages in the calculation of labor
15 costs.

16 (10) For the purposes of this section, the actual cost
17 incurred by a nonpublic school for taking daily student attendance
18 shall be considered an actual cost in complying with a health,
19 safety, or welfare requirement under a law or administrative rule
20 of this state. Training fees, inspection fees, and criminal
21 background check fees are considered actual costs in complying with
22 a health, safety, or welfare requirement under a law or
23 administrative rule of this state.

24 (11) The funds allocated under this section for ~~2016-2017~~
25 **2017-2018** are a work project appropriation, and any unexpended
26 funds for ~~2016-2017-2017-2018~~ are carried forward into ~~2017-2018-~~
27 **2018-2019**. The purpose of the work project is to continue to



1 reimburse nonpublic schools for actual costs incurred in complying
2 with a health, safety, or welfare requirement mandated by a law or
3 administrative rule of this state. The estimated completion date of
4 the work project is September 30, ~~2019-2020~~.

5 **(12) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2018-2019 ARE**
6 **A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2018-**
7 **2019 ARE CARRIED FORWARD INTO 2019-2020. THE PURPOSE OF THE WORK**
8 **PROJECT IS TO CONTINUE TO REIMBURSE NONPUBLIC SCHOOLS FOR ACTUAL**
9 **COSTS INCURRED IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE**
10 **REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE RULE OF THIS STATE.**
11 **THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,**
12 **2020.**

13 Sec. 166b. (1) This act does not prohibit a parent or legal
14 guardian of a minor who is enrolled in any of grades kindergarten
15 to 12 in a nonpublic school or who is being home-schooled from also
16 enrolling the minor in a district, public school academy, or
17 intermediate district in any curricular offering that is provided
18 by the district, public school academy, or intermediate district at
19 a public school site and is available to pupils in the minor's
20 grade level or age group, subject to compliance with the same
21 requirements that apply to a full-time pupil's participation in the
22 offering. However, state school aid shall be provided under this
23 act for a minor enrolled as described in this subsection only for
24 curricular offerings that are available to full-time pupils in the
25 minor's grade level or age group.

26 (2) This act does not prohibit a parent or legal guardian of a
27 minor who is enrolled in any of grades kindergarten to 12 in a



1 nonpublic school or who resides within the district and is being
2 home-schooled from also enrolling the minor in the district in a
3 curricular offering being provided by the district at the nonpublic
4 school site. However, state school aid shall be provided under this
5 act for a minor enrolled as described in this subsection only if
6 all of the following apply:

7 (a) Either of the following:

8 (i) The nonpublic school site is located, or the nonpublic
9 students are educated, within the geographic boundaries of the
10 district.

11 (ii) If the nonpublic school has submitted a written request
12 to the district in which the nonpublic school is located for the
13 district to provide certain instruction under this subsection for a
14 school year and the district does not agree to provide some or all
15 of that instruction by May 1 immediately preceding that school year
16 or, if the request is submitted after March 1 immediately preceding
17 that school year, within 60 days after the nonpublic school submits
18 the request, the instruction is instead provided by an eligible
19 other district. This subparagraph does not require a nonpublic
20 school to submit more than 1 request to the district in which the
21 nonpublic school is located for that district to provide
22 instruction under this subsection, and does not require a nonpublic
23 school to submit an additional request to the district in which the
24 nonpublic school is located for that district to provide additional
25 instruction under this subsection beyond the instruction requested
26 in the original request, before having the instruction provided by
27 an eligible other district. A public school academy that is located

1 in the district in which the nonpublic school is located or in an
 2 eligible other district also may provide instruction under this
 3 subparagraph under the same conditions as an eligible other
 4 district. As used in this subparagraph, "eligible other district"
 5 means a district that is located in the same intermediate district
 6 as the district in which the nonpublic school is located or is
 7 located in an intermediate district that is contiguous to that
 8 intermediate district.

9 (b) The nonpublic school is registered with the department as
 10 a nonpublic school and meets all state reporting requirements for
 11 nonpublic schools.

12 (c) The instruction is provided directly by a certified
 13 teacher ~~at~~ **OF** the district, ~~or~~ public school academy, or ~~at an~~
 14 intermediate district.

15 (d) ~~The curricular offering is also available to full-time~~
 16 ~~pupils in the minor's grade level or age group in the district or~~
 17 ~~public school academy at a public school site.~~ **DISTRICT HAS**
 18 **PUBLISHED THE CURRICULAR OFFERING IN A COURSE CATALOG PROVIDED TO**
 19 **FULL-TIME PUPILS IN THE MINOR'S GRADE LEVEL OR AGE GROUP, OR THE**
 20 **DISTRICT HAS PUBLISHED THE CURRICULAR OFFERING OR A LINK TO THE**
 21 **CURRICULAR OFFERING ON ITS PUBLICLY AVAILABLE WEBSITE.**

22 (e) The curricular offering is restricted to nonessential
 23 elective courses for pupils in grades kindergarten to 12.

24 (3) A nonessential course in grades 1 to 8 is a course other
 25 than a mathematics, science, social studies, ~~and~~ **OR** English
 26 language arts course ~~required by the district for grade~~
 27 ~~progression.~~ **THAT CONTAINS SUBSTANTIALLY ALL OF THE GRADE LEVEL**



**MODEL CORE ACADEMIC CURRICULUM CONTENT STANDARDS DEVELOPED BY THE
STATE BOARD UNDER SECTION 1278 OF THE REVISED SCHOOL CODE, MCL
380.1278, AS APPLICABLE.** Nonessential courses in grades 9 to 12 are
those other than algebra 1, algebra 2, English 9-12, geometry,
biology, chemistry, physics, economics, geography, American
history, world history, the Constitution, government, and civics,
or courses ~~that fulfill the same credit requirement as these~~
~~courses.~~ **THAT ARE ALIGNED WITH THE SAME SUBJECT AREA CONTENT
EXPECTATIONS DEVELOPED FOR THOSE COURSES BY THE DEPARTMENT AND
APPROVED BY THE STATE BOARD UNDER SECTIONS 1278A AND 1278B OF THE
REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B, AS APPLICABLE.**

Nonessential elective courses include courses offered by the local
district for high school credit that are also capable of generating
postsecondary credit, including, at least, advanced placement and
international baccalaureate courses. College level courses taken by
high school students for college credit are nonessential courses.
Remedial courses for any grade in the above-listed essential
courses are considered essential. Kindergarten is considered
nonessential.

(4) Subject to section 6(4) (ii), a minor enrolled as described
in this section is a part-time pupil for purposes of state school
aid under this act.

(5) A district that receives a written request to provide
instruction under subsection (2) shall reply to the request in
writing by May 1 immediately preceding the applicable school year
or, if the request is made after March 1 immediately preceding that
school year, within 60 days after the nonpublic school submits the



1 request. The written reply shall specify whether the district
2 agrees to provide or does not agree to provide the instruction for
3 each portion of instruction included in the request.

4 Enacting section 1. In accordance with section 30 of article
5 IX of the state constitution of 1963, total state spending from
6 state sources on state school aid under article I of the state
7 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
8 amended by 2017 PA 143 and this amendatory act for fiscal year
9 2017-2018 is estimated at \$12,846,177,300.00 and state
10 appropriations for school aid to be paid to local units of
11 government for fiscal year 2017-2018 are estimated at
12 \$12,658,679,700.00. In accordance with section 30 of article IX of
13 the state constitution of 1963, total state spending on school aid
14 under article I of the state school aid act of 1979, 1979 PA 94,
15 MCL 388.1601 to 388.1772, as amended by this amendatory act from
16 state sources for fiscal year 2018-2019 is estimated at
17 \$13,097,545,400.00 and state appropriations for school aid to be
18 paid to local units of government for fiscal year 2018-2019 are
19 estimated at \$12,860,406,100.00.

20 Enacting section 2. Sections 22g, 35, 55, and 160 of the state
21 school aid act of 1979, 1979 PA 94, MCL 388.1622g, 388.1635,
22 388.1655, and 388.1760, are repealed effective October 1, 2018.

23 Enacting section 3. (1) Except as otherwise provided in
24 subsection (2), this amendatory act takes effect October 1, 2018.

25 (2) Sections 11, 11m, 22a, 22b, 26a, 26c, 31d, 51a, 51c, 94,
26 104e, and 152b of the state school aid act of 1979, 1979 PA 94, MCL
27 388.1611, 388.1611m, 388.1622a, 388.1622b, 388.1626a, 388.1626c,



1 388.1631d, 388.1651a, 388.1651c, 388.1694, 388.1704e, and
2 388.1752b, as amended by this amendatory act, take effect upon
3 enactment of this amendatory act.