

**SUBSTITUTE FOR
SENATE BILL NO. 863**

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, 22a, 22b, 22d, 22g, 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, 55, 56, 61a,
61b, 61c, 62, 64b, 64d, 65, 67, 74, 81, 94, 94a, 95b, 98, 99h, 99s,
99t, 99u, 102d, 104, 104b, 104c, 104d, 104e, 107, 147, 147a, 147b,
147c, 147e, 152a, 152b, 163, 164h, 166b, and 169a (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, 388.1622a, 388.1622b, 388.1622d, 388.1622g,
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, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1664d, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695b, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1699u, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1704e, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1747e, 388.1752a, 388.1752b, 388.1763, 388.1764h, 388.1766b, and 388.1769a), sections 6, 11a, 11j, 11k, 11m, 11s, 15, 18, 20, 20d, 20f, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31b, 31d, 31f, 32p, 32q, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99s, 104, 104d, 147, 147b, 147c, 152a, and 152b as amended and sections 21h, 22m, 22n, 147e, and 164h as added by 2017 PA 108, sections 11, 21f, 25e, 31a, 31j, 32d, 35a, 61c, 64d, 95b, 99h, 99t, 102d, 104c, 107, 147a, and 166b as amended and sections 99u and 104e as added by 2017 PA 143, section 19 as amended by 2016 PA 533, section 104b as amended by 2016 PA 249, section 163 as amended by 2015 PA 85, and section 169a as amended by 1997 PA 93, and by adding sections 17c, 22p, 25h, 31m, 35b, 54d, 61d, 61e, 99v, and 167b; 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



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

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

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

25 (4) "Membership", except as otherwise provided in this
26 article, means for a district, a public school academy, or an
27 intermediate district the sum of the product of .90 times the

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



1 section 20. In making the calculation of membership, all of the
2 following, as applicable, apply to determining the membership of a
3 district, a public school academy, or an intermediate district:

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

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

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

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



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

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

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

12 (h) For the purposes of this section and section 6a, for a
13 cyber school, as defined in section 551 of the revised school code,
14 MCL 380.551, that is in compliance with section 553a of the revised
15 school code, MCL 380.553a, a pupil's participation in the cyber
16 school's educational program is considered regular daily
17 attendance, and for a district or public school academy, a pupil's
18 participation in a virtual course as defined in section 21f is
19 considered regular daily attendance. **FOR THE PURPOSES OF THIS**
20 **SUBDIVISION, FOR A PUPIL ENROLLED IN A CYBER SCHOOL AND UTILIZING**
21 **SEQUENTIAL LEARNING, PARTICIPATION MEANS THAT TERM AS DEFINED IN**
22 **THE PUPIL ACCOUNTING MANUAL, SECTION 5-O-D: REQUIREMENTS FOR**
23 **COUNTING PUPILS IN MEMBERSHIP-SUBSECTION 10.**

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



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

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

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



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

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

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

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

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

22 (B) Had dropped out of school.

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

25 (iii) If a child does not meet the minimum age requirement to
26 be eligible to attend school for that school year under section
27 1147 of the revised school code, MCL 380.1147, but will be 5 years



1 of age not later than December 1 of that school year, the district
2 may count the child in membership for that school year if the
3 parent or legal guardian has notified the district in writing that
4 he or she intends to enroll the child in kindergarten for that
5 school year.

6 (m) An individual who has achieved a high school diploma shall
7 not be counted in membership. An individual who has achieved a high
8 school equivalency certificate shall not be counted in membership
9 unless the individual is a student with a disability as defined in
10 R 340.1702 of the Michigan Administrative Code. An individual
11 participating in a job training program funded under former section
12 107a or a jobs program funded under former section 107b,
13 administered by the department of talent and economic development,
14 or participating in any successor of either of those 2 programs,
15 shall not be counted in membership.

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

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

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

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

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



(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101. In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution **OR FOR PUPILS ENGAGED IN AN INTERNSHIP OR WORK EXPERIENCE UNDER SECTION 1279H OF THE REVISED SCHOOL CODE, MCL 380.1279H**, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment **OR ENGAGEMENT IN THE INTERNSHIP OR WORK EXPERIENCE**, including necessary travel time, on the number of class hours provided by the district to the pupil.

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

(s) For a district or a public school academy that has pupils enrolled in a grade level that was not offered by the district or



1 public school academy in the immediately preceding school year, the
2 number of pupils enrolled in that grade level to be counted in
3 membership is the average of the number of those pupils enrolled
4 and in regular daily attendance on the pupil membership count day
5 and the supplemental count day of the current school year, as
6 determined by the department. Membership shall be calculated by
7 adding the number of pupils registered for attendance in that grade
8 level on the pupil membership count day plus pupils received by
9 transfer and minus pupils lost as defined by rules promulgated by
10 the superintendent, and as corrected by subsequent department
11 audit, plus the final audited count from the supplemental count day
12 for the current school year, and dividing that sum by 2.

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

16 (u) If, as a result of a disciplinary action, a district
17 determines through the district's alternative or disciplinary
18 education program that the best instructional placement for a pupil
19 is in the pupil's home or otherwise apart from the general school
20 population, if that placement is authorized in writing by the
21 district superintendent and district alternative or disciplinary
22 education supervisor, and if the district provides appropriate
23 instruction as described in this subdivision to the pupil at the
24 pupil's home or otherwise apart from the general school population,
25 the district may count the pupil in membership on a pro rata basis,
26 with the proration based on the number of hours of instruction the
27 district actually provides to the pupil divided by the number of

1 hours required under section 101 for full-time equivalency. For the
2 purposes of this subdivision, a district shall be considered to be
3 providing appropriate instruction if all of the following are met:

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

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

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

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

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

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



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

5 (x) If a district's membership for a particular fiscal year,
6 as otherwise calculated under this subsection, would be less than
7 1,550 pupils and the district has 4.5 or fewer pupils per square
8 mile, as determined by the department, and if the district does not
9 receive funding under section 22d(2), the district's membership
10 shall be considered to be the membership figure calculated under
11 this subdivision. If a district educates and counts in its
12 membership pupils in grades 9 to 12 who reside in a contiguous
13 district that does not operate grades 9 to 12 and if 1 or both of
14 the affected districts request the department to use the
15 determination allowed under this sentence, the department shall
16 include the square mileage of both districts in determining the
17 number of pupils per square mile for each of the districts for the
18 purposes of this subdivision. The membership figure calculated
19 under this subdivision is the greater of the following:

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

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

27 (y) Full-time equated memberships for special education pupils



1 who are not enrolled in kindergarten but are enrolled in a
2 classroom program under R 340.1754 of the Michigan Administrative
3 Code shall be determined by dividing the number of class hours
4 scheduled and provided per year by 450. Full-time equated
5 memberships for special education pupils who are not enrolled in
6 kindergarten but are receiving early childhood special education
7 services under R 340.1755 or R 340.1862 of the Michigan
8 Administrative Code shall be determined by dividing the number of
9 hours of service scheduled and provided per year per-pupil by 180.

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

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

25 (bb) A district or public school academy that educates a pupil
26 who attends a United States Olympic Education Center may count the
27 pupil in membership regardless of whether or not the pupil is a



1 resident of this state.

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

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

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

26 (ii) The pupil meets the district's definition under section
27 23a of satisfactory monthly progress for that month or, if the



1 pupil does not meet that definition of satisfactory monthly
2 progress for that month, the pupil did meet that definition of
3 satisfactory monthly progress in the immediately preceding month
4 and appropriate interventions are implemented within 10 school days
5 after it is determined that the pupil does not meet that definition
6 of satisfactory monthly progress.

7 (ee) A pupil participating in a virtual course under section
8 21f shall be counted in membership in the district enrolling the
9 pupil.

10 (ff) If a public school academy that is not in its first or
11 second year of operation closes at the end of a school year and
12 does not reopen for the next school year, the department shall
13 adjust the membership count of the district or other public school
14 academy in which a former pupil of the closed public school academy
15 enrolls and is in regular daily attendance for the next school year
16 to ensure that the district or other public school academy receives
17 the same amount of membership aid for the pupil as if the pupil
18 were counted in the district or other public school academy on the
19 supplemental count day of the preceding school year.

20 (gg) If a special education pupil is expelled under section
21 1311 or 1311a of the revised school code, MCL 380.1311 and
22 380.1311a, and is not in attendance on the pupil membership count
23 day because of the expulsion, and if the pupil remains enrolled in
24 the district and resumes regular daily attendance during that
25 school year, the district's membership shall be adjusted to count
26 the pupil in membership as if he or she had been in attendance on
27 the pupil membership count day.



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

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

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

12 (i) The pupil would meet the definition of an eligible student
13 under the postsecondary enrollment options act, 1996 PA 160, MCL
14 388.511 to 388.524, if the course were an eligible course under
15 that act.

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

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

27 (iv) The district or public school academy pays for a portion

1 of the pupil's tuition at the college or university in an amount
2 equal to the eligible charges that the district or public school
3 academy would pay to an eligible postsecondary institution under
4 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511
5 to 388.524, as if the course were an eligible course under that
6 act.

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

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

17 **(//) IF A DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S MEMBERSHIP FOR**
18 **A PARTICULAR FISCAL YEAR, AS OTHERWISE CALCULATED UNDER THIS**
19 **SUBSECTION, INCLUDES PUPILS COUNTED IN MEMBERSHIP WHO ARE ENROLLED**
20 **UNDER SECTION 166B, GROWTH IN THE DISTRICT'S OR PUBLIC SCHOOL**
21 **ACADEMY'S MEMBERSHIP FOR PUPILS COUNTED UNDER SECTION 166B FROM 1**
22 **FISCAL YEAR TO THE NEXT SHALL NOT EXCEED 10%. HOWEVER, BOTH OF THE**
23 **FOLLOWING APPLY FOR THE PURPOSES OF THIS SUBDIVISION:**

24 **(i) IF 1 OR MORE DISTRICTS CONSOLIDATE OR ARE PARTIES TO AN**
25 **ANNEXATION, THEN GROWTH IN THE RESULTING DISTRICT'S MEMBERSHIP FOR**
26 **PUPILS COUNTED UNDER SECTION 166B SHALL NOT EXCEED 10% OF THE**
27 **COMBINED TOTAL MEMBERSHIP FOR PUPILS COUNTED UNDER SECTION 166B IN**



1 THOSE DISTRICTS FOR THE FISCAL YEAR IMMEDIATELY PRECEDING THE
2 CONSOLIDATION OR ANNEXATION.

3 (ii) IF A DISTRICT OR PUBLIC SCHOOL ACADEMY IS IN ITS FIRST 3
4 YEARS OF COUNTING PUPILS IN MEMBERSHIP UNDER SECTION 166B, THE
5 DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S MEMBERSHIP FOR PUPILS COUNTED
6 UNDER SECTION 166B SHALL NOT EXCEED 5% OF THE DISTRICT'S OR PUBLIC
7 SCHOOL ACADEMY'S MEMBERSHIP FOR PUPILS NOT COUNTED UNDER SECTION
8 166B.

9 (MM) IF A DISTRICT, INTERMEDIATE DISTRICT, OR PUBLIC SCHOOL
10 ACADEMY CHARGES TUITION FOR A PUPIL THAT RESIDED OUT OF STATE IN
11 THE IMMEDIATELY PRECEDING SCHOOL YEAR, THE PUPIL SHALL NOT BE
12 COUNTED IN MEMBERSHIP IN THE DISTRICT, INTERMEDIATE DISTRICT, OR
13 PUBLIC SCHOOL ACADEMY.

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

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

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

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

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

26 (d) A pupil enrolled in a district other than the pupil's
27 district of residence under an intermediate district schools of



1 choice pilot program as described in section 91a or former section
2 91 if the intermediate district and its constituent districts have
3 been exempted from section 105.

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

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

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

25 (ii) "Serious assault" means an act that constitutes a felony
26 violation of chapter XI of the Michigan penal code, 1931 PA 328,
27 MCL 750.81 to 750.90h, or that constitutes an assault and



1 infliction of serious or aggravated injury under section 81a of the
2 Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

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

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

26 (k) An expelled pupil who has been denied reinstatement by the
27 expelling district and is reinstated by another school board under

1 section 1311 or 1311a of the revised school code, MCL 380.1311 and
2 380.1311a.

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

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

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

13 (o) A pupil who enrolls in a district other than the pupil's
14 district of residence as a result of the pupil's school not making
15 adequate yearly progress under the no child left behind act of
16 2001, Public Law 107-110, or the every student succeeds act, Public
17 Law 114-95.

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

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



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

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

9 (i) Fourth Wednesday in July.

10 (ii) First Wednesday in October.

11 (iii) Second Wednesday in February.

12 (iv) Fourth Wednesday in April.

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



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

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

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

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

(12) "School fiscal year" means a fiscal year that commences



1 July 1 and continues through June 30.

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

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

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

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

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

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

25 (19) "Textbook" means a book, electronic book, or other
26 instructional print or electronic resource that is selected and
27 approved by the governing board of a district and that contains a



1 presentation of principles of a subject, or that is a literary work
2 relevant to the study of a subject required for the use of
3 classroom pupils, or another type of course material that forms the
4 basis of classroom instruction.

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

8 Sec. 11. (1) ~~For the fiscal year ending September 30, 2017,~~
9 ~~there is appropriated for the public schools of this state and~~
10 ~~certain other state purposes relating to education the sum of~~
11 ~~\$12,069,644,300.00 from the state school aid fund, the sum of~~
12 ~~\$179,100,000.00 from the general fund, an amount not to exceed~~
13 ~~\$72,000,000.00 from the community district education trust fund~~
14 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
15 ~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~
16 ~~emergency reserve fund. For the fiscal year ending September 30,~~
17 ~~2018, there is appropriated for the public schools of this state~~
18 ~~and certain other state purposes relating to education the sum of~~
19 ~~\$12,547,270,300.00~~ **\$12,682,127,200.00** from the state school aid
20 fund, the sum of ~~\$215,000,000.00~~ **\$78,700,000.00** from the general
21 fund, an amount not to exceed \$72,000,000.00 from the community
22 district education trust fund created under section 12 of the
23 Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to
24 exceed \$23,100,000.00 from the MPERS retirement obligation reform
25 reserve fund, and an amount not to exceed \$100.00 from the water
26 emergency reserve fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30,**
27 **2019, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE**



1 AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF
 2 \$12,876,825,200.00 FROM THE STATE SCHOOL AID FUND, THE SUM OF
 3 \$60,000,000.00 FROM THE GENERAL FUND, AN AMOUNT NOT TO EXCEED
 4 \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND
 5 CREATED UNDER SECTION 12 OF THE MICHIGAN TRUST FUND ACT, 2000 PA
 6 489, MCL 12.262, AN AMOUNT NOT TO EXCEED \$31,900,000.00 FROM THE
 7 MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND, AND AN AMOUNT NOT
 8 TO EXCEED \$100.00 FROM THE WATER EMERGENCY RESERVE FUND. In
 9 addition, all available federal funds are appropriated each fiscal
 10 year for the fiscal years ending September 30, ~~2017-2018~~ and
 11 September 30, ~~2018-2019~~.

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

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

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

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

27 (a) Unexpended and unencumbered state school aid fund revenue



1 for a fiscal year that remains in the state school aid fund as of
2 the bookclosing for that fiscal year.

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

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

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

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

15 (5) Money in the school aid stabilization fund at the close of
16 a fiscal year shall remain in the school aid stabilization fund and
17 shall not lapse to the unreserved school aid fund balance or the
18 general fund.

19 (6) If the maximum amount appropriated under section 11 from
20 the state school aid fund for a fiscal year exceeds the amount
21 available for expenditure from the state school aid fund for that
22 fiscal year, there is appropriated from the school aid
23 stabilization fund to the state school aid fund an amount equal to
24 the projected shortfall as determined by the department of
25 treasury, but not to exceed available money in the school aid
26 stabilization fund. If the money in the school aid stabilization
27 fund is insufficient to fully fund an amount equal to the projected

1 shortfall, the state budget director shall notify the legislature
 2 as required under section 296(2) and state payments in an amount
 3 equal to the remainder of the projected shortfall shall be prorated
 4 in the manner provided under section 296(3).

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

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

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

23 Sec. 11m. From the appropriation in section 11, ~~there is~~
 24 ~~allocated for 2016-2017 an amount not to exceed \$5,500,000.00 and~~
 25 there is allocated for 2017-2018 an amount not to exceed
 26 ~~\$6,500,000.00~~ **\$18,000,000.00 AND THERE IS ALLOCATED FOR 2018-2019**
 27 **AN AMOUNT NOT TO EXCEED \$24,000,000.00** for fiscal year cash-flow



1 borrowing costs solely related to the state school aid fund
2 established by section 11 of article IX of the state constitution
3 of 1963.

4 Sec. 11s. (1) From the general fund appropriation in section
5 11, ~~there is allocated \$10,142,500.00 for 2016-2017 and there is~~
6 ~~allocated \$8,730,000.00 for 2017-2018~~ **\$3,230,000.00 FOR 2018-2019**
7 for the purpose of providing services and programs to children who
8 reside within the boundaries of a district with the majority of its
9 territory located within the boundaries of a city for which an
10 executive proclamation of emergency is issued in the current or
11 immediately preceding ~~2-3~~ fiscal years under the emergency
12 management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding
13 appropriated in section 11, there is allocated for ~~each~~ fiscal year
14 ~~for 2016-2017 and for 2017-2018~~ **2018-2019** \$100.00 from the water
15 emergency reserve fund for the purposes of this section.

16 (2) From the allocation in subsection (1), there is allocated
17 to a district with the majority of its territory located within the
18 boundaries of a city in which an executive proclamation of
19 emergency is issued in the current or immediately preceding ~~2-3~~
20 fiscal years and that has at least 4,500 pupils in membership for
21 the 2016-2017 fiscal year or has at least 4,000 pupils in
22 membership for a fiscal year after 2016-2017, an amount not to
23 exceed ~~\$1,292,500.00 for 2016-2017 and an amount not to exceed~~
24 ~~\$2,625,000.00 for 2017-2018~~ **\$2,625,000.00 FOR 2018-2019** for the
25 purpose of employing school nurses, **CLASSROOM AIDES**, and school
26 social workers. The district shall provide a report to the
27 department in a form, manner, and frequency prescribed by the



1 department. The department shall provide a copy of that report to
2 the governor, the house and senate school aid subcommittees, the
3 house and senate fiscal agencies, and the state budget director
4 within 5 days after receipt. The report shall provide at least the
5 following information:

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

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

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

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

15 ~~—— (3) From the allocation in subsection (1), there is allocated~~
16 ~~to an intermediate district that has a constituent district~~
17 ~~described in subsection (2) an amount not to exceed \$1,195,000.00~~
18 ~~for 2016-2017 and an amount not to exceed \$2,500,000.00 for 2017-~~
19 ~~2018 to augment staff for the purpose of providing additional early~~
20 ~~childhood services and for nutritional services to children~~
21 ~~described in subsection (1), regardless of location of school of~~
22 ~~attendance. For 2016-2017, the early childhood services to be~~
23 ~~provided under this subsection are state early intervention~~
24 ~~services as described in subsection (4) and early literacy~~
25 ~~services. Beginning with 2017-2018, the early childhood services to~~
26 ~~be provided under this subsection are state early intervention~~
27 ~~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. In addition, funds allocated under this subsection may also be expended to provide informational resources to parents, educators, and the community, and to coordinate services with other local agencies. The intermediate district shall provide a report to the department in a form, manner, and frequency approved 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:~~

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

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

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

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

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

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

(3) ~~(4)~~—For 2016–2017–2018–2019 only, from the allocation in



subsection (1), there is allocated an amount not to exceed
~~\$6,155,000.00~~ **\$0.00** to **AN** intermediate ~~districts described in~~
~~subsection (3)~~ **DISTRICT THAT HAS A CONSTITUENT DISTRICT DESCRIBED**
IN SUBSECTION (2) to provide state early intervention services for
 children described in subsection (1) who are less than 4 years of
 age as of September 1, 2016. The 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.~~

(4) ~~(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).

(5) ~~(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-~~



1 ~~2018~~**FOR FISCAL YEAR 2018-2019** for state restricted contingency
2 funds. These contingency funds are not available for expenditure
3 until they have been transferred to a section within this article
4 under section 393(2) of the management and budget act, 1984 PA 431,
5 MCL 18.1393.

6 **(6)** ~~(8)~~—Notwithstanding section 17b, payments under this
7 section shall be paid on a schedule determined by the department.

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



1 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
2 of millage levied or pledged under section 1211 of the revised
3 school code, MCL 380.1211.

4 (2) If the result of an audit conducted by or for the
5 department affects the current fiscal year membership, affected
6 payments shall be adjusted in the current fiscal year. A deduction
7 due to an adjustment made as a result of an audit conducted by or
8 for the department, or as a result of information obtained by the
9 department from the district, an intermediate district, the
10 department of treasury, or the office of auditor general, shall be
11 deducted from the district's apportionments when the adjustment is
12 finalized. At the request of the district and upon the district
13 presenting evidence satisfactory to the department of the hardship,
14 the department may grant up to an additional 9 years for the
15 adjustment and may advance payments to the district otherwise
16 authorized under this article if the district would otherwise
17 experience a significant hardship in satisfying its financial
18 obligations. ~~At the request of a district and upon the district~~
19 ~~presenting evidence satisfactory to the department of the hardship,~~
20 ~~the department may waive all or a portion of the adjustments under~~
21 ~~this subsection if the department determines that all of the~~
22 ~~following apply:~~

23 ~~—— (a) The district would otherwise experience a significant~~
24 ~~hardship in satisfying its financial obligations.~~

25 ~~—— (b) The district would otherwise experience a significant~~
26 ~~hardship in satisfying its responsibility to provide instruction to~~
27 ~~its pupils.~~



1 ~~(c) The district has taken sufficient corrective action to~~
2 ~~ensure that the circumstance or circumstances that necessitated the~~
3 ~~adjustment under this subsection do not recur.~~

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

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

27 (5) Expenditures made by the department under this article



1 that are caused by the write-off of prior year accruals may be
 2 funded by revenue from the write-off of prior year accruals.

3 ~~— (6) The department shall not deduct any funds from a district~~
 4 ~~due to a pupil being counted in membership before the effective~~
 5 ~~date of the amendatory act that added section 6(4)(jj), or~~
 6 ~~otherwise reduce an allocation under this article to a district~~
 7 ~~relative to the counting of a pupil in membership as provided under~~
 8 ~~section 6(4)(jj), if the district substantially complied with the~~
 9 ~~requirements under section 6(4)(jj) in a previous fiscal year as if~~
 10 ~~section 6(4)(jj) had been in effect in the previous fiscal year.~~

11 (6) ~~(7)~~—In addition to funds appropriated in section 11 for
 12 all programs and services, there is appropriated for 2017–2018
 13 2018–2019 for obligations in excess of applicable appropriations an
 14 amount equal to the collection of overpayments, but not to exceed
 15 amounts available from overpayments.

16 **SEC. 17C. (1) EXCEPT AS OTHERWISE PROVIDED UNDER THIS ARTICLE,**
 17 **THE DEPARTMENT SHALL DO BOTH OF THE FOLLOWING FOR FUNDS**
 18 **APPROPRIATED UNDER THIS ARTICLE FOR GRANTS DISTRIBUTED BY THE**
 19 **DEPARTMENT TO DISTRICTS, INTERMEDIATE DISTRICTS, AND ELIGIBLE**
 20 **ENTITIES:**

21 (A) NOT LATER THAN SEPTEMBER 1 OF EACH FISCAL YEAR, OPEN THE
 22 GRANT APPLICATION FOR FUNDS APPROPRIATED FOR THE SUBSEQUENT FISCAL
 23 YEAR. THE DEPARTMENT SHALL ALSO PROVIDE TO DISTRICTS, INTERMEDIATE
 24 DISTRICTS, AND ELIGIBLE ENTITIES, AND POST ON ITS PUBLICLY
 25 ACCESSIBLE WEBSITE, THE GRANT APPLICATION AND AWARD PROCESS
 26 SCHEDULE AND THE LIST OF STATE GRANTS AND CONTRACTS AVAILABLE IN
 27 THE SUBSEQUENT FISCAL YEAR.



1 **(B) NOT LATER THAN DECEMBER 1 OF EACH FISCAL YEAR, PUBLISH**
2 **GRANT AWARDS FOR FUNDS APPROPRIATED IN THAT FISCAL YEAR.**

3 **(2) INFORMATION FOR GRANTS AWARDED FROM FUNDS APPROPRIATED**
4 **UNDER THIS ARTICLE MUST BE PLACED ON THE STATE BOARD AGENDA IN**
5 **AUGUST OF THE PRECEDING FISCAL YEAR.**

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

22 (2) A district or intermediate district shall adopt an annual
23 budget in a manner that complies with the uniform budgeting and
24 accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days
25 after a district board adopts its annual operating budget for the
26 following school fiscal year, or after a district board adopts a
27 subsequent revision to that budget, the district shall make all of



1 the following available through a link on its website homepage, or
2 may make the information available through a link on its
3 intermediate district's website homepage, in a form and manner
4 prescribed by the department:

5 (a) The annual operating budget and subsequent budget
6 revisions.

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

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

13 (A) Salaries and wages.

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

17 (C) Retirement benefit costs.

18 (D) All other personnel costs.

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

21 (A) Instruction.

22 (B) Support services.

23 (C) Business and administration.

24 (D) Operations and maintenance.

25 (c) Links to all of the following:

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



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

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

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

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

12 (vi) The district's written policy establishing specific
13 categories of reimbursable expenses, as described in section
14 1254(2) of the revised school code, MCL 380.1254.

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

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

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

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



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

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

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

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

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

23 (a) The department shall require that each district and
24 intermediate district have an audit of the district's or
25 intermediate district's financial and pupil accounting records
26 conducted at least annually, and at such other times as determined
27 by the department, at the expense of the district or intermediate



1 district, as applicable. The audits must be performed by a
2 certified public accountant or by the intermediate district
3 superintendent, as may be required by the department, or in the
4 case of a district of the first class by a certified public
5 accountant, the intermediate superintendent, or the auditor general
6 of the city. A district or intermediate district shall retain these
7 records for the current fiscal year and from at least the 3
8 immediately preceding fiscal years.

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

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

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



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

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

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

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

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

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

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



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

17 (6) By September 30 of each year, each district and
 18 intermediate district shall file with the ~~department~~**CENTER** the
 19 special education actual cost report, known as "SE-4096", on a form
 20 and in the manner prescribed by the ~~department~~**CENTER. AN**
 21 **INTERMEDIATE DISTRICT SHALL PERFORM THE AUDIT OF A DISTRICT'S**
 22 **REPORT.**

23 (7) By October 7 of each year, each district and intermediate
 24 district shall file with the center the **AUDITED** transportation
 25 expenditure report, known as "SE-4094", on a form and in the manner
 26 prescribed by the center. **AN INTERMEDIATE DISTRICT SHALL PERFORM**
 27 **THE AUDIT OF A DISTRICT'S REPORT.**



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

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

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

20 (11) If a district or intermediate district does not comply
21 with subsection (2), the department may withhold up to 10% of the
22 total state school aid due to the district or intermediate district
23 under this article, beginning with the next payment due to the
24 district or intermediate district, until the district or
25 intermediate district complies with subsection (2). If the district
26 or intermediate district does not comply with subsection (2) by the
27 end of the fiscal year, the district or intermediate district



forfeits the amount withheld.

(12) By November 1 of each year, if a district or intermediate district offers virtual learning under section 21f, **OR FOR A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551**, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the virtual learning by vendor type **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 DETERMINED BY THE DEPARTMENT AND MUST BE COLLECTED IN THE MOST EFFICIENT MANNER POSSIBLE TO REDUCE THE ADMINISTRATIVE BURDEN ON REPORTING ENTITIES.

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

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

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

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

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



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

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

6 (16) Beginning October 1, 2017, ~~and not less than once every 3~~
7 ~~months after that date, the~~ **2018, AND ANNUALLY THEREAFTER, THE**
8 department shall submit to the senate and house subcommittees on
9 school aid and to the senate and house standing committees on
10 education an itemized list of allocations under this article to any
11 association or consortium consisting of associations **IN THE**
12 **IMMEDIATELY PRECEDING FISCAL YEAR.** The report shall detail the
13 recipient or recipients, the amount allocated, and the purpose for
14 which the funds were distributed.

15 Sec. 19. (1) A district or intermediate district shall comply
16 with all applicable reporting requirements specified in state and
17 federal law. Data provided to the center, in a form and manner
18 prescribed by the center, shall be aggregated and disaggregated as
19 required by state and federal law. In addition, a district or
20 intermediate district shall cooperate with all measures taken by
21 the center to establish and maintain a statewide P-20 longitudinal
22 data system.

23 (2) Each district shall furnish to the center not later than 5
24 weeks after the pupil membership count day and by ~~June 30~~ **THE LAST**
25 **BUSINESS DAY IN JUNE** of the school fiscal year ending in the fiscal
26 year, in a manner prescribed by the center, the information
27 necessary for the preparation of the district and high school



1 graduation report **AND FOR THE PREPARATION OF THE STATE AND FEDERAL**
2 **ACCOUNTABILITY REPORTS**. This information shall meet requirements
3 established in the pupil auditing manual approved and published by
4 the department. The center shall calculate an annual graduation and
5 pupil dropout rate for each high school, each district, and this
6 state, in compliance with nationally recognized standards for these
7 calculations. The center shall report all graduation and dropout
8 rates to the senate and house education committees and
9 appropriations committees, the state budget director, and the
10 department not later than 30 days after the publication of the list
11 described in subsection (5). Before reporting these graduation and
12 dropout rates, the department shall allow a school or district to
13 appeal the calculations. The department shall consider and act upon
14 the appeal within 30 days after it is submitted and shall not
15 report these graduation and dropout rates until after all appeals
16 have been considered and decided.

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

26 (4) If a district or intermediate district fails to meet the
27 requirements of this section, the department shall withhold 5% of



1 the total funds for which the district or intermediate district
2 qualifies under this article until the district or intermediate
3 district complies with all of those subsections. If the district or
4 intermediate district does not comply with all of those subsections
5 by the end of the fiscal year, the department shall place the
6 amount withheld in an escrow account until the district or
7 intermediate district complies with all of those subsections.

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

21 (6) Beginning in 2016-2017, the department shall implement
22 statewide standard reporting requirements for education data
23 approved by the department in conjunction with the center. The
24 department shall work with the center, intermediate districts,
25 districts, and other interested stakeholders to implement this
26 policy change. A district or intermediate district shall implement
27 the statewide standard reporting requirements not later than 2017-

1 2018 or when a district or intermediate district updates its
2 education data reporting system, whichever is later.

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

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

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

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

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

14 (a) Except as otherwise provided in this subdivision, for a
15 district that had a foundation allowance for the immediately
16 preceding state fiscal year that was at least equal to the minimum
17 foundation allowance for the immediately preceding state fiscal
18 year, but less than the basic foundation allowance for the
19 immediately preceding state fiscal year, the district shall receive
20 a foundation allowance in an amount equal to the sum of the
21 district's foundation allowance for the immediately preceding state
22 fiscal year plus the difference between twice the dollar amount of
23 the adjustment from the immediately preceding state fiscal year to
24 the current state fiscal year made in the basic foundation
25 allowance and [(the difference between the basic foundation
26 allowance for the current state fiscal year and basic foundation
27 allowance for the immediately preceding state fiscal year minus



1 ~~\$20.00)~~**\$40.00)** times (the difference between the district's
2 foundation allowance for the immediately preceding state fiscal
3 year and the minimum foundation allowance for the immediately
4 preceding state fiscal year) divided by the difference between the
5 basic foundation allowance for the current state fiscal year and
6 the minimum foundation allowance for the immediately preceding
7 state fiscal year.] However, the foundation allowance for a
8 district that had less than the basic foundation allowance for the
9 immediately preceding state fiscal year shall not exceed the basic
10 foundation allowance for the current state fiscal year.

11 (b) Except as otherwise provided in this subsection, for a
12 district that in the immediately preceding state fiscal year had a
13 foundation allowance in an amount equal to the amount of the basic
14 foundation allowance for the immediately preceding state fiscal
15 year, the district shall receive a foundation allowance for ~~2017-~~
16 ~~2018-2018-2019~~ in an amount equal to the basic foundation allowance
17 for ~~2017-2018-2018-2019~~.

18 (c) For a district that had a foundation allowance for the
19 immediately preceding state fiscal year that was greater than the
20 basic foundation allowance for the immediately preceding state
21 fiscal year, the district's foundation allowance is an amount equal
22 to the sum of the district's foundation allowance for the
23 immediately preceding state fiscal year plus the lesser of the
24 increase in the basic foundation allowance for the current state
25 fiscal year, as compared to the immediately preceding state fiscal
26 year, or the product of the district's foundation allowance for the
27 immediately preceding state fiscal year times the percentage



1 increase in the United States consumer price index in the calendar
2 year ending in the immediately preceding fiscal year as reported by
3 the May revenue estimating conference conducted under section 367b
4 of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

8 (e) For a district that received a foundation allowance
9 supplemental payment calculated under section 20m and paid under
10 section 22b for ~~2016-2017~~, **2017-2018**, the district's ~~2016-2017~~
11 **2017-2018** foundation allowance is considered to have been an amount
12 equal to the sum of the district's actual ~~2016-2017~~ **2017-2018**
13 foundation allowance as otherwise calculated under this section
14 plus the lesser of the per pupil amount of the district's
15 supplemental payment for ~~2016-2017~~ **2017-2018** as calculated under
16 section 20m or the product of the district's foundation allowance
17 for the immediately preceding state fiscal year times the
18 percentage increase in the United States consumer price index in
19 the calendar year ending in the immediately preceding fiscal year
20 as reported by the May revenue estimating conference conducted
21 under section 367b of the management and budget act, 1984 PA 431,
22 MCL 18.1367b.

23 (4) Except as otherwise provided in this subsection, beginning
24 in 2014-2015, the state portion of a district's foundation
25 allowance is an amount equal to the district's foundation allowance
26 or the basic foundation allowance for the current state fiscal
27 year, whichever is less, minus the local portion of the district's



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

26 (5) The allocation calculated under this section for a pupil
27 shall be based on the foundation allowance of the pupil's district



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

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

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

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

26 (8) Subject to subsection (4), for a district that is formed
27 or reconfigured after June 1, 2002 by consolidation of 2 or more

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

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

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

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

27 (a) The pupil membership factor shall be computed by dividing

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

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



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

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

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

17 (14) As used in this section:

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

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

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



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

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

7 (f) "Immediately preceding state fiscal year" means the state
8 fiscal year immediately preceding the current state fiscal year.

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

20 (h) "Local school operating revenue" means school operating
21 taxes levied under section 1211 of the revised school code, MCL
22 380.1211. For a receiving district, if school operating taxes are
23 to be levied on behalf of a dissolved district that has been
24 attached in whole or in part to the receiving district to satisfy
25 debt obligations of the dissolved district under section 12 of the
26 revised school code, MCL 380.12, local school operating revenue
27 does not include school operating taxes levied within the



1 geographic area of the dissolved district.

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

5 (j) "Maximum public school academy allocation", except as
6 otherwise provided in this subdivision, means the maximum per-pupil
7 allocation as calculated by adding the highest per-pupil allocation
8 among all public school academies for the immediately preceding
9 state fiscal year plus the difference between twice the amount of
10 the difference between the basic foundation allowance for the
11 current state fiscal year and the basic foundation allowance for
12 the immediately preceding state fiscal year and [(the amount of the
13 difference between the basic foundation allowance for the current
14 state fiscal year and the basic foundation allowance for the
15 immediately preceding state fiscal year minus ~~\$20.00~~)~~-\$40.00~~) times
16 (the difference between the highest per-pupil allocation among all
17 public school academies for the immediately preceding state fiscal
18 year and the minimum foundation allowance for the immediately
19 preceding state fiscal year) divided by the difference between the
20 basic foundation allowance for the current state fiscal year and
21 the minimum foundation allowance for the immediately preceding
22 state fiscal year.] For the purposes of this subdivision, for ~~2017-~~
23 ~~2018, 2018-2019~~, the maximum public school academy allocation is
24 ~~\$7,631.00~~.~~\$7,871.00~~.

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



1 (l) "Nonexempt property" means property that is not a
2 principal residence, qualified agricultural property, qualified
3 forest property, supportive housing property, industrial personal
4 property, commercial personal property, or property occupied by a
5 public school academy.

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

11 (n) "Receiving district" means a district to which all or part
12 of the territory of a dissolved district is attached under section
13 12 of the revised school code, MCL 380.12.

14 (o) "School operating purposes" means the purposes included in
15 the operation costs of the district as prescribed in sections 7 and
16 18 and purposes authorized under section 1211 of the revised school
17 code, MCL 380.1211.

18 (p) "School operating taxes" means local ad valorem property
19 taxes levied under section 1211 of the revised school code, MCL
20 380.1211, and retained for school operating purposes.

21 (q) "Tax increment financing acts" means 1975 PA 197, MCL
22 125.1651 to 125.1681, the tax increment finance authority act, 1980
23 PA 450, MCL 125.1801 to 125.1830, the local development financing
24 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
25 redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~
26 **125.2670**, or the corridor improvement authority act, 2005 PA 280,
27 MCL 125.2871 to 125.2899.



1 (r) "Taxable value per membership pupil" means taxable value,
2 as certified by the county treasurer and reported to the
3 department, for the calendar year ending in the current state
4 fiscal year divided by the district's membership excluding special
5 education pupils for the school year ending in the current state
6 fiscal year.

7 Sec. 20d. In making the final determination required under
8 former section 20a of a district's combined state and local revenue
9 per membership pupil in 1993-94 and in making calculations under
10 section 20 for ~~2017-2018~~, **2018-2019**, the department and the
11 department of treasury shall comply with all of the following:

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



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

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

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

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



1 2013-2014.

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

4 (c) The quotient of the district's allocation under section
5 147a for 2012-2013 divided by the district's membership pupils for
6 2012-2013 minus the quotient of the district's allocation under
7 section 147a for 2013-2014 divided by the district's membership
8 pupils for 2013-2014.

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

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

16 (a) The increase in the district's foundation allowance or
17 per-pupil payment as calculated under section 20 from 2014-2015 to
18 2015-2016.

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

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

23 (d) The quotient of the district's allocation under section
24 31a for 2015-2016 divided by the district's membership pupils for
25 2015-2016 minus the quotient of the district's allocation under
26 section 31a for 2014-2015 divided by the district's membership
27 pupils for 2014-2015.



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

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

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

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

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

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

Sec. 21f. (1) A primary district shall enroll an eligible pupil in virtual courses in accordance with the provisions of this section. A primary district shall not offer a virtual course to an eligible pupil unless the virtual course is published in the primary district's catalog of board-approved courses or in the statewide catalog of virtual courses maintained by the Michigan Virtual University pursuant to section 98. The primary district shall also provide on its publicly accessible website a link to the



1 statewide catalog of virtual courses maintained by the Michigan
2 Virtual University. Unless the pupil is at least age 18 or is an
3 emancipated minor, a pupil shall not be enrolled in a virtual
4 course without the consent of the pupil's parent or legal guardian.

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

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

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

13 (b) The pupil agrees with the recommendation of the primary
14 district.

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

20 (4) If the number of applicants eligible for acceptance in a
21 virtual course does not exceed the capacity of the provider to
22 provide the virtual course, the provider shall accept for
23 enrollment all of the applicants eligible for acceptance. If the
24 number of applicants exceeds the provider's capacity to provide the
25 virtual course, the provider shall use a random draw system,
26 subject to the need to abide by state and federal
27 antidiscrimination laws and court orders. A primary district that



1 is also a provider shall determine whether or not it has the
2 capacity to accept applications for enrollment from nonresident
3 applicants in virtual courses and may use that limit as the reason
4 for refusal to enroll a nonresident applicant.

5 (5) A primary district may not establish additional
6 requirements beyond those specified in this subsection that would
7 prohibit a pupil from taking a virtual course. A pupil's primary
8 district may deny the pupil enrollment in an online course if any
9 of the following apply, as determined by the district:

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

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

13 (c) The virtual course is not capable of generating academic
14 credit.

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

17 (e) The pupil has not completed the prerequisite coursework
18 for the requested virtual course or has not demonstrated
19 proficiency in the prerequisite course content.

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

22 (g) The virtual course is of insufficient quality or rigor. A
23 primary district that denies a pupil enrollment request for this
24 reason shall enroll the pupil in a virtual course in the same or a
25 similar subject that the primary district determines is of
26 acceptable rigor and quality.

27 (h) The cost of the virtual course exceeds the amount

1 identified in subsection ~~(9)~~, **(10)**, unless the pupil or the pupil's
2 parent or legal guardian agrees to pay the cost that exceeds this
3 amount.

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

7 (j) The request for a virtual course enrollment was not made
8 in the academic term, semester, trimester, or summer preceding the
9 enrollment. This subdivision does not apply to a request made by a
10 pupil who is newly enrolled in the primary district.

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

27 (7) To provide a virtual course to an eligible pupil under

1 this section, a provider shall do all of the following:

2 (a) Ensure that the virtual course has been published in the
3 pupil's primary district's catalog of board-approved courses or
4 published in the statewide catalog of virtual courses maintained by
5 the Michigan Virtual University.

6 (b) Assign to each pupil a teacher of record and provide the
7 primary district with the personnel identification code assigned by
8 the center for the teacher of record. If the provider is a
9 community college, the virtual course must be taught by an
10 instructor employed by or contracted through the providing
11 community college.

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

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

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

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



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

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

8 (10) For a pupil enrolled in 1 or more virtual courses, the
9 primary district shall use foundation allowance or per-pupil funds
10 calculated under section 20 to pay for the expenses associated with
11 the virtual course or courses. A primary district is not required
12 to pay toward the cost of a virtual course an amount that exceeds
13 6.67% of the minimum foundation allowance for the current fiscal
14 year as calculated under section 20.

15 (11) A virtual learning pupil shall have the same rights and
16 access to technology in his or her primary district's school
17 facilities as all other pupils enrolled in the pupil's primary
18 district. The department shall establish standards for hardware,
19 software, and ~~Internet~~ **INTERNET** access for pupils who are enrolled
20 in more than 2 virtual courses in an academic term, semester, or
21 trimester taken at a location other than a school facility.

22 (12) If a pupil successfully completes a virtual course, as
23 determined by the pupil's primary district, the pupil's primary
24 district shall grant appropriate academic credit for completion of
25 the course and shall count that credit toward completion of
26 graduation and subject area requirements. A pupil's school record
27 and transcript shall identify the virtual course title as it



1 appears in the virtual course syllabus.

2 (13) The enrollment of a pupil in 1 or more virtual courses
3 shall not result in a pupil being counted as more than 1.0 full-
4 time equivalent pupils under this article. The minimum requirements
5 to count the pupil in membership are those established by the pupil
6 accounting manual as it was in effect for the 2015-2016 school year
7 or as subsequently amended by the department if the department
8 notifies the legislature about the proposed amendment at least 60
9 days before the amendment becomes effective.

10 (14) As used in this section:

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

13 (b) "Mentor" means a professional employee of the primary
14 district who monitors the pupil's progress, ensures the pupil has
15 access to needed technology, is available for assistance, and
16 ensures access to the teacher of record. A mentor may also serve as
17 the teacher of record if the primary district is the provider for
18 the virtual course and the mentor meets the requirements under
19 subdivision (e).

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

22 (d) "Provider" means the district, intermediate district, or
23 community college that the primary district pays to provide the
24 virtual course or the Michigan Virtual University if it is
25 providing the virtual course.

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



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

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

5 (iii) Is responsible for providing instruction, determining
6 instructional methods for each pupil, diagnosing learning needs,
7 assessing pupil learning, prescribing intervention strategies and
8 modifying lessons, reporting outcomes, and evaluating the effects
9 of instruction and support strategies.

10 (iv) Has a personnel identification code provided by the
11 center.

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

14 (f) "Virtual course" means a course of study that is capable
15 of generating a credit or a grade and that is provided in an
16 interactive learning environment where the majority of the
17 curriculum is delivered using the ~~Internet~~**INTERNET** and in which
18 pupils may be separated from their instructor or teacher of record
19 by time or location, or both.

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

22 (i) An alignment document detailing how the course meets
23 applicable state standards or, if the state does not have state
24 standards, nationally recognized standards.

25 (ii) The virtual course content outline.

26 (iii) The virtual course required assessments.

27 (iv) The virtual course prerequisites.



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

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

(vii) The virtual course learning outcomes and objectives.

(viii) The name of the institution or organization providing the virtual content.

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

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

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

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

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

Sec. 21h. (1) From the appropriation in section 11, there is allocated ~~\$6,000,000.00~~ **\$7,000,000.00** for ~~2017-2018~~ **2018-2019** for assisting districts assigned by the superintendent to participate in a partnership to improve student achievement. The purpose of the partnership is to identify district needs, develop intervention



1 plans, and partner with public, private, and nonprofit
2 organizations to coordinate resources and improve student
3 achievement. Assignment of a district to a partnership is at the
4 sole discretion of the superintendent.

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

12 (a) Completes a comprehensive needs evaluation in
13 collaboration with an intermediate school district, community
14 members, education organizations, and postsecondary institutions,
15 as applicable and approved by the superintendent, within 90 days of
16 assignment to the partnership described in this section. The
17 comprehensive needs evaluation shall include at least all of the
18 following:

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

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

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

27 (b) Develops an intervention plan that has been approved by



1 the superintendent and that addresses the needs identified in the
2 comprehensive needs evaluation completed under subdivision (a). The
3 intervention plan shall include at least all of the following:

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

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

10 **(C) CRAFTS ACADEMIC GOALS THAT PUT PUPILS ON TRACK TO MEET OR**
11 **EXCEED GRADE LEVEL PROFICIENCY.**

12 (3) Upon approval of the intervention plan developed under
13 subsection (2), the department shall assign a team of individuals
14 with expertise in comprehensive school and district reform to
15 partner with the district, the intermediate district, community
16 organizations, education organizations, and postsecondary
17 institutions identified in the intervention plan to review the
18 district's use of existing financial resources to ensure that those
19 resources are being used as efficiently and effectively as possible
20 to improve student academic achievement. **THE SUPERINTENDENT OF**
21 **PUBLIC INSTRUCTION MAY WAIVE BURDENSOME ADMINISTRATIVE RULES FOR A**
22 **PARTNERSHIP DISTRICT FOR THE DURATION OF THE PARTNERSHIP AGREEMENT.**

23 (4) Funds allocated under this section may be used to pay for
24 district expenditures approved by the superintendent to improve
25 student achievement. Funds may be used for professional development
26 for teachers or district or school leadership, increased
27 instructional time, teacher mentors, or other expenditures that



1 directly impact student achievement and cannot be paid from
2 existing district financial resources. An eligible district shall
3 not receive funds under this section for more than 3 years.
4 Notwithstanding section 17b, payments to eligible districts under
5 this section shall be paid on a schedule determined by the
6 department.

7 (5) The department shall annually report **IN PERSON** to the
8 legislature on the activities funded under this section and how
9 those activities impacted student achievement in eligible districts
10 that received funds under this section. **TO THE EXTENT POSSIBLE,**
11 **PARTICIPATING DISTRICTS RECEIVING FUNDING UNDER THIS SECTION SHALL**
12 **PARTICIPATE IN THE REPORT.**

13 Sec. 22a. (1) From the appropriation in section 11, ~~there is~~
14 ~~allocated an amount not to exceed \$5,207,000,000.00 for 2016-2017~~
15 ~~and there is allocated an amount not to exceed \$5,181,800,000.00~~
16 **\$5,176,000,000.00 for 2017-2018 AND THERE IS ALLOCATED AN AMOUNT**
17 **NOT TO EXCEED \$5,107,000,000.00 FOR 2018-2019** for payments to
18 districts and qualifying public school academies to guarantee each
19 district and qualifying public school academy an amount equal to
20 its 1994-95 total state and local per pupil revenue for school
21 operating purposes under section 11 of article IX of the state
22 constitution of 1963. Pursuant to section 11 of article IX of the
23 state constitution of 1963, this guarantee does not apply to a
24 district in a year in which the district levies a millage rate for
25 school district operating purposes less than it levied in 1994.
26 However, subsection (2) applies to calculating the payments under
27 this section. Funds allocated under this section that are not



1 expended in the state fiscal year for which they were allocated, as
2 determined by the department, may be used to supplement the
3 allocations under sections 22b and 51c in order to fully fund those
4 calculated allocations for the same fiscal year.

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

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



1 district to satisfy debt obligations of the dissolved district
2 under section 12 of the revised school code, MCL 380.12, taxable
3 value per membership pupil of all property in the receiving
4 district that is nonexempt property and taxable value per
5 membership pupil of property in the receiving district that is
6 commercial personal property do not include property within the
7 geographic area of the dissolved district; ad valorem property tax
8 revenue of the receiving district captured under tax increment
9 financing acts does not include ad valorem property tax revenue
10 captured within the geographic boundaries of the dissolved district
11 under tax increment financing acts; and certified mills do not
12 include the certified mills of the dissolved district. For a
13 community district, the allocation as otherwise calculated under
14 this section shall be reduced by an amount equal to the amount of
15 local school operating tax revenue that would otherwise be due to
16 the community district if not for the operation of section 386 of
17 the revised school code, MCL 380.386, and the amount of this
18 reduction shall be offset by the increase in funding under section
19 22b(2).

20 (b) For a district that had a 1994-95 foundation allowance
21 greater than \$6,500.00, the state payment under this subsection
22 shall be the sum of the amount calculated under subdivision (a)
23 plus the amount calculated under this subdivision. The amount
24 calculated under this subdivision shall be equal to the difference
25 between the district's 1994-95 foundation allowance minus \$6,500.00
26 and the current year hold harmless school operating taxes per
27 pupil. If the result of the calculation under subdivision (a) is

1 negative, the negative amount shall be an offset against any state
2 payment calculated under this subdivision. If the result of a
3 calculation under this subdivision is negative, there shall not be
4 a state payment or a deduction under this subdivision. The taxable
5 values per membership pupil used in the calculations under this
6 subdivision are as adjusted by ad valorem property tax revenue
7 captured under tax increment financing acts divided by the
8 district's membership. For a receiving district, if school
9 operating taxes are to be levied on behalf of a dissolved district
10 that has been attached in whole or in part to the receiving
11 district to satisfy debt obligations of the dissolved district
12 under section 12 of the revised school code, MCL 380.12, ad valorem
13 property tax revenue captured under tax increment financing acts do
14 not include ad valorem property tax revenue captured within the
15 geographic boundaries of the dissolved district under tax increment
16 financing acts.

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

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

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



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

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

19 (7) As used in this section:

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

24 (b) "Certified mills" means the lesser of 18 mills or the
25 number of mills of school operating taxes levied by the district in
26 1993-94.

27 (c) "Current state fiscal year" means the state fiscal year



1 for which a particular calculation is made.

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

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

17 (f) "Hold harmless millage" means, for a district with a 1994-
18 95 foundation allowance greater than \$6,500.00, the number of mills
19 by which the exemption from the levy of school operating taxes on a
20 homestead, qualified agricultural property, qualified forest
21 property, supportive housing property, industrial personal
22 property, commercial personal property, and property occupied by a
23 public school academy could be reduced as provided in section 1211
24 of the revised school code, MCL 380.1211, and the number of mills
25 of school operating taxes that could be levied on all property as
26 provided in section 1211(2) of the revised school code, MCL
27 380.1211, as certified by the department of treasury for the 1994



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

8 (g) "Homestead", "qualified agricultural property", "qualified
9 forest property", "supportive housing property", "industrial
10 personal property", and "commercial personal property" mean those
11 terms as defined in section 1211 of the revised school code, MCL
12 380.1211.

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

16 (i) "Nonexempt property" means property that is not a
17 principal residence, qualified agricultural property, qualified
18 forest property, supportive housing property, industrial personal
19 property, commercial personal property, or property occupied by a
20 public school academy.

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

24 (k) "Receiving district" means a district to which all or part
25 of the territory of a dissolved district is attached under section
26 12 of the revised school code, MCL 380.12.

27 (l) "School operating taxes" means local ad valorem property



1 taxes levied under section 1211 of the revised school code, MCL
2 380.1211, and retained for school operating purposes as defined in
3 section 20.

4 (m) "Tax increment financing acts" means 1975 PA 197, MCL
5 125.1651 to 125.1681, the tax increment finance authority act, 1980
6 PA 450, MCL 125.1801 to 125.1830, the local development financing
7 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
8 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
9 or the corridor improvement authority act, 2005 PA 280, MCL
10 125.2871 to 125.2899.

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

13 (i) For the number of mills by which the exemption from the
14 levy of school operating taxes on a homestead, qualified
15 agricultural property, qualified forest property, supportive
16 housing property, industrial personal property, commercial personal
17 property, and property occupied by a public school academy may be
18 reduced as provided in section 1211 of the revised school code, MCL
19 380.1211, the taxable value of homestead, qualified agricultural
20 property, qualified forest property, supportive housing property,
21 industrial personal property, commercial personal property, and
22 property occupied by a public school academy for the calendar year
23 ending in the current state fiscal year. For a receiving district,
24 if school operating taxes are to be levied on behalf of a dissolved
25 district that has been attached in whole or in part to the
26 receiving district to satisfy debt obligations of the dissolved
27 district under section 12 of the revised school code, MCL 380.12,



1 mills do not include mills within the geographic area of the
2 dissolved district.

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

14 Sec. 22b. (1) For discretionary nonmandated payments to
15 districts under this section, there is allocated for ~~2016-2017 an~~
16 ~~amount not to exceed \$3,841,000,000.00 from the state school aid~~
17 ~~fund and general fund appropriations in section 11 and an amount~~
18 ~~not to exceed \$72,000,000.00 from the community district education~~
19 ~~trust fund appropriation in section 11, and there is allocated for~~
20 ~~2017-2018 an amount not to exceed \$3,965,500,000.00~~
21 **\$3,957,000,000.00** from the state school aid fund and general fund
22 appropriations in section 11 and an amount not to exceed
23 \$72,000,000.00 from the community district education trust fund
24 appropriation in section 11, **AND THERE IS ALLOCATED FOR 2018-2019**
25 **AN AMOUNT NOT TO EXCEED \$4,252,000,000.00 FROM THE STATE SCHOOL AID**
26 **FUND AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT**
27 **NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION**



1 **TRUST FUND APPROPRIATION IN SECTION 11.** Except for money allocated
2 from the community district trust fund, money allocated under this
3 section that is not expended in the state fiscal year for which it
4 was allocated, as determined by the department, may be used to
5 supplement the allocations under sections 22a and 51c in order to
6 fully fund those calculated allocations for the same fiscal year.

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

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

23 (a) Comply with section 1280b of the revised school code, MCL
24 380.1280b.

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

27 (c) Furnish data and other information required by state and



1 federal law to the center and the department in the form and manner
2 specified by the center or the department, as applicable.

3 (d) Comply with section 1230g of the revised school code, MCL
4 380.1230g.

5 (e) Comply with section 21f.

6 **(F) FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT HAS ENTERED**
7 **INTO A PARTNERSHIP AGREEMENT WITH THE DEPARTMENT, COMPLY WITH**
8 **SECTION 22P.**

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

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

19 (6) From the allocation in subsection (1), the department
20 shall pay up to \$1,000,000.00 in litigation costs incurred by this
21 state associated with lawsuits filed by 1 or more districts or
22 intermediate districts against this state. If the allocation under
23 this section is insufficient to fully fund all payments required
24 under this section, the payments under this subsection shall be
25 made in full before any proration of remaining payments under this
26 section.

27 (7) It is the intent of the legislature that all



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

15 (8) If the local claims review board or a court of competent
16 jurisdiction makes a final determination that this state is in
17 violation of section 29 of article IX of the state constitution of
18 1963 regarding state payments to districts, the state budget
19 director shall use work project funds under subsection (7) or
20 allocate from the discretionary funds for nonmandated payments
21 under this section the amount as may be necessary to satisfy the
22 amount owed to districts before making any payments to districts
23 under subsection (2).

24 (9) If a claim is made in court that challenges the
25 legislative determination of the adequacy of funding for this
26 state's constitutional obligations or alleges that there exists an
27 unfunded constitutional requirement, any interested party may seek



1 an expedited review of the claim by the local claims review board.
2 If the claim exceeds \$10,000,000.00, this state may remove the
3 action to the court of appeals, and the court of appeals shall have
4 and shall exercise jurisdiction over the claim.

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

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



1 "title XIX" means title XIX of the social security act, 42 USC 1396
 2 to ~~1396v-1396w-5~~.

3 Sec. 22d. (1) From the appropriation in section 11, an amount
 4 not to exceed ~~\$5,000,000.00~~ **\$6,000,000.00** is allocated for ~~2017-~~
 5 ~~2018-2018-2019~~ for supplemental payments to rural districts under
 6 this section.

7 (2) From the allocation under subsection (1), there is
 8 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
 9 \$957,300.00 for payments under this subsection to districts that
 10 meet all of the following:

11 (a) Operates grades K to 12.

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

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

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

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

18 (3) The amount of the additional funding to each eligible
 19 district under subsection (2) shall be determined under a spending
 20 plan developed as provided in this subsection and approved by the
 21 superintendent of public instruction. The spending plan shall be
 22 developed cooperatively by the intermediate superintendents of each
 23 intermediate district in which an eligible district is located. The
 24 intermediate superintendents shall review the financial situation
 25 of each eligible district, determine the minimum essential
 26 financial needs of each eligible district, and develop and agree on
 27 a spending plan that distributes the available funding under



subsection (2) to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under subsection (2) and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed ~~\$4,042,700.00~~ **\$5,042,700.00** for payments under this subsection to districts that have ~~7.3-7.7~~ or fewer pupils per square mile as determined by the department.

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

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

Sec. 22g. (1) From the funds appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** only an amount not to exceed ~~\$500,000.00~~ **\$2,800,000.00** for ~~competitive assistance grants to districts and intermediate districts.~~ **THAT WERE AWARDED FUNDS UNDER THIS SECTION IN 2016-2017 BUT DID NOT RECEIVE THOSE FUNDS.**

(2) Funds received under this section may be used for reimbursement of transition costs associated with the dissolution, consolidation, or annexation of districts. ~~or intermediate districts.~~ Grant funding shall be available for dissolutions, consolidations, or annexations that occur on or after June 1, 2016. ~~Districts may spend funds allocated under this section over 3~~



1 ~~fiscal years.~~

2 ~~—— (3) In addition to the amount allocated under subsection (1),~~
3 ~~from the funds appropriated in section 11, there is allocated for~~
4 ~~2016-2017 an amount not to exceed \$2,500,000.00 for grants to~~
5 ~~districts or intermediate districts that received a grant under~~
6 ~~this section as it was in effect for 2015-2016 for reimbursement of~~
7 ~~remaining transition costs associated with a dissolution,~~
8 ~~consolidation, or annexation that was approved during 2015-2016 by~~
9 ~~the school electors of the applicable district or intermediate~~
10 ~~district.~~

11 ~~—— (4) Notwithstanding section 17b, grant payments under this~~
12 ~~section shall be paid on a schedule determined by the department.~~

13 Sec. 22m. (1) From the appropriations in section 11, there is
14 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
15 \$2,200,000.00 for supporting the integration of local data systems
16 into the Michigan data hub network based on common standards and
17 applications that are in compliance with section 19(6).

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

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



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

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

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

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

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

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

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



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

4 (d) Promoting 100% district adoption of the Michigan data hub
5 network by September 30, ~~2018~~-2020.

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

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

11 (g) Creating a governance model to facilitate sustainable
12 operations of the infrastructure in the future, including
13 administration, legal agreements, documentation, staffing, hosting,
14 and funding.

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

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

27 Sec. 22n. (1) From the appropriation in section 11, there is



1 allocated an amount not to exceed \$11,000,000.00 for ~~2017-2018~~
2 **2018-2019** for additional payments to districts for the higher
3 instructional costs of educating high school pupils.

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

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

13 **SEC. 22P. IN ORDER TO RECEIVE FUNDING UNDER SECTION 22B, A**
14 **DISTRICT OR PUBLIC SCHOOL ACADEMY THAT HAS A SIGNED PARTNERSHIP**
15 **AGREEMENT WITH THE DEPARTMENT MUST MEET BOTH OF THE FOLLOWING:**

16 (A) AMENDS THE PARTNERSHIP AGREEMENT TO INCLUDE MEASURABLE
17 ACADEMIC OUTCOMES THAT WILL BE ACHIEVED AFTER 18 MONTHS AND AFTER
18 36 MONTHS FROM THE DATE THE AGREEMENT WAS ORIGINALLY SIGNED.
19 MEASURABLE ACADEMIC OUTCOMES UNDER THIS SUBDIVISION MUST INCLUDE
20 OUTCOMES THAT PUT PUPILS ON TRACK TO MEET OR EXCEED GRADE LEVEL
21 PROFICIENCY.

22 (B) AMENDS THE PARTNERSHIP AGREEMENT TO INCLUDE ACCOUNTABILITY
23 MEASURES TO BE IMPOSED IF THE DISTRICT OR PUBLIC SCHOOL ACADEMY
24 DOES NOT ACHIEVE THE MEASURABLE ACADEMIC OUTCOMES UNDER SUBDIVISION
25 (A) FOR A SCHOOL SUBJECT TO A PARTNERSHIP AGREEMENT. ACCOUNTABILITY
26 MEASURES UNDER THIS SUBDIVISION MAY INCLUDE EITHER THE CLOSURE OF
27 THE SCHOOL AT THE END OF THE CURRENT SCHOOL YEAR OR THE



1 RECONSTITUTION OF THE SCHOOL IN A FINAL ATTEMPT TO IMPROVE STUDENT
2 EDUCATIONAL PERFORMANCE OR TO AVOID INTERRUPTION OF THE EDUCATIONAL
3 PROCESS. FOR A PUBLIC SCHOOL ACADEMY THAT AMENDS A PARTNERSHIP
4 AGREEMENT UNDER THIS SUBDIVISION, THE AMENDED AGREEMENT MUST
5 INCLUDE A REQUIREMENT THAT IF RECONSTITUTION IS IMPOSED ON A SCHOOL
6 THAT IS OPERATED BY THE PUBLIC SCHOOL ACADEMY AND THAT IS SUBJECT
7 TO THE PARTNERSHIP AGREEMENT, THE SCHOOL SHALL BE RECONSTITUTED AS
8 DESCRIBED IN SECTION 507 OF THE REVISED SCHOOL CODE, MCL 380.507.
9 FOR A DISTRICT THAT AMENDS A PARTNERSHIP AGREEMENT UNDER THIS
10 SUBDIVISION, THE AMENDED AGREEMENT MUST INCLUDE A REQUIREMENT THAT
11 IF RECONSTITUTION IS IMPOSED ON A SCHOOL THAT IS OPERATED BY THE
12 DISTRICT AND THAT IS SUBJECT TO THE PARTNERSHIP AGREEMENT, ALL OF
13 THE FOLLOWING APPLY:

14 (i) THE DISTRICT SHALL MAKE SIGNIFICANT CHANGES TO THE
15 INSTRUCTIONAL AND NONINSTRUCTIONAL PROGRAMMING OF THE SCHOOL BASED
16 ON THE NEEDS IDENTIFIED THROUGH A COMPREHENSIVE REVIEW OF DATA.

17 (ii) THE DISTRICT SHALL REPLACE AT LEAST 25% OF THE FACULTY
18 AND STAFF OF THE SCHOOL.

19 (iii) THE DISTRICT SHALL REPLACE THE PRINCIPAL OF THE SCHOOL,
20 UNLESS THE CURRENT PRINCIPAL HAS BEEN IN PLACE FOR LESS THAN 3
21 YEARS AND THE BOARD OF THE DISTRICT DETERMINES THAT IT IS IN THE
22 BEST INTERESTS OF THE DISTRICT TO RETAIN CURRENT SCHOOL LEADERSHIP.

23 (iv) THE RECONSTITUTION PLAN FOR THE SCHOOL SHALL REQUIRE THE
24 ADOPTION OF GOALS SIMILAR TO THE GOALS INCLUDED IN A PARTNERSHIP
25 AGREEMENT, WITH A LIMIT OF 5 YEARS TO ACHIEVE THE GOALS. IF THE
26 GOALS ARE NOT ACHIEVED WITHIN 5 YEARS, THE SUPERINTENDENT OF PUBLIC
27 INSTRUCTION SHALL EITHER IMPOSE A SECOND RECONSTITUTION PLAN ON THE



1 **SCHOOL OR CLOSE THE SCHOOL.**

2 Sec. 24. (1) From the appropriation in section 11, there is
3 allocated **EACH FISCAL YEAR** for 2017-2018 **AND FOR 2018-2019** an
4 amount not to exceed ~~\$8,000,000.00~~ **\$7,150,000.00** for payments to
5 the educating district or intermediate district for educating
6 pupils assigned by a court or the department of health and human
7 services to reside in or to attend a juvenile detention facility or
8 child caring institution licensed by the department of health and
9 human services and approved by the department to provide an on-
10 grounds education program. The amount of the payment under this
11 section to a district or intermediate district shall be calculated
12 as prescribed under subsection (2).

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

19 (a) "Added cost" means 100% of the added cost each fiscal year
20 for educating all pupils assigned by a court or the department of
21 health and human services to reside in or to attend a juvenile
22 detention facility or child caring institution licensed by the
23 department of health and human services or the department of
24 licensing and regulatory affairs and approved by the department to
25 provide an on-grounds education program. Added cost shall be
26 computed by deducting all other revenue received under this article
27 for pupils described in this section from total costs, as approved



1 by the department, in whole or in part, for educating those pupils
2 in the on-grounds education program or in a program approved by the
3 department that is located on property adjacent to a juvenile
4 detention facility or child caring institution. Costs reimbursed by
5 federal funds are not included.

6 (b) "Department's approved per-pupil allocation" for a
7 district or intermediate district shall be determined by dividing
8 the total amount allocated under this section for a fiscal year by
9 the full-time equated membership total for all pupils approved by
10 the department to be funded under this section for that fiscal year
11 for the district or intermediate district.

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

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

23 Sec. 24a. From the appropriation in section 11, there is
24 allocated an amount not to exceed ~~\$1,339,000.00 for 2017-2018~~
25 **\$1,355,700.00 FOR 2018-2019** for payments to intermediate districts
26 for pupils who are placed in juvenile justice service facilities
27 operated by the department of health and human services. Each



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

16 Sec. 24c. **(1)** From the appropriation in section 11, there is
17 allocated an amount not to exceed \$1,528,400.00 ~~for 2017-2018~~ **FOR**
18 **2018-2019** for payments to districts for pupils who are enrolled in
19 a nationally administered community-based education and youth
20 mentoring program, known as the youth challenge program, that is
21 administered by the department of military and veterans affairs.
22 Both of the following apply to a district receiving payments under
23 this section:

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



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

4 (2) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1) ,
5 FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT
6 NOT TO EXCEED \$80,000.00 FOR 2018-2019 TO A DISTRICT FOR PUPILS WHO
7 ENROLLED IN THE YOUTH CHALLENGE PROGRAM BUT DROPPED OUT BEFORE THE
8 PUPIL MEMBERSHIP COUNT DAY. THE DISTRICT SHALL USE THESE FUNDS TO
9 SUPPORT THE YOUTH CHALLENGE PROGRAM.

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

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



1 enrolled and is in attendance in an educating district or
2 intermediate district as described in this subsection, the pupil
3 transfer process shall do the following:

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

6 (b) Notify both the pupil auditing staff of the intermediate
7 district in which the educating district is located and the pupil
8 auditing staff of the intermediate district in which the district
9 that previously enrolled the pupil is located. The pupil auditing
10 staff shall investigate a representative sample based on required
11 audit sample sizes in the pupil auditing manual and may deny the
12 pupil membership transfer.

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

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

16 (a) Adjust the membership calculation for each district or
17 intermediate district in which the pupil was previously counted in
18 membership or that previously received an adjustment in its
19 membership calculation under this section due to a change in the
20 pupil's enrollment and attendance so that the district's or
21 intermediate district's membership is prorated to allow the
22 district or intermediate district to receive for each school day,
23 as determined by the financial calendar furnished by the center, in
24 which the pupil was enrolled and in attendance in the district or
25 intermediate district an amount equal to 1/105 of a full-time
26 equated membership claimed in the fall pupil membership count. The
27 district or intermediate district shall receive a prorated

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

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

25 (4) The changes in calculation of state school aid required
26 under subsection (3) shall take effect as of the date that the
27 pupil becomes enrolled and in attendance in the educating district



1 or intermediate district, and the department shall base all
2 subsequent payments under this article for the fiscal year to the
3 affected districts or intermediate districts on this recalculation
4 of state school aid.

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

13 (6) The portion of the full-time equated pupil membership for
14 which a pupil is enrolled in 1 or more online courses under section
15 21f that is representative of the amount that the primary district
16 paid in course costs to the course provider shall not be counted or
17 transferred under the pupil transfer process under this section.

18 (7) It is the intent of the legislature that the center
19 determine the number of pupils who did not reside in this state as
20 of the 2018-2019 pupil membership count day but who newly enrolled
21 in a district or intermediate district after that pupil membership
22 count day and before the 2018-2019 supplemental count day. It is
23 the intent of the legislature that the center further determine the
24 number of pupils who were counted in membership for the 2018-2019
25 pupil membership count day but who left this state before the 2018-
26 2019 supplemental count day. In 2019-2020, the center shall provide
27 a report to the senate and house appropriations subcommittees on



1 state school aid, and to the senate and house fiscal agencies,
 2 detailing the number of pupils transferring in from ~~another state~~
 3 ~~or transferring out from this state~~ **OUTSIDE THE PUBLIC SCHOOL**
 4 **SYSTEM OF THIS STATE AND THE NUMBER OF PUPILS TRANSFERRING OUT OF**
 5 **THE PUBLIC SCHOOL SYSTEM IN THIS STATE** between the pupil membership
 6 count day and supplemental count day as described in this
 7 subsection. ~~The center shall include in the report a discussion of~~
 8 ~~benefits and obstacles to developing a pupil enrollment process for~~
 9 ~~pupils who newly enroll in a district or intermediate district~~
 10 ~~after the pupil membership count day and before the supplemental~~
 11 ~~count day, and developing a process for deducting pupils who were~~
 12 ~~counted on the pupil membership count day and transfer out of this~~
 13 ~~state before the supplemental count day.~~

14 (8) As used in this section:

15 (a) "Educating district or intermediate district" means the
 16 district or intermediate district in which a pupil enrolls after
 17 the pupil membership count day or after an adjustment was made in
 18 another district's or intermediate district's membership
 19 calculation under this section due to the pupil's enrollment and
 20 attendance.

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

24 Sec. 25f. (1) From the state school aid fund money
 25 appropriated in section 11, there is allocated an amount not to
 26 exceed ~~\$750,000.00~~ **\$1,600,000.00 EACH FISCAL YEAR** for 2017-2018 **AND**
 27 **FOR 2018-2019** for payments to strict discipline academies



1 established under sections 1311b to 1311m of the revised school
2 code, MCL 380.1311b to 380.1311m, as provided under this section.

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

7 (3) The total amount allocated to a strict discipline academy
8 under this section ~~is an amount equal to~~ **SHALL FIRST BE DISTRIBUTED**
9 **AS** the lesser of the strict discipline academy's added cost or the
10 department's approved per-pupil allocation for the strict
11 discipline academy. **ANY FUNDS REMAINING AFTER THE FIRST**
12 **DISTRIBUTION SHALL BE DISTRIBUTED BY PRORATING ON AN EQUAL PER-**
13 **PUPIL MEMBERSHIP BASIS, NOT TO EXCEED A STRICT DISCIPLINE ACADEMY'S**
14 **ADDED COST.** However, the sum of the amounts received by a strict
15 discipline academy under this section and under section 24 shall
16 not exceed the product of the strict discipline academy's per-pupil
17 allocation calculated under section 20 multiplied by the strict
18 discipline academy's full-time equated membership. The department
19 shall allocate funds to strict discipline academies under this
20 section on a monthly basis. For the purposes of this subsection:

21 (a) "Added cost" means 100% of the added cost each fiscal year
22 for educating all pupils enrolled and in regular daily attendance
23 at a strict discipline academy. Added cost shall be computed by
24 deducting all other revenue received under this article for pupils
25 described in this subsection from total costs, as approved by the
26 department, in whole or in part, for educating those pupils in a
27 strict discipline academy. The department shall include all costs

1 including, but not limited to, educational costs, insurance,
2 management fees, technology costs, legal fees, auditing fees,
3 interest, pupil accounting costs, and any other administrative
4 costs necessary to operate the program or to comply with statutory
5 requirements. Costs reimbursed by federal funds are not included.

6 (b) "Department's approved per-pupil allocation" for a strict
7 discipline academy shall be determined by dividing the total amount
8 allocated under this subsection for a fiscal year by the full-time
9 equated membership total for all pupils approved by the department
10 to be funded under this subsection for that fiscal year for the
11 strict discipline academy.

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

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

17 (6) Payments to districts under this section shall be made
18 according to the payment schedule under section 17b.

19 Sec. 25g. (1) From the state school aid fund money
20 appropriated in section 11, there is allocated an amount not to
21 exceed \$750,000.00 for ~~2017-2018~~**2018-2019** for the purposes of this
22 section. If the operation of the special membership counting
23 provisions under section 6(4)(dd) and the other membership counting
24 provisions under section 6(4) result in a pupil being counted as
25 more than 1.0 FTE in a fiscal year, then the payment made for the
26 pupil under sections 22a and 22b shall not be based on more than
27 1.0 FTE for that pupil, and that portion of the FTE that exceeds



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

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

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

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

11 **SEC. 25H. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**
12 **IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$100,000.00 TO**
13 **AN ELIGIBLE DISTRICT FOR A PROGRAM TO REDUCE THE NUMBER OF HIGH**
14 **SCHOOL DROPOUTS.**

15 (2) A DISTRICT IS ELIGIBLE FOR FUNDS UNDER THIS SECTION IF THE
16 DISTRICT MEETS ALL OF THE FOLLOWING:

17 (A) HAS A PUPIL MEMBERSHIP GREATER THAN 15,000.

18 (B) IS LOCATED IN AN INTERMEDIATE DISTRICT FOR WHICH THE
19 COMBINED PUPIL MEMBERSHIPS OF ALL OF ITS CONSTITUENT DISTRICTS IS
20 GREATER THAN 100,000 AND LESS THAN 120,000.

21 (C) COLLABORATES WITH A PROGRAM ALIGNED WITH THE GOALS AND
22 STRATEGIES OF THE DEPARTMENT'S TOP TEN IN TEN AND THE
23 RECOMMENDATIONS OF THE CAREER PATHWAY ALLIANCE TO INCREASE DISTRICT
24 GRADUATION RATES, ATTENDANCE RATES, AND CAREER READINESS FOR AT-
25 RISK YOUTH.

26 Sec. 26a. From the funds appropriated in section 11, there is
27 allocated an amount not to exceed ~~\$17,000,000.00 each fiscal year~~



1 ~~for 2016-2017 and \$15,000,000.00~~ for 2017-2018 **AND THERE IS**
 2 **ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR 2018-2019** to
 3 reimburse districts and intermediate districts pursuant to section
 4 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,
 5 for taxes levied in ~~2016 and 2017~~ **2017 AND 2018**, as applicable. The
 6 allocations shall be made not later than 60 days after the
 7 department of treasury certifies to the department and to the state
 8 budget director that the department of treasury has received all
 9 necessary information to properly determine the amounts due to each
 10 eligible recipient.

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

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

23 Sec. 26c. (1) From the appropriation in section 11, there is
 24 allocated an amount not to exceed ~~\$1,500,000.00~~ **\$1,600,000.00** for
 25 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
 26 **\$3,000,000.00 FOR 2018-2019** to the promise zone fund created in
 27 subsection (3). The funds allocated under this section reflect the



1 amount of revenue from the collection of the state education tax
2 captured under section 17(2) of the Michigan promise zone authority
3 act, 2008 PA 549, MCL 390.1677.

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

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

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

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

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



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

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

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

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

23 (3) For a district or public school academy to be eligible to
24 receive funding under this section, other than funding under
25 subsection (7) or (8), the district or public school academy, for
26 grades K to ~~3-12~~, shall comply with the requirements under section
27 1280f of the revised school code, MCL 380.1280f, and **SHALL** use



resources to address early literacy **AND NUMERACY**, and for at least grades ~~4-K~~ to ~~8-12~~ or, if the district or public school academy does not operate all of grades ~~4-K~~ to ~~8-12~~, for all of the grades it operates, must implement a multi-tiered system of supports that is an evidence-based ~~model~~ **FRAMEWORK** that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. ~~This~~ **THE** multi-tiered system of supports **DESCRIBED IN THIS SUBSECTION** must provide at least all of the following essential ~~elements~~ **COMPONENTS**:

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

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

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

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

~~(ii) Targeted group interventions.~~

~~(iii) Intense individual interventions.~~

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

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

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

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



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

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

~~(i) Implements instruction and intervention practices with
fidelity.~~

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

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

(5) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct



1 noninstructional services, including, but not limited to, medical,
 2 mental health, or counseling services, for at-risk pupils; for
 3 school health clinics; and for the purposes of subsection (6), (7),
 4 or (8). In addition, a district that is a school district of the
 5 first class or a district or public school academy in which at
 6 least 50% of the pupils in membership were determined to be
 7 economically disadvantaged in the immediately preceding state
 8 fiscal year, as determined and reported as described in subsection
 9 (4), may use not more than 20% of the funds it receives under this
 10 section for school security. A district or public school academy
 11 shall not use any of that money for administrative costs. The
 12 instruction or direct noninstructional services provided under this
 13 section may be conducted before or after regular school hours or by
 14 adding extra school days to the school year. **FUNDS SPENT ON SCHOOL**
 15 **SECURITY UNDER THIS SUBSECTION MUST BE COUNTED TOWARD REQUIRED**
 16 **SPENDING UNDER SUBSECTION (16) (B) .**

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

25 (7) From the funds allocated under subsection (1), there is
 26 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
 27 \$6,057,300.00 to support primary health care services provided to



1 children and adolescents up to age 21. These funds shall be
2 expended in a form and manner determined jointly by the department
3 and the department of health and human services. If any funds
4 allocated under this subsection are not used for the purposes of
5 this subsection for the fiscal year in which they are allocated,
6 those unused funds shall be used that fiscal year to avoid or
7 minimize any proration that would otherwise be required under
8 subsection (14) for that fiscal year.

9 (8) From the funds allocated under subsection (1), there is
10 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
11 \$5,150,000.00 for the state portion of the hearing and vision
12 screenings as described in section 9301 of the public health code,
13 1978 PA 368, MCL 333.9301. A local public health department shall
14 pay at least 50% of the total cost of the screenings. The frequency
15 of the screenings shall be as required under R 325.13091 to R
16 325.13096 and R 325.3271 to R 325.3276 of the Michigan
17 Administrative Code. Funds shall be awarded in a form and manner
18 approved jointly by the department and the department of health and
19 human services. Notwithstanding section 17b, payments to eligible
20 entities under this subsection shall be paid on a schedule
21 determined by the department.

22 (9) Each district or public school academy receiving funds
23 under this section shall submit to the department by July 15 of
24 each fiscal year a report, in the form and manner prescribed by the
25 department, that includes a brief description of each program
26 conducted or services performed by the district or public school
27 academy using funds under this section, the amount of funds under



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

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

22 (11) Subject to subsections (6), (7), and (8), **FOR SCHOOLS IN**
23 **WHICH MORE THAN 40% OF PUPILS ARE IDENTIFIED AS AT-RISK**, a district
24 or public school academy may use ~~up to 100% of the funds it~~
25 ~~receives under this section to implement schoolwide reform in~~
26 ~~schools with 40% or more of their pupils identified as at risk~~
27 ~~pupils by providing instructional or noninstructional services~~

~~consistent with the school improvement plan.~~ **REFORMS THAT ARE GUIDED BY THE DISTRICT'S COMPREHENSIVE NEEDS ASSESSMENT AND ARE INCLUDED IN THE DISTRICT IMPROVEMENT PLAN. SCHOOLWIDE REFORMS MUST INCLUDE PARENT AND COMMUNITY SUPPORTS, ACTIVITIES, AND SERVICES, THAT MAY INCLUDE THE PATHWAYS TO POTENTIAL PROGRAM CREATED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES OR THE COMMUNITIES IN SCHOOLS PROGRAM.**

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

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

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

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

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

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



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

9 (16) Beginning in ~~2018-2019~~, **2019-2020**, if a district or
10 public school academy does not demonstrate to the satisfaction of
11 the department that at least 50% of at-risk pupils are proficient
12 in English language arts by the end of grade 3 as measured by the
13 state assessment for the immediately preceding school year **OR HAVE**
14 **ACHIEVED AT LEAST 1 YEAR'S GROWTH IN ENGLISH LANGUAGE ARTS DURING**
15 **GRADE 3 AS MEASURED BY A LOCAL BENCHMARK ASSESSMENT FOR THE**
16 **IMMEDIATELY PRECEDING SCHOOL YEAR, DEMONSTRATE TO THE SATISFACTION**
17 **OF THE DEPARTMENT THAT AT LEAST 50% OF AT-RISK PUPILS ARE**
18 **PROFICIENT IN MATHEMATICS BY THE END OF GRADE 8 AS MEASURED BY THE**
19 **STATE ASSESSMENT FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR OR HAVE**
20 **ACHIEVED AT LEAST 1 YEAR'S GROWTH IN MATHEMATICS DURING GRADE 8 AS**
21 **MEASURED BY A LOCAL BENCHMARK ASSESSMENT FOR THE IMMEDIATELY**
22 **PRECEDING SCHOOL YEAR**, and demonstrate to the satisfaction of the
23 department improvement over each of the 3 immediately preceding
24 school years in the percentage of at-risk pupils that are career-
25 and college-ready as determined by proficiency on the English
26 language arts, mathematics, and science content area assessments on
27 the grade 11 summative assessment under section 1279g(2)(a) of the



1 revised school code, MCL 380.1279g, the district or public school
2 academy shall ensure all of the following:

3 (a) The district or public school academy shall determine the
4 proportion of total at-risk pupils that represents the number of
5 pupils in grade 3 that are not proficient in English language arts
6 by the end of grade 3 **OR THAT DID NOT ACHIEVE AT LEAST 1 YEAR'S**
7 **GROWTH IN ENGLISH LANGUAGE ARTS DURING GRADE 3**, and the district or
8 public school academy shall expend that same proportion multiplied
9 by ~~1/2~~**1/3** of its total at-risk funds under this section on
10 tutoring and other methods of improving grade 3 English language
11 arts proficiency **OR GROWTH**.

12 **(B) THE DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL DETERMINE THE**
13 **PROPORTION OF TOTAL AT-RISK PUPILS THAT REPRESENTS THE NUMBER OF**
14 **PUPILS IN GRADE 8 THAT ARE NOT PROFICIENT IN MATHEMATICS BY THE END**
15 **OF GRADE 8 OR THAT DID NOT ACHIEVE AT LEAST 1 YEAR'S GROWTH IN**
16 **MATHEMATICS DURING GRADE 8, AND THE DISTRICT OR PUBLIC SCHOOL**
17 **ACADEMY SHALL EXPEND THAT SAME PROPORTION MULTIPLIED BY 1/3 OF ITS**
18 **TOTAL AT-RISK FUNDS UNDER THIS SECTION ON TUTORING AND OTHER**
19 **METHODS OF IMPROVING GRADE 8 MATHEMATICS PROFICIENCY OR GROWTH.**

20 **(C)** ~~(b)~~ The district or public school academy shall determine
21 the proportion of total at-risk pupils that represent the number of
22 pupils in grade 11 that are not career- and college-ready as
23 measured by the student's score on the English language arts,
24 mathematics, and science content area assessments on the grade 11
25 summative assessment under section 1279g(2)(a) of the revised
26 school code, MCL 380.1279g, and the district or public school
27 academy shall expend that same proportion multiplied by ~~1/2~~**1/3** of



its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

(17) As used in subsection (16), "total at-risk pupils" means the sum of the number of pupils in grade 3 that are ~~not proficient in English language arts by the end of third grade as measured on the state assessment~~ **AT-RISK AND THE NUMBER OF PUPILS IN GRADE 8 THAT ARE AT-RISK** and the number of pupils in grade 11 that are ~~not career- and college-ready as measured by the student's score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g~~ **AT-RISK**.

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

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

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

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



1 (a) "At-risk pupil" means a pupil **IN GRADES K TO 12** for whom
2 the district has documentation that the pupil meets any of the
3 following criteria:

4 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

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

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

25 (b) "Economically disadvantaged" means a pupil who has been
26 determined eligible for free or reduced-price meals as determined
27 under the Richard B. Russell national school lunch act, 42 USC 1751

1 to 1769j; who is in a household receiving supplemental nutrition
2 assistance program or temporary assistance for needy families
3 assistance; or who is homeless, migrant, or in foster care, as
4 reported to the center.

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

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

18 Sec. 31b. (1) From the appropriations in section 11, there is
19 allocated an amount not to exceed ~~\$1,500,000.00~~ **\$750,000.00** for
20 ~~2017-2018-2018-2019~~ for grants to at-risk districts for
21 implementing a balanced calendar instructional program for at least
22 1 of its schools.

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

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

27 (i) Is eligible in ~~2017-2018-2018-2019~~ for the community



1 eligibility option for free and reduced price lunch under 42 USC
2 1759a.

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

8 (b) The board of the district has adopted a resolution stating
9 that the district will implement for the first time a balanced
10 calendar instructional program that will begin in ~~2018-2019-2019-~~
11 **2020** for at least 1 school operated by the district and committing
12 to providing the balanced calendar instructional program in each of
13 those schools for at least 3 school years.

14 (3) A district seeking a grant under this section shall apply
15 to the department in the form and manner prescribed by the
16 department not later than December 1, ~~2017-2018~~. The department
17 shall select districts for grants and make notification not later
18 than February 1, ~~2018-2019~~.

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

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

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



1 (c) Ensuring that grant funding includes both rural and urban
2 districts.

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

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

10 (7) A district receiving a grant under this section is not
11 required to provide more than the minimum number of days and hours
12 of pupil instruction prescribed under section 101, but shall spread
13 at least those minimum amounts of pupil instruction over the entire
14 year in each of its schools in which a balanced calendar
15 instructional calendar is implemented. The district shall commit to
16 providing the balanced calendar instructional calendar in each of
17 those schools for at least 3 school years.

18 (8) For a district receiving a grant under this section,
19 excessive heat is considered to be a condition not within the
20 control of school authorities for the purpose of days or hours
21 being counted as days or hours of pupil instruction under section
22 101(4).

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

26 Sec. 31d. (1) From the appropriations in section 11, there is
27 allocated an amount not to exceed ~~\$22,495,100.00~~ **\$22,802,000.00** for



1 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
2 **\$23,144,000.00 FOR 2018-2019** for the purpose of making payments to
3 districts and other eligible entities under this section.

4 (2) The amounts allocated from state sources under this
5 section shall be used to pay the amount necessary to reimburse
6 districts for 6.0127% of the necessary costs of the state mandated
7 portion of the school lunch programs provided by those districts.
8 The amount due to each district under this section shall be
9 computed by the department using the methods of calculation adopted
10 by the Michigan supreme court in the consolidated cases known as
11 ~~Durant v State of Michigan,~~ **Durant v State of Michigan**, 456 Mich
12 175 (1997).

13 (3) The payments made under this section include all state
14 payments made to districts so that each district receives at least
15 6.0127% of the necessary costs of operating the state mandated
16 portion of the school lunch program in a fiscal year.

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

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



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

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

8 Sec. 31f. (1) From the appropriations in section 11, there is
9 allocated an amount not to exceed \$4,500,000.00 ~~each fiscal year~~
10 ~~for 2016-2017 and for 2017-2018~~ **FOR 2018-2019** for the purpose of
11 making payments to districts to reimburse for the cost of providing
12 breakfast.

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

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

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

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



1 school year.

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

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

8 Sec. 31j. (1) From the general fund money appropriated in
9 section 11, there is allocated an amount not to exceed ~~\$375,000.00~~
10 **\$575,000.00** for ~~2017-2018-2018-2019~~ for a pilot project to support
11 districts in the purchase of locally grown fruits and vegetables as
12 described in this section.

13 (2) The department shall provide funding **IN AN AMOUNT EQUAL TO**
14 **\$125,000.00 PER REGION** to districts in prosperity regions 2, 4, 6,
15 and 9 for the pilot project described under this section. **IN**
16 **ADDITION, THE DEPARTMENT SHALL PROVIDE FUNDING IN AN AMOUNT EQUAL**
17 **TO \$75,000.00 TO DISTRICTS IN PROSPERITY REGION 8 FOR THE PILOT**
18 **PROJECT DESCRIBED UNDER THIS SECTION.** From the funding to districts
19 in subsection (1), funding retained by prosperity regions that
20 administer the project shall not exceed 10%, and funding retained
21 by the department for administration shall not exceed 6%. A
22 prosperity region may enter into a memorandum of understanding with
23 the department or another prosperity region, or both, to administer
24 the project. If the department administers the project for a
25 prosperity region, the department may retain up to 10% of that
26 prosperity region's funding for administration.

27 (3) The department shall develop and implement a competitive



1 grant program for districts within the identified prosperity
2 regions to assist in paying for the costs incurred by the district
3 to purchase or increase purchases of whole or minimally processed
4 fruits, vegetables, and legumes grown in this state. The maximum
5 amount that may be drawn down on a grant to a district shall be
6 based on the number of meals served by the school district during
7 the previous school year under the Richard B. Russell national
8 school lunch act, 42 USC 1751 to 1769j. The department shall
9 collaborate with the Michigan department of agriculture and rural
10 development to provide training to newly participating schools and
11 electronic information on Michigan agriculture.

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

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

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

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

27 (c) Are used for meals that are served as part of the United



1 States Department of Agriculture's child nutrition programs.

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

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

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

21 (9) The department shall give preference to districts that
22 propose educational activities that meet 1 or more of the
23 following: promote healthy food activities; have clear educational
24 objectives; involve parents or the community; ~~and~~ connect to a
25 school's farm-to-school procurement activities; **AND MARKET AND**
26 **PROMOTE THE PROGRAM, LEADING TO INCREASED PUPIL KNOWLEDGE AND**
27 **CONSUMPTION OF MICHIGAN-GROWN PRODUCTS. APPLICATIONS WITH ROBUST**



1 **MARKETING AND PROMOTIONAL ACTIVITIES SHALL RECEIVE STRONGER**
2 **WEIGHTING AND CONSIDERATION.**

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

10 (11) As a condition of receiving a grant under this section, a
11 district shall provide or direct its vendors to provide to
12 prosperity region offices copies of monthly receipts that show the
13 quantity of different Michigan-grown fruits, vegetables, and
14 legumes purchased, the amount of money spent on each of these
15 products, ~~and the name and Michigan location of the farm that grew~~
16 ~~the products,~~ **AND THE METHODS OR PLANS TO MARKET AND PROMOTE THE**
17 **PROGRAM.** The district shall also provide to the prosperity region
18 monthly lunch numbers and lunch participation rates, and calendars
19 or monthly menus noting when and how Michigan-grown products were
20 used in meals. The district and school food service director or
21 directors also shall agree to respond to brief online surveys and
22 to provide a report that shows the percentage relationship of
23 Michigan spending compared to total food spending. Not later than
24 March 1, ~~2018,~~**2019**, each prosperity region office, either on its
25 own or in conjunction with another prosperity region, shall submit
26 a report to the department on expected outcomes and related
27 measurements for economic development and children's nutrition and

1 readiness to learn based on progress so far. The report shall
2 include at least all of the following:

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

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

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

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

24 (i) The data used to determine whether this subparagraph is
25 met shall be the number of pupils exposed to Michigan-grown fruits,
26 vegetables, and legumes at schools; the variety of products served;
27 new items taste-tested or placed on menus; and the increase in

1 pupil willingness to try new local, healthy foods.

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

6 (12) The department shall compile the reports provided by
7 prosperity region offices under subsection (11) into 1 legislative
8 report. The department shall provide this report not later than
9 April 1, ~~2018~~2019 to the house and senate subcommittees
10 responsible for school aid, the house and senate fiscal agencies,
11 and the state budget director.

12 **SEC. 31M. (1) THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES**
13 **FUND IS CREATED AS A SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID**
14 **FUND.**

15 **(2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM**
16 **ANY SOURCE FOR DEPOSIT INTO THE SCHOOL MENTAL HEALTH AND SUPPORT**
17 **SERVICES FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF**
18 **THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES FUND AND SHALL CREDIT**
19 **TO THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES FUND INTEREST AND**
20 **EARNINGS FROM THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES FUND.**

21 **(3) MONEY AVAILABLE IN THE SCHOOL MENTAL HEALTH AND SUPPORT**
22 **SERVICES FUND SHALL NOT BE EXPENDED WITHOUT A SPECIFIC**
23 **APPROPRIATION.**

24 **(4) MONEY IN THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES**
25 **FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE SCHOOL**
26 **MENTAL HEALTH AND SUPPORT SERVICES FUND AND SHALL NOT LAPSE TO THE**
27 **STATE SCHOOL AID FUND OR TO THE GENERAL FUND. THE DEPARTMENT OF**



1 TREASURY SHALL BE THE ADMINISTRATOR OF THE SCHOOL MENTAL HEALTH AND
2 SUPPORT SERVICES FUND FOR AUDITING PURPOSES.

3 (5) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018,
4 \$30,000,000.00 FROM THE STATE SCHOOL AID FUND SHALL BE DEPOSITED
5 INTO THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES FUND TO BE USED
6 TO SUPPORT EFFORTS TO IMPROVE MENTAL HEALTH AND SUPPORT SERVICES
7 FOR K-12 PUPILS IN THIS STATE, INCLUDING, BUT NOT LIMITED TO,
8 IMPROVED ACCESS TO COUNSELING SERVICES, EDUCATIONAL AWARENESS
9 PROGRAMS, AND ENHANCED MENTAL HEALTH AND CLINICAL SERVICES.

10 Sec. 32d. (1) From the funds appropriated in section 11, there
11 is allocated to eligible intermediate districts and consortia of
12 intermediate districts for great start readiness programs an amount
13 not to exceed \$243,600,000.00 for ~~2017-2018.~~ **2018-2019.** Funds
14 allocated under this section for great start readiness programs
15 shall be used to provide part-day, school-day, or GSRP/Head Start
16 blended comprehensive free compensatory classroom programs designed
17 to improve the readiness and subsequent achievement of
18 educationally disadvantaged children who meet the participant
19 eligibility and prioritization guidelines as defined by the
20 department. For a child to be eligible to participate in a program
21 under this section, the child shall be at least 4, but less than 5,
22 years of age as of September 1 of the school year in which the
23 program is offered and shall meet those eligibility and
24 prioritization guidelines. A child who is not 4 years of age as of
25 September 1, but who will be 4 years of age not later than December
26 1, is eligible to participate if the child's parent or legal
27 guardian seeks a waiver from the September 1 eligibility date by



1 submitting a request for enrollment in a program to the responsible
 2 intermediate district, if the program has capacity on or after
 3 September 1 of the school year, and if the child meets eligibility
 4 and prioritization guidelines.

5 (2) ~~Funds~~ **FROM THE FUNDS** allocated under subsection (1), ~~shall~~
 6 ~~be~~ **AN AMOUNT NOT TO EXCEED \$242,600,000.00 IS** allocated to
 7 intermediate districts or consortia of intermediate districts based
 8 on the formula in section 39. An intermediate district or
 9 consortium of intermediate districts receiving funding under this
 10 section shall act as the fiduciary for the great start readiness
 11 programs. In order to be eligible to receive funds allocated under
 12 this subsection from an intermediate district or consortium of
 13 intermediate districts, a district, a consortium of districts, or a
 14 public or private for-profit or nonprofit legal entity or agency
 15 shall comply with this section and section 39.

16 (3) In addition to the allocation under subsection (1), from
 17 the general fund money appropriated under section 11, there is
 18 allocated an amount not to exceed \$300,000.00 for ~~2017-2018~~ **2018-**
 19 **2019** for a competitive grant to continue a longitudinal evaluation
 20 of children who have participated in great start readiness
 21 programs.

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

27 (a) Participation in a collaborative recruitment and



1 enrollment process to assure that each child is enrolled in the
2 program most appropriate to his or her needs and to maximize the
3 use of federal, state, and local funds.

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

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

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

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

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

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

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

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

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

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

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

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

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



1 homelessness or who have individualized education plans
2 recommending placement in an inclusive preschool setting shall be
3 considered to live with families with household income equal to or
4 less than 250% of the federal poverty level regardless of actual
5 family income and shall be prioritized for enrollment within the
6 lowest quintile.

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

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

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

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

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

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

26 (7) For a grant recipient that enrolls pupils in a GSRP/Head
27 Start blended program, the grant recipient shall ensure that all



1 Head Start and GSRP policies and regulations are applied to the
2 blended slots, with adherence to the highest standard from either
3 program, to the extent allowable under federal law.

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

10 (9) An intermediate district or consortium of intermediate
11 districts may retain for administrative services provided by the
12 intermediate district or consortium of intermediate districts an
13 amount not to exceed 4% of the grant amount. Expenses incurred by
14 subrecipients engaged by the intermediate district or consortium of
15 intermediate districts for directly running portions of the program
16 shall be considered program costs or a contracted program fee for
17 service.

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

21 (11) Each grant recipient shall enroll children identified
22 under subsection (5) (b) according to how far the child's household
23 income is below 250% of the federal poverty level by ranking each
24 applicant child's household income from lowest to highest and
25 dividing the applicant children into quintiles based on how far the
26 child's household income is below 250% of the federal poverty
27 level, and then enrolling children in the quintile with the lowest



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

19 (12) An intermediate district or consortium of intermediate
20 districts receiving a grant under this section shall allow parents
21 of eligible children who are residents of the intermediate district
22 or within the consortium to choose a program operated by or
23 contracted with another intermediate district or consortium of
24 intermediate districts and shall enter into a written agreement
25 regarding payment, in a manner prescribed by the department.

26 (13) An intermediate district or consortium of intermediate
27 districts receiving a grant under this section shall conduct a

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

1 satisfactory to the department, and the department must be able to
2 verify this evidence, demonstrating that the intermediate district
3 or consortium took measures to contract for at least 30% of its
4 total allocation as required under this subsection, including, but
5 not limited to, at least all of the following measures:

6 (a) The intermediate district or consortium notified each
7 nonparticipating licensed child care center located in the service
8 area of the intermediate district or consortium regarding the
9 center's eligibility to participate, in a manner prescribed by the
10 department.

11 (b) The intermediate district or consortium provided to each
12 nonparticipating licensed child care center located in the service
13 area of the intermediate district or consortium information
14 regarding great start readiness program requirements and a
15 description of the application and selection process for community-
16 based providers.

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

21 (14) If an intermediate district or consortium of intermediate
22 districts receiving a grant under this section fails to submit
23 satisfactory evidence to demonstrate its effort to contract for at
24 least 30% of its total allocation, as required under subsection
25 (13), the department shall reduce the allocation to the
26 intermediate district or consortium by a percentage equal to the
27 difference between the percentage of an intermediate district's or



1 consortium's total allocation awarded to community-based providers
2 and 30% of its total allocation.

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

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

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

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

24 (d) Not later than December 1 of each year, compile the
25 results of the information reported by each intermediate district
26 or consortium under subsection (13) and report to the legislature a
27 list by intermediate district or consortium with the number and



percentage of each intermediate district's or consortium's total allocation allocated to community-based providers by provider type, including private for-profit, private nonprofit, community college or university, Head Start grantee or delegate, and district or intermediate district.

(16) A recipient of funds under this section shall report to the ~~department~~ **CENTER** in a form and manner prescribed by the ~~department~~ **CENTER** the number of children participating in the program who meet the income eligibility criteria under subsection (5)(b) and the total number of children participating in the program. ~~For children participating in the program who meet the income eligibility criteria specified under subsection (5)(b), a recipient shall also report whether or not a parent is available to 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

1 least the same length of day as a district's first grade program
2 for a minimum of 4 days per week, 30 weeks per year. A classroom
3 that offers a school-day program must enroll all children for the
4 school day to be considered a school-day program.

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

13 (19) From the amount appropriated in subsection (1), there is
14 allocated an amount not to exceed \$10,000,000.00 for reimbursement
15 of transportation costs for children attending great start
16 readiness programs funded under this section. To receive
17 reimbursement under this subsection, not later than November 1,
18 ~~2017,~~ **2018**, a program funded under this section that provides
19 transportation shall submit to the intermediate district that is
20 the fiscal agent for the program a projected transportation budget.
21 The amount of the reimbursement for transportation under this
22 subsection shall be no more than the projected transportation
23 budget or \$300.00 multiplied by the number of children funded for
24 the program under this section. If the amount allocated under this
25 subsection is insufficient to fully reimburse the transportation
26 costs for all programs that provide transportation and submit the
27 required information, the reimbursement shall be prorated in an



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

6 **(20) SUBJECT TO, AND FROM THE FUNDS ALLOCATED UNDER,**
7 **SUBSECTION (19), THE DEPARTMENT SHALL REIMBURSE A PROGRAM FOR**
8 **TRANSPORTATION COSTS RELATED TO PARENT- OR GUARDIAN-ACCOMPANIED**
9 **TRANSPORTATION PROVIDED BY TRANSPORTATION SERVICE COMPANIES, BUSES,**
10 **OR OTHER PUBLIC TRANSPORTATION SERVICES. TO BE ELIGIBLE FOR**
11 **REIMBURSEMENT UNDER THIS SUBSECTION, A PROGRAM MUST BE A COMMUNITY-**
12 **BASED PROVIDER AND MUST SUBMIT TO THE DEPARTMENT ALL OF THE**
13 **FOLLOWING:**

14 **(A) THE NAMES OF FAMILIES PROVIDED WITH TRANSPORTATION SUPPORT**
15 **ALONG WITH A DOCUMENTED REASON FOR THE NEED FOR TRANSPORTATION**
16 **SUPPORT AND THE TYPE OF TRANSPORTATION PROVIDED.**

17 **(B) FINANCIAL DOCUMENTATION OF ACTUAL TRANSPORTATION COSTS**
18 **INCURRED BY THE PROGRAM, INCLUDING, BUT NOT LIMITED TO, RECEIPTS**
19 **AND MILEAGE REPORTS, AS DETERMINED BY THE DEPARTMENT.**

20 **(C) ANY OTHER DOCUMENTATION OR INFORMATION DETERMINED**
21 **NECESSARY BY THE DEPARTMENT.**

22 **(21) ~~(20)~~**The department shall implement a process to review
23 and approve age-appropriate comprehensive classroom level quality
24 assessments for GSRP grantees that support the early childhood
25 standards of quality for prekindergarten children adopted by the
26 state board. The department shall ~~complete the approval process and~~
27 make available to intermediate districts at least 2 approved



1 classroom level quality assessments ~~no later than April 1,~~
2 ~~2018.~~ **THAT WERE APPROVED IN 2018.**

3 **(22)** ~~(21)~~—An intermediate district that is a GSRP grantee may
4 approve the use of a supplemental curriculum that aligns with and
5 enhances the age-appropriate educational curriculum in the
6 classroom. If the department objects to the use of a supplemental
7 curriculum approved by an intermediate district, the superintendent
8 of public instruction shall establish a review committee
9 independent of the department. The review committee shall meet
10 within 60 days of the department registering its objection in
11 writing and provide a final determination on the validity of the
12 objection within 60 days of the review committee's first meeting.

13 **(23) THE DEPARTMENT SHALL IMPLEMENT A PROCESS TO EVALUATE AND**
14 **APPROVE AGE-APPROPRIATE EDUCATIONAL CURRICULA THAT ARE IN**
15 **COMPLIANCE WITH THE EARLY CHILDHOOD STANDARDS OF QUALITY FOR**
16 **PREKINDERGARTEN CHILDREN ADOPTED BY THE STATE BOARD.**

17 **(24) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS**
18 **ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR PAYMENTS TO**
19 **INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS FOR**
20 **PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN PROGRAMS IMPLEMENTING NEW**
21 **CURRICULA IN 2019-2020.**

22 **(25)** ~~(22)~~—A great start readiness program or a GSRP/Head Start
23 blended program funded under this section shall be permitted to
24 utilize AmeriCorps Pre-K Reading Corps members in classrooms
25 implementing research-based early literacy intervention strategies.

26 Sec. 32p. (1) From the appropriation in section 11, there is
27 allocated an amount not to exceed \$13,400,000.00 to intermediate



1 districts for ~~2017-2018~~ **2018-2019** for the purpose of providing
2 early childhood funding to intermediate school districts to support
3 the activities under subsection (2) and subsection (4), and to
4 provide early childhood programs for children from birth through
5 age 8. The funding provided to each intermediate district under
6 this section shall be determined by the distribution formula
7 established by the department's office of great start to provide
8 equitable funding statewide. In order to receive funding under this
9 section, each intermediate district shall provide an application to
10 the office of great start not later than September 15 of the
11 immediately preceding fiscal year indicating the activities planned
12 to be provided.

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

20 (a) Children born healthy.

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

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

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

27 (3) Each local great start collaborative and parent coalition



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

5 (a) Physical health.

6 (b) Social-emotional health.

7 (c) Family supports and basic needs.

8 (d) Parent education.

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

11 (4) From the funds allocated in subsection (1), at least
12 \$2,500,000.00 shall be used for the purpose of providing home
13 visits to at-risk children and their families. The home visits
14 shall be conducted as part of a locally coordinated, family-
15 centered, evidence-based, data-driven home visit strategic plan
16 that is approved by the department. The goals of the home visits
17 funded under this subsection shall be to improve school readiness
18 using evidence-based methods, including a focus on developmentally
19 appropriate outcomes for early literacy, to reduce the number of
20 pupils retained in grade level, ~~and~~ to reduce the number of pupils
21 requiring special education services, **TO IMPROVE POSITIVE PARENTING**
22 **PRACTICES, AND TO IMPROVE FAMILY ECONOMIC SELF-SUFFICIENCY WHILE**
23 **REDUCING THE IMPACT OF HIGH-RISK FACTORS THROUGH COMMUNITY**
24 **RESOURCES AND REFERRALS.** The department shall coordinate the goals
25 of the home visit strategic plans approved under this subsection
26 with other state agency home visit programs in a way that
27 strengthens Michigan's home visiting infrastructure and maximizes



1 federal funds available for the purposes of at-risk family home
2 visits. The coordination among departments and agencies is intended
3 to avoid duplication of state services and spending, and should
4 emphasize efficient service delivery of home visiting programs.

5 (5) Not later than December 1 of each year, each intermediate
6 district shall provide a report to the department detailing the
7 activities actually provided during the immediately preceding
8 school year and the families and children actually served. At a
9 minimum, the report shall include an evaluation of the services
10 provided with additional funding under subsection (4) for home
11 visits, using the goals identified in subsection (4) as the basis
12 for the evaluation, including the degree to which school readiness
13 was improved, any change in the number of pupils retained at grade
14 level, and any change in the number of pupils receiving special
15 education services. The department shall compile and summarize
16 these reports and submit its summary to the house and senate
17 appropriations subcommittees on school aid and to the house and
18 senate fiscal agencies not later than February 15 of each year.

19 (6) An intermediate district or consortium of intermediate
20 districts that receives funding under this section may carry over
21 any unexpended funds received under this section into the next
22 fiscal year and may expend those unused funds through June 30 of
23 the next fiscal year. A recipient of a grant shall return any
24 unexpended grant funds to the department in the manner prescribed
25 by the department not later than September 30 of the next fiscal
26 year after the fiscal year in which the funds are received.

27 Sec. 32q. From the state school aid fund allocation under



1 section 11, there is allocated to an eligible intermediate district
2 an amount equal to \$175,000.00 ~~in 2017-2018~~ **FOR 2018-2019** for the
3 purpose of this section. An intermediate district receiving a grant
4 under this section shall partner with an early childhood
5 collaborative to conduct a pilot program as provided under this
6 section. It is the intent of the legislature that this is the
7 ~~second~~ **THIRD** of 3 years of funding, and that funding **FOR THE PILOT**
8 **PROGRAM** shall **NOT** continue in ~~2018-2019~~. **2019-2020**. Funding
9 allocated to an intermediate district shall be used in partnership
10 with a collaborative to conduct a pilot program to evaluate the
11 relative impact on vulnerable children of 1 versus 2 years of
12 preschool education. All of the following apply to the pilot
13 program funded under this section:

14 (a) An eligible intermediate district is an intermediate
15 district that is located in a county with a population as of the
16 most recent federal decennial census that was greater than 500,000
17 but fewer than 800,000 and that has an early learning collaborative
18 located within its boundaries.

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

21 (c) In order to be eligible to receive the allocated funds,
22 the early learning collaborative, in partnership with the
23 intermediate district, shall provide the funding for all eligible
24 children included in the pilot program.

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



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

5 (f) A child participating in the pilot program shall meet the
6 participant eligibility and prioritization guidelines as defined by
7 the department.

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

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

14 (i) By December 1, 2019, the early learning collaborative, in
15 partnership with the intermediate district, shall provide a pilot
16 program report and evaluation to the office of great start. The
17 office of great start shall review the pilot program report and
18 evaluation and, by February 15, 2020, provide a report to the
19 senate and house appropriations subcommittees on state school aid
20 and to the senate and house fiscal agencies of its evaluation of
21 the pilot program.

22 Sec. 35a. (1) From the appropriations in section 11, there is
23 allocated for ~~2017-2018-2018-2019~~ for the purposes of this section
24 an amount not to exceed \$26,900,000.00 from the state school aid
25 fund and an amount not to exceed ~~\$2,500,000.00~~ **\$3,000,000.00** from
26 the general fund. **THE SUPERINTENDENT SHALL DESIGNATE STAFF OR**
27 **CONTRACTED EMPLOYEES FUNDED UNDER THIS SECTION AS CRITICAL**



1 SHORTAGE. PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO ENSURE
2 THAT THIS STATE WILL BE IN THE TOP 10 MOST IMPROVED STATES IN GRADE
3 4 READING PROFICIENCY BY THE 2019 NATIONAL ASSESSMENT OF
4 EDUCATIONAL PROGRESS (NAEP) AND WILL BE IN THE TOP 10 STATES
5 OVERALL IN GRADE 4 READING PROFICIENCY BY 2025.

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

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



1 assessed within each of these components:

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

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

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

6 (d) Comprehension - making meaning of text.

7 (4) From the allocations under subsection (1), there is
8 allocated an amount not to exceed ~~\$6,000,000.00~~ **\$7,000,000.00** for
9 ~~2017-2018~~ **2018-2019** for the purpose of providing early literacy
10 coaches at intermediate districts to assist teachers in developing
11 and implementing instructional strategies for pupils in grades K to
12 3 so that pupils are reading at grade level by the end of grade 3.
13 All of the following apply to funding under this subsection:

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

18 (i) Current state literacy standards for pupils in grades K to
19 3.

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

25 (iii) The use of data from diagnostic tools to determine the
26 necessary additional supports and interventions needed by
27 individual pupils in grades K to 3 in order to be reading at grade



1 level.

2 (b) From the allocation under this subsection, the department
3 shall award grants to intermediate districts for the support of
4 early literacy coaches. An intermediate district must provide
5 matching funds for at least 50% of the grant amount awarded to
6 support the cost of the literacy coach. The department shall
7 provide this funding in the following manner:

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

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

24 (5) From the allocations under subsection (1), there is
25 allocated an amount not to exceed ~~\$20,900,000.00~~ **\$19,900,000.00** for
26 ~~2017-2018-2018-2019~~ to districts that provide additional
27 instructional time to those pupils in grades K to 3 who have been



1 identified by using department-approved screening and diagnostic
 2 tools as needing additional supports and interventions in order to
 3 be reading at grade level by the end of grade 3. Additional
 4 instructional time may be provided before, during, and after
 5 regular school hours or as part of a year-round balanced school
 6 calendar. All of the following apply to funding under this
 7 subsection:

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

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

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

19 ~~—— (B) Intervenes early.~~

20 ~~—— (C) Provides a multi-tiered model of instruction and~~
 21 ~~intervention that provides the following: a core curriculum and~~
 22 ~~classroom interventions available to all pupils that meet the needs~~
 23 ~~of most pupils; targeted group interventions; and intense~~
 24 ~~individual interventions.~~

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

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

27 ~~—— (F) Uses assessments including universal screening,~~



~~diagnostics, and progress monitoring.~~

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

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

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

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

(A) TEAM-BASED LEADERSHIP.

(B) A TIERED DELIVERY SYSTEM.

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

(D) A COMPREHENSIVE SCREENING AND ASSESSMENT SYSTEM.

(E) CONTINUOUS DATA-BASED DECISION MAKING.

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

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

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

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

(b) Funding allocated under this subsection shall be
distributed to eligible districts ~~by multiplying the number of~~

~~full-time equivalent pupils in grade 1 in the district by~~
~~\$210.00.~~ **ON AN EQUAL PER-FIRST-GRADE-PUPIL BASIS.**

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

(6) NOT LATER THAN SEPTEMBER 1, 2019, A DISTRICT THAT RECEIVES FUNDING UNDER THIS SECTION, IN CONJUNCTION WITH THE MICHIGAN DATA HUB NETWORK, IF POSSIBLE, SHALL PROVIDE TO THE DEPARTMENT A REPORT THAT INCLUDES AT LEAST BOTH OF THE FOLLOWING, IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT:

(A) FOR PUPILS IN GRADES K TO 3, THE PUPILS, SCHOOLS, AND GRADES SERVED WITH FUNDS UNDER THIS SECTION AND THE CATEGORIES OF SERVICES PROVIDED.

(B) FOR PUPILS IN GRADES K TO 3, PUPIL PROFICIENCY AND GROWTH DATA THAT ALLOWS ANALYSIS BOTH IN THE AGGREGATE AND BY EACH OF THE FOLLOWING SUBGROUPS, AS APPLICABLE:

(i) SCHOOL.

(ii) GRADE LEVEL.

(iii) GENDER.

(iv) RACE.

(v) ETHNICITY.

(vi) ECONOMICALLY DISADVANTAGED STATUS.

(vii) DISABILITY.

(viii) PUPILS IDENTIFIED AS HAVING READING DEFICIENCIES.

(7) ~~(6)~~ From the general fund money allocated in subsection (1), the department shall allocate the amount of \$2,500,000.00 ~~for~~



~~2017-2018~~ **FOR 2018-2019** to the Michigan Education Corps **FOR THE**
PREK READING CORPS, THE K3 READING CORPS, AND THE MATH CORPS. All
of the following apply to funding under this subsection:

(a) By ~~August~~ **SEPTEMBER** 1 of the current fiscal year, the
Michigan Education Corps shall provide a report concerning its use
of the funding to the senate and house appropriations subcommittees
on state school aid, the senate and house fiscal agencies, and the
senate and house caucus policy offices on outcomes and performance
measures of the Michigan Education Corps, including, but not
limited to, the degree to which the Michigan Education Corps's
replication of the Michigan **PREK** Reading Corps, ~~program~~ **K3 READING**
CORPS, AND MATH CORPS PROGRAMS 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~~ **PROGRAMS**
on this state in terms of numbers of children and ~~programs~~ **SCHOOLS**
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 **OR MATH** improvement of children
participating in the ~~Michigan Reading Corps~~ **PROGRAMS** is consistent
with expectations. This portion of the report shall detail at least
all of the following:



1 (A) Growth rate by grade **OR AGE** level, in comparison to
2 targeted growth rate.

3 (B) Average linear growth rates.

4 (C) Exit rates.

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

7 (iv) The impact of the ~~Michigan Reading Corps~~ **PROGRAMS** on
8 organizations and stakeholders, including, but not limited to,
9 school administrators, internal coaches, and AmeriCorps members.

10 (b) If the department determines that the Michigan Education
11 Corps has misused the funds allocated under this subsection, the
12 Michigan Education Corps shall reimburse this state for the amount
13 of state funding misused.

14 (c) The department may not reserve any portion of the
15 allocation provided under this subsection for an evaluation of the
16 Michigan Education Corps, the Michigan Education Corps' funding, or
17 the Michigan Education Corps' programming **UNLESS AGREED TO IN**
18 **WRITING BY THE MICHIGAN EDUCATION CORPS.** The department shall award
19 the entire \$2,500,000.00 allocated under this subsection to the
20 Michigan Education Corps and shall not condition the awarding of
21 this funding on the implementation of an independent evaluation.

22 **(8) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION**
23 **(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR**
24 **2018-2019 FOR A GRANT TO AN ELIGIBLE PROGRAM THAT HAS A GOAL TO**
25 **SLOW OR PREVENT THE K TO 4 SUMMER READING SLIDE AMONG ALL PUPILS**
26 **ENROLLED IN GRADES K TO 4, PARTICULARLY THOSE FROM ECONOMICALLY**
27 **DISADVANTAGED HOUSEHOLDS. FUNDS ALLOCATED UNDER THIS SUBSECTION ARE**



1 GRANT FUNDS AND MUST BE DISTRIBUTED BY THE DEPARTMENT. A PROGRAM IS
2 ELIGIBLE IF IT MEETS AT LEAST ALL OF THE FOLLOWING:

3 (A) THE PROGRAM'S OBJECTIVE IS TO DELIVER A BILINGUAL, IN-
4 HOME, INDIVIDUALIZED SUMMER READING PROGRAM CONSISTING OF SELF-
5 SELECTED, INDEPENDENT READING LEVEL BOOKS TO K TO 4 PUPILS EACH
6 WEEK DURING THE SUMMER.

7 (B) IS EVALUATED QUANTITATIVELY AND QUALITATIVELY USING PRE-
8 AND POST-STANDARDIZED TEST SCORE COMPARISON AND PARENT AND SCHOOL
9 SURVEYS SPECIFIC TO EACH DISTRICT.

10 (C) INCORPORATES AT LEAST WEEKLY INTERACTIVE PARENTAL AND
11 FAMILY ENGAGEMENT DURING THE SUMMER.

12 (D) BUILDS ON PEDAGOGICAL AND LITERACY PRINCIPLES TO SCAFFOLD
13 FLUENCY TO IMPROVE READING COMPREHENSION WITH PUPIL EXERCISES.

14 (E) PROVIDES AT LEAST 4, AND UP TO 9, STUDENT-SELECTED NEW
15 BOOKS TO READ AND KEEP.

16 (F) COLLECTS, ANALYZES, AND REPORTS DETAILED DATA ON PARENTAL
17 ENGAGEMENT, BOOKS READ, AND SPRING-TO-FALL READING SCORES.

18 (G) FOLLOWS THE DEPARTMENT'S TOP 10 IN 10 GOALS AND
19 STRATEGIES, WITH AN EMPHASIS ON GOALS 4 AND 5.

20 (H) FOCUSES ON IN-HOME PROGRAM DELIVERY THROUGH WEEKLY
21 MAILINGS.

22 (I) PROVIDES SUMMARY DATA TO THE LEGISLATURE AND TO THE
23 DEPARTMENT FOR ALL PUPILS SERVED BY THE PROGRAM AFTER EACH SUMMER.

24 SEC. 35B. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE
25 IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR
26 A GRANT TO BE DISTRIBUTED BY THE DEPARTMENT TO AN ELIGIBLE DISTRICT
27 TO CREATE A PILOT PROGRAM TO USE A MULTISENSORY STRUCTURED LANGUAGE



1 EDUCATION METHOD TO IMPROVE READING PROFICIENCY RATES AND TO COMPLY
2 WITH SECTION 1280F OF THE REVISED SCHOOL CODE, MCL 380.1280F.

3 (2) A DISTRICT IS ELIGIBLE FOR A GRANT UNDER THIS SECTION IF
4 ALL OF THE FOLLOWING ARE MET:

5 (A) A DYSLEXIA CENTER ACCREDITED BY THE INTERNATIONAL
6 MULTISENSORY STRUCTURED LANGUAGE EDUCATION COUNCIL IS LOCATED IN
7 THE DISTRICT.

8 (B) THE DISTRICT PARTNERS WITH THE DYSLEXIA CENTER DESCRIBED
9 IN SUBDIVISION (A) TO PROVIDE MULTISENSORY STRUCTURED LANGUAGE
10 EDUCATION FOR PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING AN EARLY
11 LITERACY DELAY OR READING DEFICIENCY.

12 (C) THE DISTRICT HAS A PUPIL MEMBERSHIP GREATER THAN 7,000 AND
13 LESS THAN 8,000.

14 (3) A DISTRICT MAY EXPEND GRANT FUNDS AWARDED UNDER THIS
15 SECTION, IN COLLABORATION WITH THE DYSLEXIA CENTER DESCRIBED IN
16 SUBSECTION (2) (A), FOR THE FOLLOWING PURPOSES:

17 (A) PROFESSIONAL DEVELOPMENT INCLUDING TRAINING STAFF AND
18 TUTORS IN THE MULTISENSORY, SEQUENTIAL, SYSTEMATIC EDUCATION
19 APPROACH USED BY THE DYSLEXIA CENTER.

20 (B) ADDITIONAL INSTRUCTIONAL TIME BEFORE, DURING, OR AFTER
21 SCHOOL FOR PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING AN EARLY
22 LITERACY DELAY OR READING DEFICIENCY USING THE MULTISENSORY,
23 SEQUENTIAL, SYSTEMATIC EDUCATION APPROACH USED BY THE DYSLEXIA
24 CENTER.

25 (4) NOT LATER THAN DECEMBER 1, 2020, A DISTRICT THAT RECEIVES
26 GRANT FUNDS UNDER THIS SECTION SHALL REPORT TO THE HOUSE AND SENATE
27 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID, THE HOUSE AND SENATE



1 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON ALL OF THE
2 FOLLOWING FOR THE GRANT FUNDS AWARDED UNDER THIS SECTION:

3 (A) THE NUMBER OF STAFF AND TUTORS TRAINED.

4 (B) THE NUMBER OF PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING
5 AN EARLY LITERACY DELAY OR READING DEFICIENCY SERVED.

6 (C) THE NUMBER OF HOURS OF ADDED INSTRUCTIONAL TIME PROVIDED
7 TO PUPILS SERVED.

8 (D) PUPIL READING PROFICIENCY AND GROWTH DATA OF PUPILS SERVED
9 NECESSARY TO EVALUATE THE EFFECTIVENESS OF THE PROGRAM.

10 Sec. 39. (1) An eligible applicant receiving funds under
11 section 32d shall submit an application, in a form and manner
12 prescribed by the department, by a date specified by the department
13 in the immediately preceding state fiscal year. **THE APPLICATION**
14 **SHALL NOT REQUIRE AN ELIGIBLE APPLICANT TO AMEND THE APPLICANT'S**
15 **CURRENT ACCOUNTING CYCLE OR ADOPT THIS STATE'S FISCAL YEAR**
16 **ACCOUNTING CYCLE IN ACCOUNTING FOR FINANCIAL TRANSACTIONS UNDER**
17 **THIS SECTION.** The application shall include 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

determines that it is able to include additional eligible children in the great start readiness program without additional funds under section 32d, the applicant may include additional eligible children but shall not receive additional funding under section 32d for those children.

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

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

Sec. 39a. (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** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$744,039,900.00 for 2016-2017 and \$731,600,000.00 for 2017-2018~~ **\$730,600,000.00** for the federal programs under the no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-95. These funds are allocated as follows:

(a) An amount estimated at \$1,200,000.00 ~~each fiscal year~~ **FOR 2018-2019** to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, 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 **\$960,446,100.00 for 2017-2018 AND THERE IS ALLOCATED AN AMOUNT NOT**
 19 **TO EXCEED \$983,196,100.00 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~~ **\$266,900,000.00** for
 25 2017-2018 **AND ESTIMATED AT \$273,100,000.00 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~~ **\$1,300,000.00 AND THERE IS**
4 **ALLOCATED AN AMOUNT NOT TO EXCEED \$1,300,000.00 FOR 2018-2019** to
5 make payments to districts and intermediate districts under this
6 subsection. If the amount allocated to a district or intermediate
7 district for a fiscal year under subsection (2)(b) is less than the
8 sum of the amounts allocated to the district or intermediate
9 district for 1996-97 under sections 52 and 58, there is allocated
10 to the district or intermediate district for the fiscal year an
11 amount equal to that difference, adjusted by applying the same
12 proration factor that was used in the distribution of funds under
13 section 52 in 1996-97 as adjusted to the district's or intermediate
14 district's necessary costs of special education used in
15 calculations for the fiscal year. This adjustment is to reflect
16 reductions in special education program operations or services
17 between 1996-97 and subsequent fiscal years. Adjustments for
18 reductions in special education program operations or services
19 shall be made in a manner determined by the department and shall
20 include adjustments for 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~~ **\$3,200,000.00** 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~~ **\$636,900,000.00**
 for 2017-2018 **AND \$651,000,000.00 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 PILOT PROGRAMS 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.



(4) THE FUNDS ALLOCATED UNDER SUBSECTION (1) SHALL BE DISTRIBUTED TO INTERMEDIATE DISTRICTS ACCORDING TO THE DEPARTMENT'S EARLY ON FUNDING FORMULA UTILIZED TO DISTRIBUTE THE FEDERAL AWARD TO MICHIGAN UNDER PART C OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT. FUNDS RECEIVED UNDER THIS SECTION MUST NOT SUPPLANT EXISTING FUNDS OR RESOURCES ALLOCATED FOR EARLY ON EARLY INTERVENTION SERVICES. AN INTERMEDIATE DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL MAXIMIZE THE CAPTURE OF MEDICAID FUNDS TO SUPPORT EARLY ON EARLY INTERVENTION SERVICES TO THE EXTENT POSSIBLE.

(5) EACH INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER THIS SECTION SHALL REPORT DATA AND OTHER INFORMATION TO THE DEPARTMENT IN A FORM, MANNER, AND FREQUENCY PRESCRIBED BY THE DEPARTMENT TO ALLOW FOR MONITORING AND EVALUATION OF THE PILOT PROJECTS AND TO ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES OF SERVICES DELIVERED BY QUALIFIED PERSONNEL, BASED ON THE INDIVIDUAL NEEDS OF THE CHILDREN AND THEIR FAMILIES.

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

Sec. 55. (1) From the **GENERAL FUND** money appropriated in section 11, there is allocated an amount not to exceed \$150,000.00 ~~for 2017-2018 to Michigan State University, Department of Epidemiology, for a study of~~ **\$250,000.00 FOR 2018-2019 TO** the Conductive Learning Center located at Aquinas College. This funding ~~shall~~ **MUST** be used to develop and implement an evaluation of the effectiveness of



~~conductive education for children with cerebral palsy. The evaluation shall be multidimensional and shall include a control group of children with cerebral palsy not enrolled in conductive education. It should include an assessment of the motor system itself as well as the impact of conductive education on each of the following:~~

~~—— (a) The acquisition of skills permitting complex motor functions.~~

~~—— (b) The performance of tasks essential to daily living.~~

~~—— (c) The attitudes and feelings of both children and parents.~~

~~—— (d) The long-term need for special education for children with cerebral palsy.~~

~~—— (2) This funding is for the third of 3 years of funding for this purpose.~~ **SUPPORT THE OPERATIONAL COSTS OF THE CONDUCTIVE**

EDUCATION MODEL TAUGHT AT THE CONDUCTIVE LEARNING CENTER TO MAXIMIZE THE INDEPENDENCE AND MOBILITY OF CHILDREN AND ADULTS WITH NEUROMOTOR DISABILITIES. THE CONDUCTIVE EDUCATION MODEL FUNDED UNDER THIS SECTION MUST BE BASED ON THE CONCEPT OF NEUROPLASTICITY AND THE ABILITY OF PEOPLE TO LEARN AND IMPROVE WHEN THEY ARE MOTIVATED, REGARDLESS OF THE SEVERITY OF THEIR DISABILITY.

(2) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL DISTRIBUTE THE FUNDING ALLOCATED UNDER THIS SECTION TO THE CONDUCTIVE LEARNING CENTER NOT LATER THAN DECEMBER 1, 2018.

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

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



1 intermediate district.

2 (b) "Millage levied" means the millage levied for special
3 education pursuant to part 30 of the revised school code, MCL
4 380.1711 to ~~380.1743~~, **380.1741**, including a levy for debt service
5 obligations.

6 (c) "Taxable value" means the total taxable value of the
7 districts constituent to an intermediate district, except that if a
8 district has elected not to come under part 30 of the revised
9 school code, MCL 380.1711 to ~~380.1743~~, **380.1741**, membership and
10 taxable value of the district shall not be included in the
11 membership and taxable value of the intermediate district.

12 (2) From the allocation under section 51a(1), there is
13 allocated an amount not to exceed \$37,758,100.00 ~~each fiscal year~~
14 ~~for 2016-2017 and for 2017-2018~~ **AND AN AMOUNT NOT TO EXCEED**
15 **\$40,008,100.00 FOR 2018-2019** to reimburse intermediate districts
16 levying millages for special education pursuant to part 30 of the
17 revised school code, MCL 380.1711 to ~~380.1743~~. **380.1741**. The
18 purpose, use, and expenditure of the reimbursement shall be limited
19 as if the funds were generated by these millages and governed by
20 the intermediate district plan adopted pursuant to article 3 of the
21 revised school code, MCL 380.1701 to ~~380.1766~~. **380.1761**. As a
22 condition of receiving funds under this section, an intermediate
23 district distributing any portion of special education millage
24 funds to its constituent districts shall submit for departmental
25 approval and implement a distribution plan.

26 ~~—— (3) Reimbursement for those millages levied in 2015-2016 shall~~
27 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~



1 ~~computed by subtracting from \$180,900.00 the 2015-2016 taxable~~
2 ~~value behind each membership pupil and multiplying the resulting~~
3 ~~difference by the 2015-2016 millage levied.~~

4 **(3)** ~~(4)~~ Reimbursement for those millages levied in 2016-2017
5 shall be made in 2017-2018 at an amount per 2016-2017 membership
6 pupil computed by subtracting from ~~\$183,200.00~~ **\$185,000.00** the
7 2016-2017 taxable value behind each membership pupil and
8 multiplying the resulting difference by the 2016-2017 millage
9 levied, and then subtracting from that amount the 2016-2017 local
10 community stabilization share revenue for special education
11 purposes behind each membership pupil for reimbursement of personal
12 property exemption loss under the local community stabilization
13 authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

14 **(4) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,**
15 **REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL BE MADE**
16 **IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL COMPUTED**
17 **BY SUBTRACTING FROM \$193,700.00 THE 2017-2018 TAXABLE VALUE BEHIND**
18 **EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY**
19 **THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT**
20 **THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR**
21 **SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL FOR**
22 **REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL**
23 **COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO**
24 **123.1362. REIMBURSEMENT IN 2018-2019 FOR AN INTERMEDIATE DISTRICT**
25 **WHOSE 2017-2018 ALLOCATION WAS AFFECTED BY THE OPERATION OF**
26 **SUBSECTION (5) SHALL BE AN AMOUNT EQUAL TO 102.5% OF THE 2017-2018**
27 **ALLOCATION TO THAT INTERMEDIATE DISTRICT.**



1 (5) The amount paid to a single intermediate district under
2 this section shall not exceed 62.9% of the total amount allocated
3 under subsection (2).

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

8 Sec. 61a. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed \$36,611,300.00 for ~~2017-2018~~
10 **2018-2019** to reimburse on an added cost basis districts, except for
11 a district that served as the fiscal agent for a vocational
12 education consortium in the 1993-94 school year and that has a
13 foundation allowance as calculated under section 20 greater than
14 the minimum foundation allowance under that section, and secondary
15 area vocational-technical education centers for secondary-level
16 career and technical education programs according to rules approved
17 by the superintendent. Applications for participation in the
18 programs shall be submitted in the form prescribed by the
19 department. The department shall determine the added cost for each
20 career and technical education program area. The allocation of
21 added cost funds shall be prioritized based on the capital and
22 program expenditures needed to operate the career and technical
23 education programs provided; the number of pupils enrolled; the
24 advancement of pupils through the instructional program; the
25 existence of an articulation agreement with at least 1
26 postsecondary institution that provides pupils with opportunities
27 to earn postsecondary credit during the pupil's participation in



1 the career and technical education program and transfers those
2 credits to the postsecondary institution upon completion of the
3 career and technical education program; and the program rank in
4 student placement, job openings, and wages, and shall not exceed
5 75% of the added cost of any program. Notwithstanding any rule or
6 department determination to the contrary, when determining a
7 district's allocation or the formula for making allocations under
8 this section, the department shall include the participation of
9 pupils in grade 9 in all of those determinations and in all
10 portions of the formula. With the approval of the department, the
11 board of a district maintaining a secondary career and technical
12 education program may offer the program for the period from the
13 close of the school year until September 1. The program shall use
14 existing facilities and shall be operated as prescribed by rules
15 promulgated by the superintendent.

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

26 (3) A career and technical education program funded under this
27 section may provide an opportunity for participants who are



1 eligible to be funded under section 107 to enroll in the career and
 2 technical education program funded under this section if the
 3 participation does not occur during regular school hours.

4 (4) In addition to the money allocated under subsections (1) ~~7~~
 5 **AND** (5), ~~and (6),~~ from the general fund money appropriated in
 6 section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount
 7 not to exceed ~~\$79,000.00~~ **\$100,000.00** to an eligible Michigan-
 8 approved 501(c)(3) organization for the purposes of teaching or
 9 training restaurant management and culinary arts for career and
 10 professional development. The department shall oversee funds
 11 distributed to an eligible grantee under this section. As used in
 12 this subsection, "eligible Michigan-approved 501(c)(3)
 13 organization" means an organization that is exempt from taxation
 14 under section 501(c)(3) of the internal revenue code of 1986, 26
 15 USC 501, that provides the ProStart curriculum and training to
 16 state-approved career and technical education programs with
 17 classification of instructional programs (CIP) codes in the 12.05xx
 18 category, and that administers national certification for the
 19 purpose of restaurant management and culinary arts for career and
 20 professional development.

21 (5) In addition to the funds allocated under subsections (1) ~~7~~
 22 **AND** (4), ~~and (6),~~ from the funds appropriated in section 11, there
 23 is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
 24 \$1,000,000.00 for competitive grants to intermediate districts to
 25 hire career and technical education counselors. All of the
 26 following apply to this funding:

27 (a) An intermediate district seeking a grant under this



1 subsection shall apply to the department in a form and manner
2 specified by the department.

3 (b) The department shall award grants under this subsection ~~on~~
4 ~~a competitive basis to no more than 3 intermediate districts but~~
5 ~~shall give priority to the intermediate district that has the~~
6 ~~greatest number of pupils enrolled in its constituent districts and~~
7 ~~shall ensure that grants are equitably distributed to the various~~
8 ~~geographic areas of this state and to urban and rural areas.~~ **THAT**
9 **RECEIVED FUNDING UNDER THIS SUBSECTION IN 2017-2018.**

10 (c) To be eligible for funding under this subsection, an
11 intermediate district shall do all of the following:

12 (i) Catalog all available K-12 and other workforce development
13 programs and services, including job search, job training, pre-
14 employment certifications, career awareness programs, career and
15 technical education programs, and other related programs and
16 services offered by districts or intermediate districts,
17 postsecondary institutions, and other private or public service
18 organizations.

19 (ii) Develop an outreach program that educates students about
20 career and technical education options and connects students to the
21 services cataloged under subparagraph (i).

22 (iii) Track student placement and report on student placement
23 to the house and senate appropriations subcommittees on school aid
24 no later than June 30, 2018-2019 in the form and manner prescribed
25 by the department.

26 ~~— (6) In addition to the funds allocated under subsections (1),~~
27 ~~(4), and (5), there is allocated an amount not to exceed~~



~~\$160,000.00 for 2017-2018 to eligible districts under this subsection for the purpose of career and technical education counselors. To be eligible to receive funding under this subsection, an eligible district must be a constituent district of an intermediate district that is located in prosperity region 6 and borders prosperity regions 5, 7, and 9, and must have at least 1,600 pupils in membership in 2017-2018. A grant to an eligible district under this subsection shall be \$80,000.00.~~

Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$8,000,000.00 each fiscal year for ~~2016-2017 and 2017-2018~~ **AND FOR 2018-2019** for CTE early/middle college and CTE dual enrollment programs authorized under this section and for planning grants for the development or expansion of CTE early/middle college programs. The purpose of these programs is to increase the number of Michigan residents with high-quality degrees or credentials, and to increase the number of students who are college and career ready upon high school graduation.

(2) 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 state-approved CTE early/middle college and CTE dual enrollment programs in each of the prosperity regions and subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administrative costs for serving as the fiscal agent.

(3) To be an eligible fiscal agent, an intermediate district must agree to do all of the following in a form and manner



1 determined by the department:

2 (a) Distribute funds to eligible CTE early/middle college and
3 CTE dual enrollment programs in a prosperity region or subregion as
4 described in this section.

5 (b) Collaborate with the ~~talent district career council~~ **CAREER**
6 **AND EDUCATIONAL ADVISORY COUNCIL** that is located in the prosperity
7 region or subregion to develop a regional strategic plan under
8 subsection (4) that aligns CTE programs and services into an
9 efficient and effective delivery system for high school students.

10 (c) Implement a regional process to rank career clusters in
11 the prosperity region or subregion as described under subsection
12 (4). Regional processes shall be approved by the department before
13 the ranking of career clusters.

14 (d) Report CTE early/middle college and CTE dual enrollment
15 program and student data and information as prescribed by the
16 department **AND THE CENTER**.

17 (4) A regional strategic plan must be approved by the ~~talent~~
18 ~~district-career~~ **AND EDUCATIONAL ADVISORY** council before submission
19 to the department. A regional strategic plan shall include, but not
20 be limited to, the following:

21 (a) An identification of regional employer need based on a
22 ranking of all career clusters in the prosperity region or
23 subregion ranked by 10-year job openings projections and median
24 wage for each standard occupational code in each career cluster as
25 obtained from the United States Bureau of Labor Statistics.
26 Standard occupational codes within high-ranking clusters also may
27 be further ranked by median wage. The rankings shall be reviewed by



1 the ~~talent district~~ career **AND EDUCATIONAL ADVISORY** council located
2 in the prosperity region or subregion and modified if necessary to
3 accurately reflect employer demand for talent in the prosperity
4 region or subregion. A ~~talent district~~ career **AND EDUCATIONAL**
5 **ADVISORY** council shall document that it has conducted this review
6 and certify that it is accurate. These career cluster rankings
7 shall be determined and updated once every 4 years.

8 (b) An identification of educational entities in the
9 prosperity region or subregion that will provide eligible CTE
10 early/middle college and CTE dual enrollment programs including
11 districts, intermediate districts, postsecondary institutions, and
12 noncredit occupational training programs leading to an industry-
13 recognized credential.

14 (c) A strategy to inform parents and students of CTE
15 early/middle college and CTE dual enrollment programs in the
16 prosperity region or subregion.

17 (d) Any other requirements as defined by the department.

18 (5) An eligible CTE program is a program that meets all of the
19 following:

20 (a) Has been identified in the highest 5 career cluster
21 rankings in any of the 10 regional strategic plans jointly approved
22 by the Michigan talent investment agency in the department of
23 talent and economic development and the department.

24 (b) Has a coherent sequence of courses that will allow a
25 student to earn a high school diploma and achieve at least 1 of the
26 following in a specific career cluster:

27 (i) An associate degree.



1 (ii) An industry-recognized technical certification approved
2 by the Michigan talent investment agency in the department of
3 talent and economic development.

4 (iii) Up to 60 transferable college credits.

5 (iv) Participation in a registered apprenticeship, **PRE-
6 APPRENTICESHIP, OR APPRENTICE READINESS PROGRAM.**

7 (c) Is aligned with the Michigan merit curriculum.

8 (d) Has an articulation agreement with at least 1
9 postsecondary institution that provides students with opportunities
10 to receive postsecondary credits during the student's participation
11 in the CTE early/middle college or CTE dual enrollment program and
12 transfers those credits to the postsecondary institution upon
13 completion of the CTE early/middle college or CTE dual enrollment
14 program.

15 (e) Provides instruction that is supervised, directed, or
16 coordinated by an appropriately certificated CTE teacher or, for
17 concurrent enrollment courses, a postsecondary faculty member.

18 (f) Provides for highly integrated student support services
19 that include at least the following:

20 (i) Teachers as academic advisors.

21 (ii) Supervised course selection.

22 (iii) Monitoring of student progress and completion.

23 (iv) Career planning services provided by a local one-stop
24 service center as described in the Michigan works one-stop service
25 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
26 high school counselor or advisor.

27 (g) Has courses that are taught on a college campus, are

1 college courses offered at the high school and taught by college
2 faculty, or are courses taught in combination with online
3 instruction.

4 (6) Funds to eligible CTE early/middle college and CTE dual
5 enrollment programs shall be distributed as follows:

6 (a) The department shall determine statewide average CTE costs
7 per pupil for each CIP code program by calculating statewide
8 average costs for each CIP code program for the 3 most recent
9 fiscal years.

10 (b) Distribution to each eligible CTE early/middle college or
11 CTE dual enrollment program shall be the product of 50% of CTE
12 costs per pupil times the current year pupil enrollment of each
13 eligible CTE early/middle college or CTE dual enrollment program.

14 (7) In order to receive funds under this section, a CTE
15 early/middle college or CTE dual enrollment program shall furnish
16 to the intermediate district that is the fiscal agent identified in
17 subsection ~~(1)~~, **(2)**, in a form and manner determined by the
18 department, all information needed to administer this program and
19 meet federal reporting requirements; shall allow the department or
20 the department's designee to review all records related to the
21 program for which it receives funds; and shall reimburse the state
22 for all disallowances found in the review, as determined by the
23 department.

24 (8) There is allocated from the funds under subsection (1) an
25 amount not to exceed \$500,000.00 **EACH FISCAL YEAR** for 2017-2018 **AND**
26 **FOR 2018-2019** for grants to intermediate districts or consortia of
27 intermediate districts for the purpose of planning for new or



1 expanded early middle college programs. Applications for grants
2 shall be submitted in a form and manner determined by the
3 department. The amount of a grant under this subsection shall not
4 exceed \$50,000.00. To be eligible for a grant under this
5 subsection, an intermediate district or consortia of intermediate
6 districts must provide matching funds equal to the grant received
7 under this subsection. Notwithstanding section 17b, payments under
8 this subsection may be made as determined by the department.

9 (9) Funds distributed under this section may be used to fund
10 program expenditures that would otherwise be paid from foundation
11 allowances. A program receiving funding under section 61a may
12 receive funding under this section for allowable costs that exceed
13 the reimbursement the program received under section 61a. The
14 combined payments received by a program under section 61a and this
15 section shall not exceed the total allowable costs of the program.
16 A program provider shall not use more than 5% of the funds
17 allocated under this section to the program for administrative
18 costs.

19 (10) If the allocation under subsection (1) is insufficient to
20 fully fund payments as otherwise calculated under this section, the
21 department shall prorate payments under this section on an equal
22 percentage basis.

23 (11) If pupils enrolled in a career cluster in an eligible CTE
24 early/middle college or CTE dual enrollment program qualify to be
25 reimbursed under this section, those pupils continue to qualify for
26 reimbursement until graduation, even if the career cluster is no
27 longer identified as being in the highest 5 career cluster



1 rankings.

2 (12) As used in this section:

3 (a) "Allowable costs" means those costs directly attributable
4 to the program as jointly determined by the Michigan talent
5 investment agency and the department.

6 **(B) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN**
7 **ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED**
8 **IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,**
9 **AND PARENT REPRESENTATIVES.**

10 (C) ~~(b)~~ "CIP" means classification of instructional programs.

11 (D) ~~(c)~~ "CTE" means career and technical education programs.

12 (E) ~~(d)~~ "CTE dual enrollment program" means a 4-year high
13 school program of postsecondary courses offered by eligible
14 postsecondary educational institutions that leads to an industry-
15 recognized certification or degree.

16 (F) ~~(e)~~ "Early/middle college program" means a 5-year high
17 school program.

18 (G) ~~(f)~~ "Eligible postsecondary educational institution" means
19 that term as defined in section 3 of the career and technical
20 preparation act, 2000 PA 258, MCL 388.1903.

21 ~~— (g) "Talent district career council" means an advisory council~~
22 ~~to the local workforce development boards located in a prosperity~~
23 ~~region consisting of educational, employer, labor, and parent~~
24 ~~representatives.~~

25 Sec. 61c. (1) From the general fund appropriation in section
26 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to
27 exceed ~~\$7,000,000.00~~ **\$2,500,000.00** to **ELIGIBLE** career education



1 planning districts for the CTE skilled trades initiative described
2 in subsections (2) to (5). **TO BE ELIGIBLE TO RECEIVE FUNDING UNDER**
3 **THIS SECTION, AT LEAST 50% OF THE AREA SERVED BY A CEPD MUST BE**
4 **LOCATED IN AN INTERMEDIATE DISTRICT THAT DID NOT LEVY A VOCATIONAL**
5 **EDUCATION MILLAGE IN 2018.**

6 (2) ~~To be eligible to receive~~ funding under subsection (1),
7 each **ELIGIBLE** CEPD shall apply in a form and manner determined by
8 the department. Funding to each **ELIGIBLE** CEPD shall be equal to the
9 quotient of the allocation under subsection (1) and the sum of the
10 number of career education planning districts applying for funding
11 under subsection (1) **THAT ARE LOCATED IN AN INTERMEDIATE DISTRICT**
12 **THAT DID NOT LEVY A VOCATIONAL EDUCATION MILLAGE IN 2018.**

13 (3) ~~The~~ **AT LEAST 50% OF THE** funding allocated to each **ELIGIBLE**
14 CEPD shall be used to update equipment in current CTE programs that
15 have been identified in the highest 5 career cluster rankings in
16 any of the 10 regional strategic plans jointly approved by the
17 Michigan talent investment agency in the department of talent and
18 economic development and the department, for training on new
19 equipment, for professional development relating to computer
20 science or coding, or for new and emerging certified CTE programs
21 to allow CEPD administrators to provide programming in communities
22 that will enhance economic development. The funding for equipment
23 should be used to support and enhance community areas that have
24 sustained job growth, and act as a commitment to build a more
25 qualified and skilled workforce. In addition, each CEPD is
26 encouraged to explore the option of leasing equipment from local
27 private industry to encourage the use of the most advanced



1 equipment.

2 (4) The allocation of funds at the local level shall be
3 determined by CEPD administrators using data from the state,
4 region, and local sources to make well-informed decisions on
5 program equipment improvements. Grants awarded by CEPD
6 administrators for capital infrastructure shall be used to ensure
7 that CTE programs can deliver educational programs in high-wage,
8 high-skill, and high-demand occupations. Each CEPD shall continue
9 to ensure that program advisory boards make recommendations on
10 needed improvements for equipment that support job growth and job
11 skill development and retention for both the present and the
12 future.

13 (5) Not later than September 15 of each fiscal year, each CEPD
14 receiving funding ~~under subsection (1)~~ shall annually report to the
15 department, the senate and house appropriations subcommittees on
16 state school aid, and the senate and house fiscal agencies and
17 legislature on equipment purchased under subsection (1). In
18 addition, the report shall identify growth data on program
19 involvement, retention, and development of student skills.

20 ~~—— (6) In addition to the funds allocated under subsection (1),~~
21 ~~from the general fund appropriation in section 11, there is~~
22 ~~allocated for 2017-2018 an amount not to exceed \$500,000.00 to~~
23 ~~districts for a competitive grant to mechatronics programs that~~
24 ~~operated in 2016-2017 for updating mechatronics program equipment.~~

25 ~~—— (7) In addition to the funds allocated under subsections (1)~~
26 ~~and (6), from the general fund appropriation in section 11, there~~
27 ~~is allocated for 2017-2018 an amount not to exceed \$5,000,000.00~~



~~for grants to districts and intermediate districts or consortia of districts and intermediate districts for the CTE equipment and innovation competitive grant program described in subsections (8) to (10).~~

~~—— (8) To be eligible to receive a competitive grant under subsection (7), an applicant shall apply in a form and manner determined by the department. The amount of a grant awarded from the allocation under subsection (7) shall be at least \$100,000.00 but shall not exceed \$1,000,000.00 and shall be used for the purchase or lease of equipment from private industry partners and for related capacity building activities. A grant application for a grant awarded from the allocation under subsection (7) shall include at least all of the following information:~~

~~—— (a) A description of how the proposed capital infrastructure initiative will provide increased career opportunities for students and adult learners in high-wage, high-skill, and high-demand occupations.~~

~~—— (b) Demonstrated evidence of employer demand for the initiative and related CTE training, including documentation of industry involvement in the initiative that will allow for work-based learning opportunities, apprenticeships, teacher externships, or a combination of these.~~

~~—— (c) A budget for the initiative, including demonstrated commitment of local or regional partners to sustain the initiative beyond the initial grant funding.~~

~~—— (d) A description of how the initiative aligns with other CTE and community college programs and how the equipment will be~~



utilized by initiative partners.

~~———— (c) Other information as requested by the department and the department of talent and economic development.~~

~~———— (9) The department shall evaluate grant applications under subsection (8) in collaboration with the department of talent and economic development. A member of the governor's talent investment board may serve in an advisory capacity in the evaluation process as determined by the department of talent and economic development.~~

~~———— (10) Not later than December 15 of each fiscal year, each grant recipient receiving funding under subsection (7) shall annually report to the department, the department of talent and economic development, the house and senate appropriations subcommittees on state school aid, the house and senate fiscal agencies, and the state budget director on equipment purchased under subsection (7) in the immediately preceding school year. The report shall identify growth data on program involvement, retention, and development of student and adult learner skills.~~

(6) ~~(11)~~ As used in this section:

(a) "CEPD" means a career education planning district described in this section.

(b) "CTE" means career and technical education.

SEC. 61D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2018-2019 FOR ADDITIONAL PAYMENTS TO DISTRICTS FOR CAREER AND TECHNICAL EDUCATION PROGRAMS FOR THE PURPOSE OF INCREASING THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH-QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH



1 SCHOOL GRADUATION.

2 (2) PAYMENTS TO DISTRICTS UNDER THIS SECTION MUST BE
3 CALCULATED IN THE FOLLOWING MANNER:

4 (A) A PAYMENT OF \$25.00 MULTIPLIED BY THE NUMBER OF PUPILS IN
5 GRADES 9 TO 12 WHO ARE COUNTED IN MEMBERSHIP IN THE DISTRICT AND
6 ARE ENROLLED IN AT LEAST 1 CAREER AND TECHNICAL EDUCATION PROGRAM.

7 (B) AN ADDITIONAL PAYMENT OF \$25.00 MULTIPLIED BY THE NUMBER
8 OF PUPILS IN GRADES 9 TO 12 WHO ARE COUNTED IN MEMBERSHIP IN THE
9 DISTRICT AND ARE ENROLLED IN AT LEAST 1 CAREER AND TECHNICAL
10 EDUCATION PROGRAM THAT PROVIDES INSTRUCTION IN CRITICAL SKILLS AND
11 HIGH-DEMAND CAREER FIELDS.

12 (3) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO
13 FULLY FUND PAYMENTS UNDER SUBSECTION (2), THE DEPARTMENT SHALL
14 PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL PER-PUPIL BASIS.

15 (4) AS USED IN THIS SECTION:

16 (A) "CAREER AND TECHNICAL EDUCATION PROGRAM" MEANS A STATE-
17 APPROVED CAREER AND TECHNICAL EDUCATION PROGRAM, AS DETERMINED BY
18 THE DEPARTMENT.

19 (B) "CAREER AND TECHNICAL EDUCATION PROGRAM THAT PROVIDES
20 INSTRUCTION IN CRITICAL SKILLS AND HIGH-DEMAND CAREER FIELD" MEANS
21 A CAREER AND TECHNICAL EDUCATION PROGRAM CLASSIFIED UNDER ANY OF
22 THE FOLLOWING 2-DIGIT CLASSIFICATION OF INSTRUCTIONAL PROGRAMS
23 (CIP) CODES:

24 (i) 01, WHICH REFERS TO "AGRICULTURE, AGRICULTURE OPERATIONS,
25 AND RELATED SCIENCES".

26 (ii) 03, WHICH REFERS TO "NATURAL RESOURCES AND CONSERVATION".

27 (iii) 10 THROUGH 11, WHICH REFERS TO "COMMUNICATIONS



1 TECHNOLOGIES/TECHNICIANS AND SUPPORT SERVICES" AND "COMPUTER AND
2 INFORMATION SCIENCES AND SUPPORT SERVICES".

3 (iv) 14 THROUGH 15, WHICH REFERS TO "ENGINEERING" AND
4 "ENGINEERING TECHNOLOGIES AND ENGINEERING-RELATED FIELDS".

5 (v) 26, WHICH REFERS TO "BIOLOGICAL AND BIOMEDICAL SCIENCES".

6 (vi) 46 THROUGH 48, WHICH REFERS TO "CONSTRUCTION TRADES",
7 "MECHANIC AND REPAIR TECHNOLOGIES/TECHNICIANS", AND "PRECISION
8 PRODUCTION".

9 (vii) 51, WHICH REFERS TO "HEALTH PROFESSIONS AND RELATED
10 PROGRAMS".

11 SEC. 61E. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE
12 IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$250,000.00 TO
13 AN INTERMEDIATE DISTRICT FOR REGIONAL CAREER AND TECHNICAL
14 EDUCATION PLANNING.

15 (2) AN INTERMEDIATE DISTRICT IS ELIGIBLE TO RECEIVE FUNDS
16 UNDER THIS SECTION IF THE INTERMEDIATE DISTRICT MEETS ALL OF THE
17 FOLLOWING:

18 (A) THE COMBINED PUPIL MEMBERSHIPS OF ITS CONSTITUENT
19 DISTRICTS IN 2017-2018 IS AT LEAST 26,000 AND LESS THAN 28,000.

20 (B) IS LOCATED IN A COUNTY WITH A POPULATION OF NOT MORE THAN
21 160,000 AS OF THE 2010 DECENNIAL CENSUS.

22 (C) COLLABORATES WITH DISTRICTS, AREA NONPROFITS, LOCAL
23 EMPLOYERS, AND COMMUNITY COLLEGES.

24 (3) THE INTERMEDIATE DISTRICT SHALL SUBMIT A REPORT INCLUDING
25 A REGIONAL CAREER AND TECHNICAL PLAN TO THE DEPARTMENT NOT LATER
26 THAN NOVEMBER 30, 2018. THE REPORT REQUIRED UNDER THIS SUBSECTION
27 MUST INCLUDE ALL OF THE FOLLOWING:



1 (A) A PLAN FOR THE JOINT DELIVERY OF CAREER AND TECHNICAL
2 SERVICES TO URBAN AND RURAL YOUTH, SPECIFICALLY WHILE OVERCOMING
3 SOCIAL AND ECONOMIC BARRIERS THAT ADVERSELY AFFECT YOUTH
4 POPULATIONS AND PROVIDING WRAPAROUND SERVICES TO MITIGATE BARRIERS
5 TO EDUCATION.

6 (B) AN OUTLINE OF UNIQUE OPPORTUNITIES FOR EDUCATION,
7 WORKFORCE BOARDS, AND BUSINESS AND INDUSTRY TO CREATE A
8 COLLABORATIVE, JOINTLY OPERATED, AND SUSTAINABLE CAREER AND
9 TECHNICAL EDUCATION MODEL.

10 (C) A DISCUSSION OF THE PROJECT'S ABILITY TO ENGAGE THE AT-
11 RISK YOUTH POPULATION IN CHALLENGING EDUCATION AND TRAINING
12 ENVIRONMENTS.

13 (D) A LIST OF SOLUTIONS TO INDUSTRY DEMAND FOR THE REGIONAL
14 WORKFORCE THROUGH AN UNDERSTANDING OF ECONOMIC TRENDS.

15 (4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
16 MAY BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

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

18 (a) "Membership" means for a particular fiscal year the total
19 membership for the immediately preceding fiscal year of the
20 intermediate district and the districts constituent to the
21 intermediate district or the total membership for the immediately
22 preceding fiscal year of the area vocational-technical program.

23 (b) "Millage levied" means the millage levied for area
24 vocational-technical education pursuant to sections 681 to 690 of
25 the revised school code, MCL 380.681 to 380.690, including a levy
26 for debt service obligations incurred as the result of borrowing
27 for capital outlay projects and in meeting capital projects fund



1 requirements of area vocational-technical education.

2 (c) "Taxable value" means the total taxable value of the
3 districts constituent to an intermediate district or area
4 vocational-technical education program, except that if a district
5 has elected not to come under sections 681 to 690 of the revised
6 school code, MCL 380.681 to 380.690, the membership and taxable
7 value of that district shall not be included in the membership and
8 taxable value of the intermediate district. However, the membership
9 and taxable value of a district that has elected not to come under
10 sections 681 to 690 of the revised school code, MCL 380.681 to
11 380.690, shall be included in the membership and taxable value of
12 the intermediate district if the district meets both of the
13 following:

14 (i) The district operates the area vocational-technical
15 education program pursuant to a contract with the intermediate
16 district.

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

22 (2) From the appropriation in section 11, there is allocated
23 an amount not to exceed \$9,190,000.00 each fiscal year ~~for 2016-~~
24 ~~2017 and for 2017-2018~~ **AND FOR 2018-2019** to reimburse intermediate
25 districts and area vocational-technical education programs
26 established under section 690(3) of the revised school code, MCL
27 380.690, levying millages for area vocational-technical education



1 pursuant to sections 681 to 690 of the revised school code, MCL
2 380.681 to 380.690. The purpose, use, and expenditure of the
3 reimbursement shall be limited as if the funds were generated by
4 those millages.

5 ~~—— (3) Reimbursement for the millages levied in 2015-2016 shall~~
6 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~
7 ~~computed by subtracting from \$198,100.00 the 2015-2016 taxable~~
8 ~~value behind each membership pupil and multiplying the resulting~~
9 ~~difference by the 2015-2016 millage levied.~~

10 (3) ~~(4)~~ Reimbursement for those millages levied in 2016-2017
11 shall be made in 2017-2018 at an amount per 2016-2017 membership
12 pupil computed by subtracting from ~~\$199,000.00~~ **\$200,800.00** the
13 2016-2017 taxable value behind each membership pupil and
14 multiplying the resulting difference by the 2016-2017 millage
15 levied, and then subtracting from that amount the 2016-2017 local
16 community stabilization share revenue for area vocational technical
17 education behind each membership pupil for reimbursement of
18 personal property exemption loss under the local community
19 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

20 **(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL**
21 **BE MADE IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL**
22 **COMPUTED BY SUBTRACTING FROM \$205,700.00 THE 2017-2018 TAXABLE**
23 **VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING**
24 **DIFFERENCE BY THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING**
25 **FROM THAT AMOUNT THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE**
26 **REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH**
27 **MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION**



1 **LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA**
2 **86, MCL 123.1341 TO 123.1362.**

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

6 (6) The amount paid to a single intermediate district under
7 this section shall not be less than 75% of the amount allocated to
8 the intermediate district under this section for the immediately
9 preceding fiscal year.

10 Sec. 64b. (1) From the appropriation in section 11, there is
11 allocated an amount not to exceed \$1,750,000.00 for ~~2017-2018-2018-~~
12 **2019** for supplemental payments to districts that support the
13 attendance of district pupils in grades 9 to 12 under the
14 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
15 388.524, or under the career and technical preparation act, 2000 PA
16 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that
17 support the attendance of district pupils in a concurrent
18 enrollment program if the district meets the requirements under
19 subsection (3). Programs funded under this section are intended to
20 increase the number of pupils who are college- and career-ready
21 upon high school graduation.

22 (2) To be eligible for payments under this section for
23 supporting the attendance of district pupils under the
24 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
25 388.524, or under the career and technical preparation act, 2000 PA
26 258, MCL 388.1901 to 388.1913, a district shall do all of the
27 following:



1 (a) Provide information to all high school pupils on
2 postsecondary enrollment options, including enrollment eligibility,
3 the institutions and types of courses that are eligible for
4 participation, the decision-making process for granting academic
5 credit, and an explanation of eligible charges that will be paid by
6 the district.

7 (b) Enter into a written agreement with a postsecondary
8 institution before the enrollment of district pupils.

9 (c) Agree to pay all eligible charges pursuant to section 21b.

10 (d) Award high school credit for the postsecondary course if
11 the pupil successfully completes the course.

12 (3) To be eligible for payments under this section for pupils
13 enrolled in a concurrent enrollment program, a district shall do
14 all of the following:

15 (a) Provide information to all high school pupils on
16 postsecondary enrollment options, including enrollment eligibility,
17 the institutions and types of courses that are eligible for
18 participation, the decision-making process for granting academic
19 credit, and an explanation of eligible charges that will be paid by
20 the district.

21 (b) Enter into a written agreement with a postsecondary
22 institution establishing the concurrent enrollment program before
23 the enrollment of district pupils in a postsecondary course through
24 the postsecondary institution.

25 (c) Ensure that the course is taught by either a high school
26 teacher or postsecondary faculty pursuant to standards established
27 by the postsecondary institution with which the district has

1 entered into a written agreement to operate the concurrent
2 enrollment program.

3 (d) Ensure that the written agreement provides that the
4 postsecondary institution agrees not to charge the pupil for any
5 cost of the program.

6 (e) Ensure that the course is taught in the local district or
7 intermediate district.

8 (f) Ensure that the pupil is awarded both high school and
9 college credit at a community college or state public university in
10 this state upon successful completion of the course as outlined in
11 the agreement with the postsecondary institution.

12 (4) Funds shall be awarded to eligible districts under this
13 section in the following manner:

14 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
15 credit-bearing course in which a pupil enrolls during the current
16 school year, as described under either subsection (2) or (3).

17 (b) An additional payment of \$30.00 per-pupil per course
18 identified in subdivision (a), if the pupil successfully completes,
19 and is awarded both high school and postsecondary credit for, the
20 course during the current school year.

21 (5) A district requesting payment under this section shall
22 submit an application to the department in the form and manner
23 prescribed by the department. Notwithstanding section 17b, payments
24 under this section shall be made on a schedule determined by the
25 department.

26 Sec. 64d. (1) From the general fund appropriation under
27 section 11, there is allocated an amount not to exceed

1 \$2,300,000.00 ~~for 2017-2018~~ **FOR 2018-2019** for a ~~competitive~~ grant
2 to provide information technology education opportunities to
3 students attending schools operating grades K-12, career and
4 technical centers and career academies, and community colleges and
5 universities. It is the intent of the legislature that 2017-2018 is
6 the ~~first~~ **SECOND** of 3 years of funding for the ~~competitive~~ grant
7 program. Funds allocated under this section shall be used for
8 instruction in information technology skills and competencies that
9 are essential for the workplace and requested by employers and
10 shall allow participating students and faculties to secure broad-
11 based information technology certifications and, if applicable,
12 college credit.

13 (2) The department shall select a ~~THE~~ provider ~~using a~~
14 ~~competitive request for proposals process. Proposals submitted~~
15 ~~under this subsection shall~~ **THAT RECEIVED FUNDING UNDER THIS**
16 **SECTION IN 2017-2018. A PROGRAM FUNDED UNDER THIS SECTION MUST**
17 include at least the following components:

18 (a) Research- and skill-development-based and information
19 technology curriculum.

20 (b) Online access to the curriculum.

21 (c) Instructional software for classroom and student use.

22 (d) A program that includes coding curriculum and material
23 that are aligned to the CS AP exam and grants a certificate upon
24 completion of the program.

25 (e) Components for all grade levels on computational thinking
26 skills development using the latest gaming software.

27 (f) A process for students to obtain certifications of skills



1 and competencies in a broad base of information technology-related
2 skill areas.

3 (g) Professional development for faculty.

4 (h) Implementation and program support, including, but not
5 limited to, integration with current curriculum standards.

6 (i) Methods for students to earn college credit.

7 ~~(3) The department shall give priority to proposals by~~
8 ~~providers that have previously demonstrated success in this state~~
9 ~~in providing high-quality information technology education~~
10 ~~opportunities to students.~~

11 (3) ~~(4)~~ The funds allocated under this section for ~~2017-2018~~
12 **2018-2019** are a work project appropriation, and any unexpended
13 funds for ~~2017-2018~~ **2018-2019** are to be carried forward into ~~2018-~~
14 ~~2019.~~ **2019-2020**. The purpose of the work project is to continue to
15 provide information technology education opportunities described in
16 this section. The estimated completion date of the work project is
17 September 30, 2020.

18 Sec. 65. (1) From the ~~general fund money appropriated~~
19 **APPROPRIATION** under section 11, there is allocated an amount not to
20 exceed ~~\$340,000.00 for 2017-2018~~ **\$400,000.00 FOR 2018-2019** for a
21 pre-college engineering K-12 educational program that is focused on
22 the development of a diverse future Michigan workforce, that serves
23 multiple communities within southeast Michigan, that enrolls pupils
24 from multiple districts, and that received funds appropriated for
25 this purpose in the appropriations act that provided the Michigan
26 strategic fund budget for 2014-2015.

27 (2) To be eligible for funding under this section, a program



1 must have the ability to expose pupils to, and motivate and prepare
2 pupils for, science, technology, engineering, and mathematics
3 careers and postsecondary education with special attention given to
4 groups of pupils who are at-risk and underrepresented in technical
5 professions and careers.

6 Sec. 67. (1) From the general fund amount appropriated in
7 section 11, there is allocated an amount not to exceed
8 \$3,000,000.00 for ~~2017-2018~~**2018-2019** for college access programs.
9 The programs funded under this section are intended to inform
10 students of college and career options and to provide resources
11 intended to increase the number of pupils who are adequately
12 prepared with the information needed to make informed decisions on
13 college and career. The funds appropriated under this section are
14 intended to be used to increase the number of Michigan residents
15 with high-quality degrees or credentials. Funds appropriated under
16 this section shall not be used to supplant funding for counselors
17 already funded by districts.

18 (2) The talent investment agency of the department of talent
19 and economic development shall administer funds allocated under
20 this section in collaboration with the Michigan college access
21 network. These funds may be used for any of the following purposes:

22 (a) Michigan college access network operations, programming,
23 and services to local college access networks.

24 (b) Local college access networks, which are community-based
25 college access/success partnerships committed to increasing the
26 college participation and completion rates within geographically
27 defined communities through a coordinated strategy.



1 (c) The Michigan college advising program, a program intended
2 to place trained, recently graduated college advisors in high
3 schools that serve significant numbers of low-income and first-
4 generation college-going pupils. State funds used for this purpose
5 may not exceed 33% of the total funds available under this
6 subsection.

7 (d) Subgrants of up to \$5,000.00 to districts with
8 comprehensive high schools that establish a college access team and
9 implement specific strategies to create a college-going culture in
10 a high school in a form and manner approved by the Michigan college
11 access network and the Michigan talent investment agency.

12 (e) The Michigan college access portal, an online one-stop
13 portal to help pupils and families plan and apply for college.

14 (f) Public awareness and outreach campaigns to encourage low-
15 income and first-generation college-going pupils to take necessary
16 steps toward college and to assist pupils and families in
17 completing a timely and accurate free application for federal
18 student aid.

19 (g) Subgrants to postsecondary institutions to recruit, hire,
20 and train college student mentors and college advisors to assist
21 high school pupils in navigating the postsecondary planning and
22 enrollment process.

23 (3) For the purposes of this section, "college" means any
24 postsecondary educational opportunity that leads to a career,
25 including, but not limited to, a postsecondary degree, industry-
26 recognized technical certification, or registered apprenticeship.

27 Sec. 74. (1) From the amount appropriated in section 11, there



1 is allocated an amount not to exceed ~~\$3,730,300.00 for 2017-2018~~
2 **\$3,754,900.00 FOR 2018-2019** for the purposes of this section.

3 (2) From the allocation in subsection (1), there is allocated
4 for each fiscal year the amount necessary for payments to state
5 supported colleges or universities and intermediate districts
6 providing school bus driver safety instruction pursuant to section
7 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
8 payments shall be in an amount determined by the department not to
9 exceed the actual cost of instruction and driver compensation for
10 each public or nonpublic school bus driver attending a course of
11 instruction. For the purpose of computing compensation, the hourly
12 rate allowed each school bus driver shall not exceed the hourly
13 rate received for driving a school bus. Reimbursement compensating
14 the driver during the course of instruction shall be made by the
15 department to the college or university or intermediate district
16 providing the course of instruction.

17 (3) From the allocation in subsection (1), there is allocated
18 for ~~2017-2018~~**2018-2019** the amount necessary to pay the reasonable
19 costs of nonspecial education auxiliary services transportation
20 provided pursuant to section 1323 of the revised school code, MCL
21 380.1323. Districts funded under this subsection shall not receive
22 funding under any other section of this article for nonspecial
23 education auxiliary services transportation.

24 (4) From the funds allocated in subsection (1), there is
25 allocated an amount not to exceed ~~\$1,705,300.00 for 2017-2018~~
26 **\$1,729,900.00 FOR 2018-2019** for reimbursement to districts and
27 intermediate districts for costs associated with the inspection of



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

21 Sec. 81. (1) From the appropriation in section 11, there is
22 allocated for ~~2017-2018-2018-2019~~ to the intermediate districts the
23 sum necessary, but not to exceed ~~\$67,108,000.00~~ **\$68,453,000.00** to
24 provide state aid to intermediate districts under this section.

25 (2) The amount allocated under this section to each
26 intermediate district is an amount equal to ~~100%~~ **102%** of the amount
27 allocated to the intermediate district under this section for ~~2016-~~



1 ~~2017.~~**2017-2018.** Funding provided under this section shall be used
2 to comply with requirements of this article and the revised school
3 code that are applicable to intermediate districts, and for which
4 funding is not provided elsewhere in this article, and to provide
5 technical assistance to districts as authorized by the intermediate
6 school board.

7 (3) Intermediate districts receiving funds under this section,
8 shall collaborate with the department to develop expanded
9 professional development opportunities for teachers to update and
10 expand their knowledge and skills needed to support the Michigan
11 merit curriculum.

12 (4) From the allocation in subsection (1), there is allocated
13 to an intermediate district, formed by the consolidation or
14 annexation of 2 or more intermediate districts or the attachment of
15 a total intermediate district to another intermediate school
16 district or the annexation of all of the constituent K-12 districts
17 of a previously existing intermediate school district which has
18 disorganized, an additional allotment of \$3,500.00 each fiscal year
19 for each intermediate district included in the new intermediate
20 district for 3 years following consolidation, annexation, or
21 attachment.

22 (5) In order to receive funding under this section, an
23 intermediate district shall do all of the following:

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

27 (b) Demonstrate to the satisfaction of the department that the



1 intermediate district employs at least 1 person who is trained in
 2 rules, regulations, and district reporting procedures for the
 3 individual-level student data that serves as the basis for the
 4 calculation of the district and high school graduation and dropout
 5 rates.

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

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

11 (e) Comply with section 1230g of the revised school code, MCL
 12 380.1230g.

13 ~~(f) Comply with section 761 of the revised school code, MCL~~
 14 ~~380.761.~~

15 Sec. 94. (1) From the general fund appropriation in section
 16 11, there is allocated to the department for 2017-2018 an amount
 17 not to exceed \$750,000.00 **AND THERE IS ALLOCATED TO THE DEPARTMENT**
 18 **FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$1,000,000.00** for efforts to
 19 increase the number of pupils who participate and succeed in
 20 advanced placement and international baccalaureate programs, **AND,**
 21 **BEGINNING IN 2018-2019, TO SUPPORT THE COLLEGE-LEVEL EXAMINATION**
 22 **PROGRAM (CLEP) .**

23 (2) From the funds allocated under this section, the
 24 department shall award funds to cover all or part of the costs of
 25 advanced placement test fees or international baccalaureate test
 26 fees and international baccalaureate registration fees for low-
 27 income pupils who take an advanced placement or an international



1 baccalaureate test, **AND, BEGINNING IN 2018-2019, CLEP FEES FOR LOW-**
 2 **INCOME PUPILS WHO TAKE A CLEP TEST.** ~~Payments shall not exceed~~
 3 ~~\$20.00 per test completed or \$150.00 per international~~
 4 ~~baccalaureate registration fees per pupil registered.~~

5 (3) The department shall only award funds under this section
 6 if the department determines that all of the following criteria are
 7 met:

8 (a) Each pupil for whom payment is made meets eligibility
 9 requirements of the federal advanced placement test fee program
 10 under section 1701 of the no child left behind act of 2001, Public
 11 Law 107-110, or under a corresponding provision of the every
 12 student succeeds act, Public Law 114-95.

13 (b) The tests are administered by the college board, the
 14 international baccalaureate organization, or another test provider
 15 approved by the department.

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

18 (4) The department shall establish procedures for awarding
 19 funds under this section.

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

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

26 (a) Coordinate the collection of all data required by state
 27 and federal law from districts, intermediate districts, and



1 postsecondary institutions.

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

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

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

13 (i) Data sets that link teachers to student information,
14 allowing districts to assess individual teacher impact on student
15 performance and consider student growth factors in teacher and
16 principal evaluation systems.

17 (ii) Data access or, if practical, data sets, provided for
18 regional data hubs that, in combination with local data, can
19 improve teaching and learning in the classroom.

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

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

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

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

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

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

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

(a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.

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

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

(d) Enables the matching of individual teachers with

1 information about their certification and the institutions that
2 prepared and recommended those teachers for state certification.

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

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

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

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

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

15 (ii) Contains student-level enrollment, demographic, and
16 program participation information.

17 (iii) Contains student-level information about the points at
18 which students exit, transfer in, transfer out, drop out, or
19 complete education programs.

20 (iv) Has the capacity to communicate with higher education
21 data systems.

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

24 (i) Contains yearly test records of individual students for
25 assessments approved by DED-OESE for accountability purposes under
26 section 1111(b) of the elementary and secondary education act of
27 1965, 20 USC 6311, including information on individual students not



1 tested, by grade and subject.

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

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

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

6 (i) Contains data that provide information regarding the
7 extent to which individual students transition successfully from
8 secondary school to postsecondary education, including, but not
9 limited to, all of the following:

10 (A) Enrollment in remedial coursework.

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

13 (ii) Contains data that provide other information determined
14 necessary to address alignment and adequate preparation for success
15 in postsecondary education.

16 (5) From the general fund appropriation in section 11, there
17 is allocated an amount not to exceed ~~\$10,173,200.00 for 2016-2017~~
18 ~~and an amount not to exceed \$16,216,000.00~~ **\$16,356,700.00** for 2017-
19 ~~2018-2018-2019~~ to the department of technology, management, and
20 budget to support the operations of the center. In addition, from
21 the federal funds appropriated in section 11 there is allocated for
22 ~~each fiscal year for 2016-2017 and for 2017-2018-2018-2019~~ the
23 amount necessary, estimated at \$193,500.00, to support the
24 operations of the center and to establish a P-20 longitudinal data
25 system necessary for state and federal reporting purposes. The
26 center shall cooperate with the department to ensure that this
27 state is in compliance with federal law and is maximizing



1 opportunities for increased federal funding to improve education in
2 this state.

3 (6) From the funds allocated in subsection (5), the center may
4 use an amount determined by the center for competitive grants for
5 ~~2017-2018-2018-2019~~ to support collaborative efforts on the P-20
6 longitudinal data system. All of the following apply to grants
7 awarded under this subsection:

8 (a) The center shall award competitive grants to eligible
9 intermediate districts or a consortium of intermediate districts
10 based on criteria established by the center.

11 (b) Activities funded under the grant shall support the P-20
12 longitudinal data system portal and may include portal hosting,
13 hardware and software acquisition, maintenance, enhancements, user
14 support and related materials, and professional learning tools and
15 activities aimed at improving the utility of the P-20 longitudinal
16 data system.

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

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

26 (8) The center may bill departments as necessary in order to
27 fulfill reporting requirements of state and federal law. The center

1 may also enter into agreements to supply custom data, analysis, and
2 reporting to other principal executive departments, state agencies,
3 local units of government, and other individuals and organizations.
4 The center may receive and expend funds in addition to those
5 authorized in subsection (5) to cover the costs associated with
6 salaries, benefits, supplies, materials, and equipment necessary to
7 provide such data, analysis, and reporting services.

8 (9) As used in this section:

9 (a) "DED-OESE" means the United States Department of Education
10 Office of Elementary and Secondary Education.

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

12 Sec. 95b. (1) From the general fund appropriation under
13 section 11, there is allocated to the department an amount not to
14 exceed \$2,500,000.00 for ~~2017-2018~~**2018-2019** for the department to
15 adopt a model value-added growth and projection analytics system
16 and to incorporate that model into its reporting requirements under
17 the every student succeeds act, Public Law 114-95. The adopted
18 model shall do at least all of the following:

19 (a) Utilize existing assessments and any future assessments
20 that are suitable for measuring student growth.

21 (b) Report student growth measures at the district, school,
22 teacher, and subgroup levels.

23 (c) Recognize the growth of tested students, including those
24 who may have missing assessment data.

25 (d) Include all available prior standardized assessment data
26 that meet inclusion criteria across grades, subjects, and state and
27 local assessments.



1 (e) Allow student growth results to be disaggregated.

2 (f) Provide individual student projections showing the
3 probability of a student reaching specific performance levels on
4 future assessments.

5 (g) Demonstrate any prior success with this state's
6 assessments through the Michigan council of educator effectiveness
7 teacher evaluation pilot.

8 (h) Demonstrate prior statewide implementation in at least 2
9 other states for at least 10 years.

10 (i) Have a native roster verification system built into the
11 value-added reporting platform that has been implemented statewide
12 in at least 2 other states.

13 (j) Have a "Help/Contact Us" ticketing system built into the
14 value-added reporting platform.

15 (2) The department shall provide internet-based electronic
16 student growth and projection reporting based on the model adopted
17 under subsection (1) to educators at the school, district, and
18 state levels. The model shall include role-based permissions that
19 allow educators to access information about the performance of the
20 students within their immediate responsibility in accordance with
21 applicable privacy laws.

22 (3) The model adopted under subsection (1) must not be a
23 mandatory part of teacher evaluation or educator pay-for-
24 performance systems.

25 **(4) THE MODEL ADOPTED UNDER SUBSECTION (1) MUST BE A MODEL**
26 **THAT RECEIVED FUNDING UNDER THIS SECTION IN 2017-2018.**

27 Sec. 98. (1) From the general fund money appropriated in



1 section 11, there is allocated an amount not to exceed
 2 \$7,387,500.00 for ~~2017-2018~~**2018-2019** for the purposes described in
 3 this section. The Michigan Virtual University shall provide a
 4 report to the legislature not later than November 1 ~~, 2017~~**OF EACH**
 5 **YEAR** that includes its mission, its plans, and proposed benchmarks
 6 it must meet, which shall include a plan to achieve a ~~50% increase~~
 7 ~~in documented improvement in each requirement of the Michigan~~
 8 ~~Virtual Learning Research Institute and Michigan Virtual School,~~
 9 ~~and all other~~**THE** organizational priorities identified in this
 10 section, in order to receive full funding for ~~2018-2019.~~**2019-2020.**
 11 Not later than March 1 ~~, 2018,~~**OF EACH YEAR,** the Michigan Virtual
 12 University shall provide an update to the house and senate
 13 appropriations subcommittees on school aid to show the progress
 14 being made to meet the benchmarks identified.

15 (2) The Michigan Virtual University shall operate the Michigan
 16 Virtual Learning Research Institute. The Michigan Virtual Learning
 17 Research Institute shall do all of the following:

18 (a) Support and accelerate innovation in education through the
 19 following activities:

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

22 (ii) Research, design, and recommend virtual education
 23 delivery models for use by pupils and teachers that include age-
 24 appropriate multimedia instructional content.

25 (iii) Research, develop, and recommend annually to the
 26 department criteria by which cyber schools and virtual course
 27 providers should be monitored and evaluated to ensure a quality



1 education for their pupils.

2 (iv) Based on pupil completion and performance data reported
3 to the department or the center for educational performance and
4 information from cyber schools and other virtual course providers
5 operating in this state, analyze the effectiveness of virtual
6 learning delivery models in preparing pupils to be college- and
7 career-ready and publish a report that highlights enrollment
8 totals, completion rates, and the overall impact on pupils. The
9 report shall be submitted to the house and senate appropriations
10 subcommittees on state school aid, the state budget director, the
11 house and senate fiscal agencies, the department, districts, and
12 intermediate districts not later than March 31 ~~, 2018.~~ **OF EACH YEAR.**

13 (v) Provide an extensive professional development program to
14 at least 30,000 educational personnel, including teachers, school
15 administrators, and school board members, that focuses on the
16 effective integration of virtual learning into curricula and
17 instruction. The Michigan Virtual Learning Research Institute is
18 encouraged to work with the MiSTEM advisory council created under
19 section 99s to coordinate professional development of teachers in
20 applicable fields. In addition, the Michigan Virtual Learning
21 Research Institute and external stakeholders are encouraged to
22 coordinate with the department for professional development in this
23 state. Not later than December 1 ~~, 2018,~~ **OF EACH YEAR,** the Michigan
24 Virtual Learning Research Institute shall submit a report to the
25 house and senate appropriations subcommittees on state school aid,
26 the state budget director, the house and senate fiscal agencies,
27 and the department on the number ~~and percentage~~ of teachers, school



1 administrators, and school board members who have received
2 professional development services from the Michigan Virtual
3 University. The report shall also identify barriers and other
4 opportunities to encourage the adoption of virtual learning in the
5 public education system.

6 (vi) Identify and share best practices for planning,
7 implementing, and evaluating virtual and blended education delivery
8 models with intermediate districts, districts, and public school
9 academies to accelerate the adoption of innovative education
10 delivery models statewide.

11 (b) Provide leadership for this state's system of virtual
12 learning education by doing the following activities:

13 (i) Develop and report policy recommendations to the governor
14 and the legislature that accelerate the expansion of effective
15 virtual learning in this state's schools.

16 (ii) Provide a clearinghouse for research reports, academic
17 studies, evaluations, and other information related to virtual
18 learning.

19 (iii) Promote and distribute the most current instructional
20 design standards and guidelines for virtual teaching.

21 (iv) In collaboration with the department and interested
22 colleges and universities in this state, support implementation and
23 improvements related to effective virtual learning instruction.

24 (v) Pursue public/private partnerships that include districts
25 to study and implement competency-based technology-rich virtual
26 learning models.

27 (vi) Create a statewide network of school-based mentors



1 serving as liaisons between pupils, virtual instructors, parents,
 2 and school staff, as provided by the department or the center, and
 3 provide mentors with research-based training and technical
 4 assistance designed to help more pupils be successful virtual
 5 learners.

6 (vii) Convene focus groups and conduct annual surveys of
 7 teachers, administrators, pupils, parents, and others to identify
 8 barriers and opportunities related to virtual learning.

9 (viii) Produce an annual consumer awareness report for schools
 10 and parents about effective virtual education providers and
 11 education delivery models, performance data, cost structures, and
 12 research trends.

13 (~~ix~~) ~~Research and establish~~ **PROVIDE** an internet-based platform
 14 that educators can use to create student-centric learning tools and
 15 resources **FOR SHARING IN THE STATE'S OPEN EDUCATIONAL RESOURCE**
 16 **REPOSITORY** and facilitate a user network that assists educators in
 17 using the **CONTENT CREATION** platform **AND STATE REPOSITORY FOR OPEN**
 18 **EDUCATIONAL RESOURCES**. As part of this initiative, the Michigan
 19 Virtual University shall work collaboratively with districts and
 20 intermediate districts to establish a plan to make available
 21 virtual resources that align to Michigan's K-12 curriculum
 22 standards for use by students, educators, and parents.

23 (x) Create and maintain a public statewide catalog of virtual
 24 learning courses being offered by all public schools and community
 25 colleges in this state. The Michigan Virtual Learning Research
 26 Institute shall identify and develop a list of nationally
 27 recognized best practices for virtual learning and use this list to

1 support reviews of virtual course vendors, courses, and
2 instructional practices. The Michigan Virtual Learning Research
3 Institute shall also provide a mechanism for intermediate districts
4 to use the identified best practices to review content offered by
5 constituent districts. The Michigan Virtual Learning Research
6 Institute shall review the virtual course offerings of the Michigan
7 Virtual University, and make the results from these reviews
8 available to the public as part of the statewide catalog. The
9 Michigan Virtual Learning Research Institute shall ensure that the
10 statewide catalog is made available to the public on the Michigan
11 Virtual University website and shall allow the ability to link it
12 to each district's website as provided for in section 21f. The
13 statewide catalog shall also contain all of the following:

14 (A) The number of enrollments in each virtual course in the
15 immediately preceding school year.

16 (B) The number of enrollments that earned 60% or more of the
17 total course points for each virtual course in the immediately
18 preceding school year.

19 (C) The ~~completion~~ **PASS** rate for each virtual course.

20 (xi) ~~Develop prototype and pilot~~ **SUPPORT** registration, payment
21 services, and transcript functionality ~~to~~ **FOR** the statewide catalog
22 and train key stakeholders on how to use new features.

23 (xii) Collaborate with key stakeholders to examine district
24 level accountability and teacher effectiveness issues related to
25 virtual learning under section 21f and make findings and
26 recommendations publicly available.

27 (xiii) Provide a report on the activities of the Michigan



1 Virtual Learning Research Institute.

2 (3) To further enhance its expertise and leadership in virtual
3 learning, the Michigan Virtual University shall continue to operate
4 the Michigan Virtual School as a statewide laboratory and quality
5 model of instruction by implementing virtual and blended learning
6 solutions for Michigan schools in accordance with the following
7 parameters:

8 (a) The Michigan Virtual School must maintain its
9 accreditation status from recognized national and international
10 accrediting entities.

11 (b) The Michigan Virtual University shall use no more than
12 \$1,000,000.00 of the amount allocated under this section to
13 subsidize the cost paid by districts for virtual courses.

14 (c) In providing educators responsible for the teaching of
15 virtual courses as provided for in this section, the Michigan
16 Virtual School shall follow the requirements to request and assess,
17 and the department of state police shall provide, a criminal
18 history check and criminal records check under sections 1230 and
19 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
20 the same manner as if the Michigan Virtual School were a school
21 district under those sections.

22 (4) From the funds allocated under subsection (1), the
23 Michigan Virtual University shall allocate up to \$500,000.00 to
24 support the expansion of new online and blended educator
25 professional development programs.

26 (5) If the course offerings are included in the statewide
27 catalog of virtual courses under subsection (2)(b)(x), the Michigan



1 Virtual School operated by the Michigan Virtual University may
2 offer virtual course offerings, including, but not limited to, all
3 of the following:

4 (a) Information technology courses.

5 (b) College level equivalent courses, as defined in section
6 1471 of the revised school code, MCL 380.1471.

7 (c) Courses and dual enrollment opportunities.

8 (d) Programs and services for at-risk pupils.

9 (e) High school equivalency test preparation courses for
10 adjudicated youth.

11 (f) Special interest courses.

12 (g) Professional development programs for teachers, school
13 administrators, other school employees, and school board members.

14 (6) If a home-schooled or nonpublic school student is a
15 resident of a district that subscribes to services provided by the
16 Michigan Virtual School, the student may use the services provided
17 by the Michigan Virtual School to the district without charge to
18 the student beyond what is charged to a district pupil using the
19 same services.

20 (7) Not later than December 1 of each fiscal year, the
21 Michigan Virtual University shall provide a report to the house and
22 senate appropriations subcommittees on state school aid, the state
23 budget director, the house and senate fiscal agencies, and the
24 department that includes at least all of the following information
25 related to the Michigan Virtual School for the preceding state
26 fiscal year:

27 (a) A list of the districts served by the Michigan Virtual



1 School.

2 (b) A list of virtual course titles available to districts.

3 (c) The total number of virtual course enrollments and
4 information on registrations and completions by course.

5 (d) The overall course completion rate percentage.

6 (8) In addition to the information listed in subsection (7),
7 the report under subsection (7) shall also include a plan to serve
8 at least 600 schools with courses from the Michigan Virtual School
9 or with content available through the internet-based platform
10 identified in subsection (2) (b) (ix).

11 (9) The governor may appoint an advisory group for the
12 Michigan Virtual Learning Research Institute established under
13 subsection (2). The members of the advisory group shall serve at
14 the pleasure of the governor and shall serve without compensation.
15 The purpose of the advisory group is to make recommendations to the
16 governor, the legislature, and the president and board of the
17 Michigan Virtual University that will accelerate innovation in this
18 state's education system in a manner that will prepare elementary
19 and secondary students to be career and college ready and that will
20 promote the goal of increasing the percentage of citizens of this
21 state with high-quality degrees and credentials to at least 60% by
22 2025.

23 (10) Not later than November 1 ~~, 2017,~~ **OF EACH YEAR,** the
24 Michigan Virtual University shall submit to the house and senate
25 appropriations subcommittees on state school aid, the state budget
26 director, and the house and senate fiscal agencies a detailed
27 budget for ~~the 2017-2018~~ **THAT** fiscal year that includes a breakdown



1 on its projected costs to deliver virtual educational services to
2 districts and a summary of the anticipated fees to be paid by
3 districts for those services. Not later than March 1 each year, the
4 Michigan Virtual University shall submit to the house and senate
5 appropriations subcommittees on state school aid, the state budget
6 director, and the house and senate fiscal agencies a breakdown on
7 its actual costs to deliver virtual educational services to
8 districts and a summary of the actual fees paid by districts for
9 those services based on audited financial statements for the
10 immediately preceding fiscal year.

11 (11) As used in this section:

12 (a) "Blended learning" means a hybrid instructional delivery
13 model where pupils are provided content, instruction, and
14 assessment, in part at a supervised educational facility away from
15 home where the pupil and a teacher with a valid Michigan teaching
16 certificate are in the same physical location and in part through
17 internet-connected learning environments with some degree of pupil
18 control over time, location, and pace of instruction.

19 (b) "Cyber school" means a full-time instructional program of
20 virtual courses for pupils that may or may not require attendance
21 at a physical school location.

22 (c) "Virtual course" means a course of study that is capable
23 of generating a credit or a grade and that is provided in an
24 interactive learning environment in which the majority of the
25 curriculum is delivered using the internet and in which pupils are
26 separated from their instructor or teacher of record by time or
27 location, or both.



1 Sec. 99h. (1) From the state school aid fund appropriation in
 2 section 11, there is allocated an amount not to exceed
 3 ~~\$2,500,000.00~~ **\$3,200,000.00 FOR 2017-2018 AND AN AMOUNT NOT TO**
 4 **EXCEED \$3,000,000.00** for ~~2017-2018-2018-2019~~ for competitive grants
 5 to districts **AND INTERMEDIATE DISTRICTS**, and from the general fund
 6 appropriation in section 11, there is allocated an amount not to
 7 exceed \$300,000.00 **EACH FISCAL YEAR** for 2017-2018 **AND FOR 2018-2019**
 8 for competitive grants to nonpublic schools ~~,~~ that provide pupils
 9 in grades K to 12 with expanded opportunities to improve
 10 mathematics, science, and technology skills by participating in
 11 events hosted by a science and technology development program known
 12 as FIRST (for inspiration and recognition of science and
 13 technology) Robotics, including JR FIRST Lego League, FIRST Lego
 14 League, FIRST tech challenge, and FIRST Robotics competition, **OR,**
 15 **BEGINNING IN 2018-2019, OTHER COMPETITIVE ROBOTICS PROGRAMS,**
 16 **INCLUDING THOSE HOSTED BY THE ROBOTICS EDUCATION AND COMPETITION**
 17 **(REC) FOUNDATION.** Programs funded under this section are intended
 18 to increase the number of pupils demonstrating proficiency in
 19 science and mathematics on the state assessments and to increase
 20 the number of pupils who are college- and career-ready upon high
 21 school graduation. Notwithstanding section 17b, grant payments to
 22 districts, ~~and nonpublic schools,~~ **AND INTERMEDIATE DISTRICTS** under
 23 this section shall be paid on a schedule determined by the
 24 department. The department shall set maximum grant awards for each
 25 different level of competition in a manner that both maximizes the
 26 number of teams that will be able to receive funds and expands the
 27 geographical distribution of teams.



1 (2) A district, ~~or nonpublic school~~, **OR INTERMEDIATE DISTRICT**
2 applying for a grant under this section shall submit an application
3 in a form and manner determined by the department. To be eligible
4 for a grant, a district, ~~or nonpublic school~~, **OR INTERMEDIATE**
5 **DISTRICT** shall demonstrate in its application that the district, ~~or~~
6 nonpublic school, **OR INTERMEDIATE DISTRICT** has established a
7 partnership for the purposes of the ~~FIRST Robotics~~ **ROBOTICS** program
8 with at least 1 sponsor, business entity, higher education
9 institution, or technical school, shall submit a spending plan, and
10 shall pay at least 25% of the cost of the ~~FIRST Robotics~~ **ROBOTICS**
11 program.

12 (3) The department shall distribute the grant funding under
13 this section for the following purposes:

14 (a) Grants to districts, ~~or nonpublic schools~~, **OR INTERMEDIATE**
15 **DISTRICTS** to pay for stipends not to exceed \$1,500.00 for 1 coach
16 per team.

17 (b) Grants to districts, ~~or nonpublic schools~~, **OR INTERMEDIATE**
18 **DISTRICTS** for event registrations, materials, travel costs, and
19 other expenses associated with the preparation for and attendance
20 at ~~FIRST Robotics~~ **ROBOTICS** events and competitions. Each grant
21 recipient shall provide a local match from other private or local
22 funds for the funds received under this subdivision equal to at
23 least 50% of the costs of participating in an event.

24 (c) Grants to districts, ~~or nonpublic schools~~, **OR INTERMEDIATE**
25 **DISTRICTS** for awards to teams that advance to the state and world
26 championship competitions. The department shall determine an equal
27 amount per team for those teams that advance to the state



1 championship and a second equal award amount to those teams that
2 advance to the world championship.

3 (4) A nonpublic school that receives a grant under this
4 section may use the funds for either ~~FIRST Robotics~~ **ROBOTICS** or
5 Science Olympiad programs.

6 (5) To be eligible to receive funds under this section, a
7 nonpublic school must be a nonpublic school registered with the
8 department and must meet all applicable state reporting
9 requirements for nonpublic schools.

10 **(6) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2017-2018 ARE A**
11 **WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2017-2018**
12 **ARE CARRIED FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK PROJECT**
13 **IS TO CONTINUE SUPPORT OF FIRST ROBOTICS AND MUST NOT BE USED TO**
14 **SUPPORT OTHER ROBOTICS COMPETITIONS. THE ESTIMATED COMPLETION DATE**
15 **OF THE WORK PROJECT IS SEPTEMBER 30, 2020.**

16 Sec. 99s. (1) From the funds appropriated under section 11,
17 there is allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
18 ~~\$6,234,300.00~~ **\$7,634,300.00** from the state school aid fund
19 appropriation and an amount not to exceed ~~\$1,600,000.00~~ **\$300,000.00**
20 from the general fund appropriation for Michigan science,
21 technology, engineering, and mathematics (MiSTEM) programs. In
22 addition, from the federal funds appropriated in section 11, there
23 is allocated for ~~2017-2018-2018-2019~~ an amount estimated at
24 ~~\$4,700,000.00~~ **\$3,500,000.00** from DED-OESE, title II, mathematics
25 and science partnership grants. Programs funded under this section
26 are intended to increase the number of pupils demonstrating
27 proficiency in science and mathematics on the state assessments and



1 to increase the number of pupils who are college- and career-ready
2 upon high school graduation. Notwithstanding section 17b, payments
3 under this section shall be paid on a schedule determined by the
4 department.

5 ~~(2) From the general fund allocation in subsection (1), there~~
6 ~~is allocated an amount not to exceed \$50,000.00 to the department~~
7 ~~for administrative, training, and travel costs related to the~~
8 ~~MiSTEM advisory council. All of the following apply to the MiSTEM~~
9 ~~advisory council: funded under this subsection:~~

10 (a) The MiSTEM advisory council is created. The MiSTEM
11 advisory council shall provide to the governor, legislature,
12 department of talent and economic development, and department
13 recommendations designed to improve and promote innovation in STEM
14 education and to prepare students for careers in science,
15 technology, engineering, and mathematics.

16 (b) The MiSTEM advisory council created under subdivision (a)
17 shall consist of the following members:

18 (i) The governor shall appoint 11 voting members who are
19 representative of business sectors that are important to Michigan's
20 economy and rely on a STEM-educated workforce, nonprofit
21 organizations and associations that promote STEM education, K-12
22 and postsecondary education entities involved in STEM-related
23 career education, or other sectors as considered appropriate by the
24 governor. Each of these members shall serve at the pleasure of the
25 governor and for a term determined by the governor.

26 (ii) The senate majority leader shall appoint 2 members of the
27 senate to serve as nonvoting, ex-officio members of the MiSTEM



1 advisory council, including 1 majority party member and 1 minority
2 party member.

3 (iii) The speaker of the house of representatives shall
4 appoint 2 members of the house of representatives to serve as
5 nonvoting, ex-officio members of the MiSTEM advisory council,
6 including 1 majority party member and 1 minority party member.

7 (c) Each member of the MiSTEM advisory council shall serve
8 without compensation.

9 (d) The MiSTEM advisory council annually shall review and make
10 recommendations to the governor, the legislature, and the
11 department concerning changes to the statewide strategy adopted by
12 the council for delivering STEM education-related opportunities to
13 pupils. The MiSTEM advisory council shall use funds received under
14 this subsection to ensure that its members or their designees are
15 trained in the Change the Equation STEMworks rating system program
16 for the purpose of rating STEM programs.

17 (e) The MiSTEM advisory council shall make specific funding
18 recommendations for the funds allocated under subsection (3) by
19 December 15 of each fiscal year. ~~The amount of each grant~~
20 ~~recommended shall not exceed \$100,000.00.~~ Each specific funding
21 recommendation shall be for a program approved by the MiSTEM
22 advisory council. To be eligible for MiSTEM advisory council
23 approval, a program must satisfy all of the following:

24 (i) Align with this state's academic standards.

25 (ii) Have STEMworks certification.

26 (iii) Provide project-based experiential learning, student
27 programming, or educator professional learning experiences.



1 (iv) Focus predominantly on classroom-based STEM experiences
2 or professional learning experiences.

3 (f) The MiSTEM advisory council shall approve programs that
4 **REPRESENT ALL NETWORK REGIONS AND** include a diverse array of
5 options for students and educators and at least 1 program in each
6 of the following areas:

7 (i) Robotics.

8 (ii) Computer science or coding.

9 (iii) Engineering or bioscience.

10 (g) The MiSTEM advisory council is encouraged to work with the
11 ~~MiSTEM Network regions~~ **NETWORK** to develop locally and regionally
12 developed programs and professional development experiences for the
13 programs on the list of approved programs.

14 (h) If the MiSTEM advisory council is unable to make specific
15 funding recommendations by December 15 of a fiscal year, the
16 ~~department of technology, management, and budget~~ shall award and
17 ~~the department shall~~ distribute the funds allocated under
18 subsection (3) on a competitive grant basis that at least follows
19 the statewide STEM strategy plan and rating system recommended by
20 the MiSTEM advisory council. Each grant ~~shall not exceed~~
21 ~~\$100,000.00 and~~ must provide STEM education-related opportunities
22 for pupils.

23 (i) The MiSTEM advisory council shall work with the executive
24 director of the MiSTEM network ~~funded under section 99r~~ to
25 implement the statewide STEM strategy adopted by the MiSTEM
26 advisory council.

27 (3) From the state school aid fund money allocated under



subsection (1), there is allocated for ~~2017-2018~~**2018-2019** an amount not to exceed ~~\$2,850,000.00~~**\$3,050,000.00** for the purpose of funding programs under this section for ~~2017-2018~~**2018-2019**, as recommended by the MiSTEM advisory council.

~~———— (4) From the state school aid fund allocation under subsection (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~~



1 ~~region.~~

2 ~~—— (c) As part of the technical assistance process, the~~
3 ~~department shall provide minimum standard guidelines that may be~~
4 ~~used by the mathematics and science center for providing fair~~
5 ~~access for qualified pupils and professional staff as prescribed in~~
6 ~~this subsection.~~

7 ~~—— (d) Allocations under this subsection to support the~~
8 ~~activities and programs of mathematics and science centers shall be~~
9 ~~continuing support grants to all 33 established mathematics and~~
10 ~~science centers. For 2017-2018, each established mathematics and~~
11 ~~science center shall receive state funding in an amount equal to~~
12 ~~100% of the amount it was allocated under former section 99 for~~
13 ~~2014-2015. If a center declines state funding or a center closes,~~
14 ~~the remaining money available under this subsection shall be~~
15 ~~distributed to the remaining centers, as determined by the~~
16 ~~department.~~

17 ~~—— (e) From the funds allocated under this subsection, the~~
18 ~~department shall distribute for 2017-2018 an amount not to exceed~~
19 ~~\$750,000.00 in a form and manner determined by the department to~~
20 ~~those centers able to provide curriculum and professional~~
21 ~~development support to assist districts in implementing the~~
22 ~~Michigan merit curriculum components for mathematics and science.~~
23 ~~Funding under this subdivision is in addition to funding allocated~~
24 ~~under subdivision (d).~~

25 ~~—— (f) It is the intent of the legislature that the funding~~
26 ~~allocated under this subsection represents the final year of~~
27 ~~funding for mathematics and science centers and that mathematics~~



1 ~~and science centers shall not be funded in 2018-2019.~~

2 ~~—— (5) From the funds allocated under subsection (1), there is~~
3 ~~allocated an amount not to exceed \$85,000.00 to the Michigan~~
4 ~~Mathematics and Science Centers Network to reimburse intermediate~~
5 ~~school districts for transition costs incurred as the centers~~
6 ~~transition to MiSTEM network regions.~~

7 (4) ~~(6)~~ From the general **SCHOOL AID** fund allocation under
8 subsection (1), there is allocated an amount not to exceed

9 ~~\$1,400,000.00 to~~ **\$3,834,300.00 FOR 2018-2019 TO SUPPORT THE**

10 **ACTIVITIES AND PROGRAMS OF** the MiSTEM network regions. ~~For 2017-~~

11 ~~2018, each established MiSTEM network region shall receive funding~~
12 ~~under this subsection in an amount equal to 50% of the state~~

13 ~~funding amount allocated for 2017-2018 to the mathematics and~~

14 ~~science centers located within that region to allow the MiSTEM~~

15 ~~network region to begin operating by April 1, 2018. For former~~

16 ~~mathematics and science centers with territory in more than 1~~

17 ~~MiSTEM network region, the amount allocated shall be divided~~

18 ~~proportionally.~~ **IN ADDITION, FROM THE FEDERAL FUNDS ALLOCATED UNDER**

19 **SUBSECTION (1), THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT**

20 **ESTIMATED AT \$3,500,000.00 FROM DED-OESE, TITLE II, MATHEMATICS AND**

21 **SCIENCE PARTNERSHIP GRANTS, FOR THE PURPOSES OF THIS SUBSECTION.**

22 **BEGINNING IN 2018-2019, THE FISCAL AGENT FOR EACH MISTEM NETWORK**

23 **REGION SHALL RECEIVE \$200,000.00 FOR THE BASE OPERATIONS OF EACH**

24 **REGION. THE REMAINING FUNDS WILL BE DISTRIBUTED TO EACH FISCAL**

25 **AGENT IN AN EQUAL AMOUNT PER PUPIL, BASED ON THE NUMBER OF K TO 12**

26 **PUPILS ENROLLED IN DISTRICTS WITHIN EACH REGION IN THE PRIOR FISCAL**

27 **YEAR.**



1 (5) ~~(7)~~ A MiSTEM network region shall do all of the following:

2 (a) Collaborate with the ~~talent district~~ career **AND**
 3 **EDUCATIONAL ADVISORY** council that is located in the ~~prosperity~~
 4 **MISTEM** region to develop a regional strategic plan for STEM
 5 education that creates a robust regional STEM culture, that
 6 empowers STEM teachers, that integrates business and education into
 7 the STEM network, and that ensures high-quality STEM experiences
 8 for pupils. At a minimum, a regional STEM strategic plan should do
 9 all of the following:

10 (i) Identify regional employer need for STEM.

11 (ii) Identify processes for regional employers and educators
 12 to create guided pathways for STEM careers that include internships
 13 or externships, apprenticeships, and other experiential engagements
 14 for pupils.

15 (iii) Identify educator professional development
 16 opportunities, including internships or externships and
 17 apprenticeships, that integrate this state's science ~~content~~
 18 standards into high-quality STEM experiences that engage pupils.

19 (b) Facilitate regional STEM events such as educator and
 20 employer networking and STEM career fairs to raise STEM awareness.

21 (c) Contribute to the MiSTEM website and engage in other
 22 MiSTEM network functions to further the mission of STEM in this
 23 state in coordination with the MiSTEM advisory council and its
 24 executive director.

25 (d) Facilitate application and implementation of state and
 26 federal funds under this subsection and any other grants or funds
 27 for the MiSTEM network region.



(e) Work with districts to provide STEM programming and professional development.

(f) Coordinate recurring discussions and work with the ~~talent~~
~~district-career~~ **AND EDUCATIONAL ADVISORY** council to ensure that feedback and best practices are being shared, including funding, program, professional learning opportunities, and regional strategic plans.

(6) FROM THE SCHOOL AID FUNDS ALLOCATED UNDER SUBSECTION (1), THE DEPARTMENT SHALL DISTRIBUTE FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$750,000.00, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, TO THOSE NETWORK REGIONS ABLE TO PROVIDE CURRICULUM AND PROFESSIONAL DEVELOPMENT SUPPORT TO ASSIST DISTRICTS IN IMPLEMENTING THE MICHIGAN MERIT CURRICULUM COMPONENTS FOR MATHEMATICS AND SCIENCE.

(7) ~~(8)~~—In order to receive state or federal funds under subsection (4) or (6), a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(8) ~~(9)~~—In order to receive state funds under subsection (4) or (6), a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this subsection.

(9) ~~(10)~~—Not later than July 1, 2019 and July 1 of each year thereafter, a MiSTEM network region that receives funds under subsection ~~(6)~~ **(4)** shall report to the executive director of the



1 MiSTEM network in a form and manner prescribed by the executive
2 director on performance measures developed by the MiSTEM network
3 regions and approved by the executive director. The performance
4 measures shall be designed to ensure that the activities of the
5 MiSTEM network are improving student academic outcomes.

6 **(10)** ~~(11)~~—Not more than 5% of a MiSTEM network region grant
7 under subsection **(4)** OR (6) may be retained by a fiscal agent for
8 serving as the fiscal agent of a MiSTEM network region.

9 **(11) FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION (1) ,**
10 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 TO THE**
11 **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET TO SUPPORT THE**
12 **FUNCTIONS OF THE EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT FOR THE**
13 **MISTEM NETWORK, AND FOR ADMINISTRATIVE, TRAINING, AND TRAVEL COSTS**
14 **RELATED TO THE MISTEM ADVISORY COUNCIL. THE EXECUTIVE DIRECTOR AND**
15 **EXECUTIVE ASSISTANT FOR THE MISTEM NETWORK SHALL DO ALL OF THE**
16 **FOLLOWING:**

17 **(A) SERVE AS A LIAISON AMONG AND BETWEEN THE DEPARTMENT, THE**
18 **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET, THE MISTEM**
19 **ADVISORY COUNCIL, THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS**
20 **NETWORK, THE GOVERNOR'S TALENT INVESTMENT BOARD, THE GENERAL**
21 **EDUCATION LEADERSHIP NETWORK, AND THE MISTEM REGIONS IN A MANNER**
22 **THAT CREATES A ROBUST STATEWIDE STEM CULTURE, THAT EMPOWERS STEM**
23 **TEACHERS, THAT INTEGRATES BUSINESS AND EDUCATION INTO THE STEM**
24 **NETWORK, AND THAT ENSURES HIGH-QUALITY STEM EXPERIENCES FOR PUPILS.**

25 **(B) COORDINATE THE IMPLEMENTATION OF A MARKETING CAMPAIGN,**
26 **INCLUDING, BUT NOT LIMITED TO, A WEBSITE THAT INCLUDES DASHBOARDS**
27 **OF OUTCOMES, TO BUILD STEM AWARENESS AND COMMUNICATE STEM NEEDS AND**



1 OPPORTUNITIES TO PUPILS, PARENTS, EDUCATORS, AND THE BUSINESS
2 COMMUNITY.

3 (C) WORK WITH THE DEPARTMENT AND THE MISTEM ADVISORY COUNCIL
4 TO COORDINATE, AWARD, AND MONITOR MISTEM STATE AND FEDERAL GRANTS
5 TO THE MISTEM NETWORK REGIONS AND CONDUCT REVIEWS OF GRANT
6 RECIPIENTS, INCLUDING, BUT NOT LIMITED TO, PUPIL EXPERIENCE AND
7 FEEDBACK.

8 (D) REPORT TO THE GOVERNOR, THE LEGISLATURE, THE DEPARTMENT,
9 AND THE MISTEM ADVISORY COUNCIL ANNUALLY ON THE ACTIVITIES AND
10 PERFORMANCE OF THE MISTEM NETWORK REGIONS.

11 (E) COORDINATE RECURRING DISCUSSIONS AND WORK WITH REGIONAL
12 STAFF TO ENSURE THAT A NETWORK OR LOOP OF FEEDBACK AND BEST
13 PRACTICES ARE SHARED, INCLUDING FUNDING, PROGRAMMING, PROFESSIONAL
14 LEARNING OPPORTUNITIES, DISCUSSION OF MISTEM STRATEGIC VISION, AND
15 REGIONAL OBJECTIVES.

16 (F) COORDINATE MAJOR GRANT APPLICATION EFFORTS WITH THE MISTEM
17 ADVISORY COUNCIL TO ASSIST REGIONAL STAFF WITH GRANT APPLICATIONS
18 ON A LOCAL LEVEL. THE MISTEM ADVISORY COUNCIL SHALL LEVERAGE
19 PRIVATE AND NONPROFIT RELATIONSHIPS TO COORDINATE AND ALIGN PRIVATE
20 FUNDS IN ADDITION TO FUNDS APPROPRIATED UNDER THIS SECTION.

21 (G) TRAIN STATE AND REGIONAL STAFF IN THE STEMWORKS RATING
22 SYSTEM, IN COLLABORATION WITH THE MISTEM ADVISORY COUNCIL AND THE
23 DEPARTMENT.

24 (H) COLLABORATE WITH THE MISTEM NETWORK TO HIRE MISTEM NETWORK
25 REGION STAFF.

26 (12) As used in this section:

27 (A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN



1 **ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED**
 2 **IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,**
 3 **AND PARENT REPRESENTATIVES.**

4 (B) ~~(a)~~ "DED" means the United States Department of Education.

5 (C) ~~(b)~~ "DED-OESE" means the DED Office of Elementary and
 6 Secondary Education.

7 (D) ~~(c)~~ "STEM" means science, technology, engineering, and
 8 mathematics delivered in an integrated fashion using cross-
 9 disciplinary learning experiences that can include language arts,
 10 performing and fine arts, and career and technical education.

11 ~~—— (d) "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 ~~—— (13) From the general fund allocation under subsection (1),~~
 16 ~~there is allocated an amount not to exceed \$150,000.00 for 2017-~~
 17 ~~2018 for a grant to the Van Andel Education Institute for the~~
 18 ~~purposes of advancing and promoting science education and~~
 19 ~~increasing the number of students who choose to pursue careers in~~
 20 ~~science or science-related fields. Funds allocated under this~~
 21 ~~subsection shall be used to provide professional development for~~
 22 ~~science teachers in using student-driven, inquiry-based~~
 23 ~~instruction.~~

24 ~~—— (14) Not later than January 1, 2019, the executive director of~~
 25 ~~the MiSTEM centers network shall report to the house and senate~~
 26 ~~appropriations subcommittees on school aid and the house and senate~~
 27 ~~fiscal agencies on the number of male and female MiSTEM center~~



1 ~~program participants and the steps, if any, that the MiSTEM centers~~
2 ~~are taking to reduce any disparity between the number of male and~~
3 ~~female participants.~~

4 Sec. 99t. (1) From the general fund appropriation under
5 section 11, there is allocated an amount not to exceed
6 ~~\$1,100,000.00 for 2017-2018~~ **\$1,500,000.00 FOR 2018-2019** to purchase
7 statewide access to an online algebra tool that meets all of the
8 following:

9 (a) Provides students statewide with complete access to videos
10 aligned with state standards including study guides and workbooks
11 that are aligned with the videos.

12 (b) Provides students statewide with access to a personalized
13 online algebra learning tool including adaptive diagnostics.

14 (c) Provides students statewide with dynamic algebra practice
15 assessments that emulate the state assessment with immediate
16 feedback and help solving problems.

17 (d) Provides students statewide with online access to algebra
18 help 24 hours a day and 7 days a week from study experts, teachers,
19 and peers on a moderated social networking platform.

20 (e) Provides an online algebra professional development
21 network for teachers.

22 (f) Is already provided under a statewide contract in at least
23 1 other state that has a population of at least 18,000,000 but not
24 more than 19,000,000 according to the most recent decennial census
25 and is offered in that state in partnership with a public
26 university.

27 (2) The department shall purchase the online algebra tool that



1 was chosen under this section in 2016-2017.

2 (3) A grantee receiving funding under this section shall
3 comply with the requirements of section 19b.

4 Sec. 99u. (1) From the general fund appropriation under
5 section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount
6 not to exceed ~~\$1,000,000.00~~ **\$1,500,000.00** to purchase statewide
7 access to an online mathematics tool that meets all of the
8 following:

9 (a) Provides students statewide with complete access to
10 mathematics support aligned with state standards through a program
11 that has all of the following elements:

12 (i) Student motivation.

13 (ii) Valid and reliable assessments.

14 (iii) Personalized learning pathways.

15 (iv) Highly qualified, live teachers available all day and all
16 year.

17 (v) Twenty-four-hour reporting.

18 (vi) Content built for rigorous mathematics.

19 (b) Has a record of improving student mathematics scores in at
20 least 5 other states.

21 **(C) RECEIVED FUNDING UNDER THIS SECTION IN 2017-2018.**

22 (2) A grantee that receives funding under this section shall
23 comply with the requirements of section 19b.

24 **(3) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),**
25 **FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS**
26 **ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$500,000.00 FOR A**
27 **SOFTWARE-BASED SOLUTION DESIGNED TO TEACH SPANISH LANGUAGE LITERACY**



1 TO STUDENTS IN PRE-KINDERGARTEN THROUGH FIRST GRADE. A PROGRAM
2 FUNDED UNDER THIS SUBSECTION SHALL BE A GRANT TO A PROVIDER THAT
3 PROMOTES BILINGUALISM AND BILITERACY, AND IS BASED ON RESEARCH THAT
4 SHOWS HOW STUDENTS WHO BECOME PROFICIENT READERS IN THEIR FIRST
5 LANGUAGE HAVE AN EASIER TIME MAKING THE TRANSITION TO READING
6 PROFICIENCY IN A SECOND LANGUAGE. A PROVIDER OF PROGRAMMING UNDER
7 SUBSECTION (1) IS AN ELIGIBLE PROVIDER OF PROGRAMMING UNDER THIS
8 SUBSECTION.

9 SEC. 99V. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,
10 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$25,000.00 FOR 2018-2019
11 FOR A GRANT TO BE DETERMINED BY THE DEPARTMENT TO A PROVIDER THAT
12 DEVELOPS AND SCALES EFFECTIVE INNOVATIONS TO SUPPORT EDUCATORS,
13 ADMINISTRATORS, AND POLICYMAKERS IN CREATING SEAMLESS TRANSITIONS
14 THROUGHOUT THE K-14 SYSTEM FOR ALL STUDENTS, ESPECIALLY THE
15 UNDERSERVED. A GRANTEE MUST HAVE EXPERTISE IN K-12 SERVICES, ONLINE
16 COURSE PROGRAMS, DIGITAL PLATFORM SERVICES, LEADERSHIP NETWORKS,
17 AND HIGHER EDUCATION, AND WORK TO DEVELOP A MATHEMATICS PATHWAYS
18 ALIGNMENT. A GRANTEE THAT RECEIVES A GRANT UNDER THIS SECTION SHALL
19 FACILITATE A 2-DAY MATH WORKSHOP WITH HIGH SCHOOL AND COLLEGE
20 FACULTY FOCUSED ON SHARING INFORMATION ABOUT HIGH-IMPACT PRACTICES,
21 DEFINING THE PROBLEM OR PROBLEMS, AND USING DATA AND PLANNING
22 STRATEGIES TO ADDRESS THOSE PROBLEMS. IN ADDITION, THE GRANTEE
23 SHALL USE FUNDS TO CONDUCT 3 VIRTUAL CHECK-INS DURING WHICH THE
24 WORKING GROUPS WILL REPORT ON PROGRESS AND IDENTIFY CHALLENGES AND
25 QUESTIONS, WITH THE GRANTEE PROVIDING GUIDANCE AND RESOURCES AS
26 APPROPRIATE. FUNDS ALLOCATED UNDER THIS SECTION ARE GRANT FUNDS AND
27 MUST BE DISTRIBUTED BY THE DEPARTMENT.



1 Sec. 102d. (1) From the funds appropriated in section 11,
2 there is allocated an amount not to exceed \$1,500,000.00 for ~~2017-~~
3 ~~2018-2018-2019~~ for reimbursements to districts, intermediate
4 districts, and authorizing bodies of public school academies for
5 the licensing of school data analytical tools as described under
6 this section. The reimbursement is for districts, intermediate
7 districts, and authorizing bodies of public school academies that
8 choose to use a school data analytical tool to assist the district,
9 intermediate district, or authorizing body of a public school
10 academy and that enter into a licensing agreement for a school data
11 analytical tool with 1 of the vendors approved by the department of
12 technology, management, and budget under subsection (2). Funds
13 allocated under this section are intended to provide districts,
14 intermediate districts, and authorizing bodies of public school
15 academies with financial forecasting and transparency reporting
16 tools to help improve the financial health of districts and to
17 improve communication with the public, resulting in increased fund
18 balances for districts and intermediate districts.

19 ~~(2) Not later than October 15, 2017, the department of~~
20 ~~technology, management, and budget shall review vendors for school~~
21 ~~data analytical tools and provide districts, intermediate~~
22 ~~districts, and authorizing bodies of public school academies with a~~
23 ~~list of up to 2 approved vendors that districts, intermediate~~
24 ~~districts, and authorizing bodies of public school academies may~~
25 ~~use to be eligible for a reimbursement paid under this section. In~~
26 ~~addition, a~~ **A** vendor approved under this section for ~~2016-2017~~
27 **2017-2018** ~~is considered to be approved for use by a district,~~



1 intermediate district, or authorizing body of a public school
 2 academy and for reimbursement for ~~2017-2018~~. ~~An approved school~~
 3 ~~data analytical tool supplied by the vendor must meet at least all~~
 4 ~~of the following:~~**2018-2019.**

5 ~~—— (a) Analyzes financial data.~~

6 ~~—— (b) Analyzes academic data.~~

7 ~~—— (c) Provides early warning indicators of financial stress.~~

8 ~~—— (d) Has the capability to provide peer district comparisons of~~
 9 ~~both financial and academic data.~~

10 ~~—— (e) Has the capability to provide financial projections for at~~
 11 ~~least 3 subsequent fiscal years.~~

12 (3) Funds allocated under this section shall be paid to
 13 districts, intermediate districts, and authorizing bodies of public
 14 school academies as a reimbursement for already having a licensing
 15 agreement or for entering into a licensing agreement not later than
 16 December 1, ~~2017-2018~~ with a vendor approved under subsection (2)
 17 to implement a school data analytical tool. Reimbursement will be
 18 prorated for the portion of the state fiscal year not covered by
 19 the licensing agreement. However, a licensing agreement that takes
 20 effect after October 1, ~~2017-2018~~ and before December 1, ~~2017-2018~~
 21 will not be prorated if the term of the agreement is at least 1
 22 year. Reimbursement under this section shall be made as follows:

23 (a) All districts, intermediate districts, and authorizing
 24 bodies of public school academies seeking reimbursement shall
 25 submit requests not later than December 1, ~~2017-2018~~ indicating the
 26 cost paid for the ~~financial~~-**SCHOOL** data analytical tool.

27 (b) The department shall determine the sum of the funding

1 requests under subdivision (a) and, if there are sufficient funds,
2 shall pay 1/2 of the costs submitted under subdivision (a). If
3 there are insufficient funds to pay 1/2 of the costs submitted
4 under (a), then reimbursement shall be made on an equal percentage
5 basis.

6 (c) Funds remaining after the calculation and payment under
7 subdivision (b) shall be distributed on an equal per-pupil basis,
8 with an intermediate district's pupils considered to be the sum of
9 the pupil memberships of the constituent districts for which the
10 intermediate district is purchasing the ~~financial~~-**SCHOOL** data
11 analytical tool, and with an authorizing body's pupils considered
12 to be the sum of the pupil memberships of the public school
13 academies authorized by the authorizing body for which the
14 authorizing body is purchasing the ~~financial~~-**SCHOOL** data analytical
15 tool.

16 (d) The reimbursement to a district, intermediate district, or
17 authorizing body of a public school academy shall not be greater
18 than the amount paid for a data analytics application.

19 (e) A district, intermediate district, or authorizing body of
20 a public school academy shall not be reimbursed for the purchase of
21 more than 1 software application.

22 (4) If an intermediate district purchases both a school data
23 analytical tool specifically for intermediate district finances and
24 a school data analytical tool for those constituent districts that
25 opt in, the intermediate district shall be reimbursed for both
26 purchases under this section.

27 (5) If an intermediate district makes available to 1 or more



1 of its constituent districts a school data analytical tool funded
 2 under this section, that constituent district shall not be
 3 reimbursed under this section for the purchase of that school data
 4 analytical tool if the constituent district has opted in for that
 5 tool.

6 (6) If an authorizing body of a public school academy makes
 7 available to 1 or more public school academies a school data
 8 analytical tool funded under this section, the public school
 9 academy shall not be reimbursed under this section for the purchase
 10 of a school data analytical tool if the public school academy opted
 11 in for that tool.

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

14 Sec. 104. (1) In order to receive state aid under this
 15 article, a district shall comply with sections 1249, 1278a, 1278b,
 16 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
 17 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
 18 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
 19 the state school aid fund money appropriated in section 11, there
 20 is allocated for 2017-2018 an amount not to exceed ~~\$34,709,400.00~~
 21 **\$29,709,400.00 AND THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT**
 22 **TO EXCEED \$32,509,400.00** for payments on behalf of districts for
 23 costs associated with complying with those provisions of law. In
 24 addition, from the federal funds appropriated in section 11, there
 25 is allocated **EACH FISCAL YEAR** for 2017-2018 **AND FOR 2018-2019** an
 26 amount estimated at \$6,250,000.00, funded from DED-OESE, title VI,
 27 state assessment funds, and from DED-OSERS, section 504 of part B



1 of the individuals with disabilities education act, Public Law 94-
2 142, plus any carryover federal funds from previous year
3 appropriations, for the purposes of complying with the federal no
4 child left behind act of 2001, Public Law 107-110, or the every
5 student succeeds act, Public Law 114-95.

6 (2) The results of each test administered as part of the
7 Michigan student test of educational progress (M-STEP), including
8 tests administered to high school students, shall include an item
9 analysis that lists all items that are counted for individual pupil
10 scores and the percentage of pupils choosing each possible
11 response. The department shall work with the center to identify the
12 number of students enrolled at the time assessments are given by
13 each district. In calculating the percentage of pupils assessed for
14 a district's scorecard, the department shall use only the number of
15 pupils enrolled in the district at the time the district
16 administers the assessments and shall exclude pupils who enroll in
17 the district after the district administers the assessments.

18 (3) All federal funds allocated under this section shall be
19 distributed in accordance with federal law and with flexibility
20 provisions outlined in Public Law 107-116, and in the education
21 flexibility partnership act of 1999, Public Law 106-25.

22 (4) From the funds allocated in subsection (1), there is
23 allocated an amount not to exceed \$1,000,000.00 for 2017-2018 **AND**
24 **AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2018-2019** to an
25 intermediate district described in this subsection to implement a
26 Michigan kindergarten entry observation tool in 2017-2018 **AND 2018-**
27 **2019**. The funding under this subsection is allocated to an



1 intermediate district in prosperity region 9 with at least 3,000
 2 kindergarten pupils enrolled in its constituent districts to
 3 continue participation in the Maryland-Ohio pilot and cover the
 4 costs of implementing the ~~pilot~~ observation tool, including a
 5 contract with a university for implementation of the ~~pilot~~
 6 observation tool **ALSO REFERRED TO AS THE KINDERGARTEN READINESS**
 7 **ASSESSMENT**. The intermediate district shall continue implementation
 8 of the ~~2016-2017 pilot study with existing participating~~
 9 ~~intermediate districts during the 2017-2018 school year.~~ The
 10 Michigan **KINDERGARTEN ENTRY OBSERVATION (MKEO) AND THE** kindergarten
 11 ~~entry observation~~ **READINESS ASSESSMENT** shall be conducted in all
 12 kindergarten classrooms in districts located in prosperity regions
 13 4, 5, and 9 beginning in August 2018 **AND, BEGINNING AUGUST 1, 2019,**
 14 **IN DISTRICTS LOCATED IN PROSPERITY REGIONS 2, 3, 4, 5, 6, 7, 8, AND**
 15 **9.** A constituent district of an intermediate district located
 16 within **THESE** prosperity ~~region 4, 5, or 9~~ **REGIONS** shall administer
 17 the Maryland-Ohio tool within each kindergarten classroom to either
 18 the full census of kindergarten pupils or a representative sample
 19 of not less than 35% of the enrolled kindergarten pupils in each
 20 classroom. The intermediate district receiving the funding
 21 allocated under this subsection shall work with other intermediate
 22 districts to implement the Michigan kindergarten entry observation,
 23 engage with the office of great start and the department, and
 24 provide a report to the legislature on the demonstrated readiness
 25 of kindergarten pupils within the participating intermediate
 26 districts. That intermediate district may share this funding with
 27 the other affected intermediate districts and districts. Allowable



1 costs under this subsection include those incurred in July, August,
2 and September 2017 as well as those incurred in 2017-2018. As used
3 in this subsection, "kindergarten" may include a classroom for
4 young 5-year-olds, commonly referred to as "young 5s" or
5 "developmental kindergarten". The department shall approve the
6 language and literacy domain within the Maryland-Ohio tool, also
7 referred to as the "Kindergarten Readiness Assessment", for use by
8 districts as an initial assessment that may be delivered to all
9 kindergarten students to assist with identifying any possible area
10 of concern for a student in English language arts.

11 (5) The department shall continue to make the kindergarten
12 entry assessment developed by the department and field tested in
13 2015-2016 available to districts in 2017-2018.

14 (6) The department may recommend, but may not require,
15 districts to allow pupils to use an external keyboard with tablet
16 devices for online M-STEP testing, including, but not limited to,
17 open-ended test items such as constructed response or equation
18 builder items.

19 (7) Notwithstanding section 17b, payments on behalf of
20 districts, intermediate districts, and other eligible entities
21 under this section shall be paid on a schedule determined by the
22 department.

23 (8) From the allocation in subsection (1), there is allocated
24 an amount not to exceed \$3,200,000.00 **FOR 2017-2018 AND AN AMOUNT**
25 **NOT TO EXCEED \$500,000.00 FOR 2018-2019** for the development or
26 selection of an online reporting tool to provide student-level
27 assessment data in a secure environment to educators, parents, and



1 pupils immediately after assessments are scored. The department and
2 the center shall ensure that any data collected by the online
3 reporting tool do not provide individually identifiable student
4 data to the federal government.

5 (9) As used in this section:

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

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

9 (c) "DED-OSERS" means the DED Office of Special Education and
10 Rehabilitative Services.

11 Sec. 104b. (1) In order to receive state aid under this
12 article, a district shall comply with this section and shall
13 administer the Michigan merit examination to pupils in grade 11,
14 and to pupils in grade 12 who did not take the complete Michigan
15 merit examination in grade 11, as provided in this section. The
16 Michigan merit examination consists of a college entrance test,
17 work skills test, and the summative assessment known as the
18 Michigan student test of educational progress (M-STEP).

19 (2) For the purposes of this section, the department of
20 technology, management, and budget shall contract with 1 or more
21 providers to develop, supply, and score the Michigan merit
22 examination. The Michigan merit examination shall consist of all of
23 the following:

24 (a) Assessment instruments that measure English language arts,
25 mathematics, reading, and science, and are used by the majority of
26 colleges and universities in this state for entrance purposes. This
27 may include 1 or more writing components. In selecting assessment

1 instruments to fulfill the requirements of this subdivision, the
2 department may consider the degree to which those assessment
3 instruments are aligned to this state's content standards.

4 (b) One or more tests from 1 or more test developers that
5 assess a pupil's ability to apply at least reading and mathematics
6 skills in a manner that is intended to allow employers to use the
7 results in making employment decisions. The department of
8 technology, management, and budget and the superintendent shall
9 ensure that any test or tests selected under this subdivision have
10 all the components necessary to allow a pupil to be eligible to
11 receive the results of a nationally recognized evaluation of
12 workforce readiness if the pupil's test performance is adequate.

13 (c) A social studies component.

14 (d) Any other component that is necessary to obtain the
15 approval of the United States Department of Education to use the
16 Michigan merit examination for the purposes of the no child left
17 behind act of 2001, Public Law 107-110, or the every student
18 succeeds act, Public Law 114-95.

19 (3) In addition to all other requirements of this section, all
20 of the following apply to the Michigan merit examination:

21 (a) The department of technology, management, and budget and
22 the superintendent shall ensure that any contractor used for
23 scoring the Michigan merit examination supplies an individual
24 report for each pupil that will identify for the pupil's parents
25 and teachers whether the pupil met expectations or failed to meet
26 expectations for each standard, to allow the pupil's parents and
27 teachers to assess and remedy problems before the pupil moves to

1 the next grade.

2 (b) The department of technology, management, and budget and
3 the superintendent shall ensure that any contractor used for
4 scoring, developing, or processing the Michigan merit examination
5 meets quality management standards commonly used in the assessment
6 industry, including at least meeting level 2 of the capability
7 maturity model developed by the Software Engineering Institute of
8 Carnegie Mellon University for the first year the Michigan merit
9 examination is offered to all grade 11 pupils and at least meeting
10 level 3 of the capability maturity model for subsequent years.

11 (c) The department of technology, management, and budget and
12 the superintendent shall ensure that any contract for scoring,
13 administering, or developing the Michigan merit examination
14 includes specific deadlines for all steps of the assessment
15 process, including, but not limited to, deadlines for the correct
16 testing materials to be supplied to schools and for the correct
17 results to be returned to schools, and includes penalties for
18 noncompliance with these deadlines.

19 (d) The superintendent shall ensure that the Michigan merit
20 examination meets all of the following:

21 (i) Is designed to test pupils on this state's content
22 standards in all subjects tested.

23 (ii) Complies with requirements of the no child left behind
24 act of 2001, Public Law 107-110 or the every student succeeds act,
25 Public Law 114-95.

26 (iii) Is consistent with the code of fair testing practices in
27 education prepared by the Joint Committee on Testing Practices of



1 the American Psychological Association.

2 (iv) Is factually accurate. If the superintendent determines
3 that a question is not factually accurate and should be excluded
4 from scoring, the state board and the superintendent shall ensure
5 that the question is excluded from scoring.

6 (4) A district shall include on each pupil's high school
7 transcript all of the following:

8 (a) For each high school graduate who has completed the
9 Michigan merit examination under this section, the pupil's scaled
10 score on each subject area component of the Michigan merit
11 examination.

12 (b) The number of school days the pupil was in attendance at
13 school each school year during high school and the total number of
14 school days in session for each of those school years.

15 (5) The superintendent shall work with the provider or
16 providers of the Michigan merit examination to produce Michigan
17 merit examination subject area scores for each pupil participating
18 in the Michigan merit examination. To the extent that the
19 department determines that additional test items beyond those
20 included in the college entrance component of the Michigan merit
21 examination are required in a particular subject area, the
22 department shall ensure that all test items in that subject area
23 are scaled and merged for the purposes of producing a Michigan
24 merit examination subject area score. The superintendent shall
25 design and distribute to districts, intermediate districts, and
26 nonpublic schools a simple and concise document that describes the
27 scoring for each subject area and indicates the scaled score ranges



1 for each subject area.

2 (6) The Michigan merit examination shall be administered in
3 each district during the last 12 weeks of the district's school
4 year. The superintendent shall ensure that the Michigan merit
5 examination is scored and the scores are returned to pupils, their
6 parents or legal guardians, and districts not later than the
7 beginning of the pupil's first semester of grade 12. The returned
8 scores shall indicate at least the pupil's scaled score for each
9 subject area component and the range of scaled scores for each
10 subject area. In reporting the scores to pupils, parents, and
11 schools, the superintendent shall provide standards-specific,
12 meaningful, and timely feedback on the pupil's performance on the
13 Michigan merit examination.

14 (7) A district shall administer the complete Michigan merit
15 examination to a pupil only once and shall not administer the
16 complete Michigan merit examination to the same pupil more than
17 once. If a pupil does not take the complete Michigan merit
18 examination in grade 11, the district shall administer the complete
19 Michigan merit examination to the pupil in grade 12. If a pupil
20 chooses to retake the college entrance examination component of the
21 Michigan merit examination, as described in subsection (2)(a), the
22 pupil may do so through the provider of the college entrance
23 examination component and the cost of the retake is the
24 responsibility of the pupil unless all of the following are met:

25 (a) The pupil has taken the complete Michigan merit
26 examination.

27 (b) The pupil meets the income eligibility criteria for free



1 breakfast, lunch, or milk, as determined under the Richard B.
2 Russell national school lunch act, 42 USC 1751 to 1769i.

3 (c) The pupil has applied to the provider of the college
4 entrance examination component for a scholarship or fee waiver to
5 cover the cost of the retake and that application has been denied.

6 (d) After taking the complete Michigan merit examination, the
7 pupil has not already received a free retake of the college
8 entrance examination component paid for either by this state or
9 through a scholarship or fee waiver by the provider.

10 (8) The superintendent shall ensure that the length of the
11 Michigan merit examination and the combined total time necessary to
12 administer all of the components of the Michigan merit examination
13 are the shortest possible that will still maintain the degree of
14 reliability and validity of the Michigan merit examination results
15 determined necessary by the superintendent. The superintendent
16 shall ensure that the maximum total combined length of time that
17 schools are required to set aside for pupils to answer all test
18 questions on the Michigan merit examination does not exceed 8 hours
19 if the superintendent determines that sufficient alignment to
20 applicable Michigan merit curriculum content standards can be
21 achieved within that time limit.

22 (9) A district shall provide accommodations to a pupil with
23 disabilities for the Michigan merit examination, as provided under
24 section 504 of title V of the rehabilitation act of 1973, 29 USC
25 794; subtitle A of title II of the Americans with disabilities act
26 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
27 education act amendments of 1997, Public Law 105-17; and the

1 implementing regulations for those statutes. The provider or
2 providers of the Michigan merit examination and the superintendent
3 shall mutually agree upon the accommodations to be provided under
4 this subsection.

5 (10) To the greatest extent possible, the Michigan merit
6 examination shall be based on this state's content standards, as
7 appropriate. Annually, after each administration of the Michigan
8 merit examination, the department shall provide a report of the
9 points per standard so that teachers will know what content will be
10 covered within the Michigan merit examination. The department may
11 augment the college entrance and work skills components of the
12 Michigan merit examination to develop the assessment, depending on
13 the alignment of those components to this state's content
14 standards. If these components do not align to these standards, the
15 department shall produce additional components as required by law,
16 while minimizing the amount of time needed for assessments.

17 (11) A child who is a student in a nonpublic school or home
18 school may take the Michigan merit examination under this section.
19 To take the Michigan merit examination, a child who is a student in
20 a home school shall contact the district in which the child
21 resides, and that district shall administer the Michigan merit
22 examination, or the child may take the Michigan merit examination
23 at a nonpublic school if allowed by the nonpublic school. Upon
24 request from a nonpublic school, the superintendent shall direct
25 the provider or providers to supply the Michigan merit examination
26 to the nonpublic school and the nonpublic school may administer the
27 Michigan merit examination. If a district administers the Michigan



1 merit examination under this subsection to a child who is not
2 enrolled in the district, the scores for that child are not
3 considered for any purpose to be scores of a pupil of the district.

4 (12) In contracting under subsection (2), the department of
5 technology, management, and budget shall consider a contractor that
6 provides electronically-scored essays with the ability to score
7 constructed response feedback in multiple languages and provide
8 ongoing instruction and feedback.

9 (13) The purpose of the Michigan merit examination is to
10 assess pupil performance in mathematics, science, social studies,
11 and English language arts for the purpose of improving academic
12 achievement and establishing a statewide standard of competency.
13 The assessment under this section provides a common measure of data
14 that will contribute to the improvement of Michigan schools'
15 curriculum and instruction by encouraging alignment with Michigan's
16 curriculum framework standards and promotes pupil participation in
17 higher level mathematics, science, social studies, and English
18 language arts courses. These standards are based upon the
19 expectations of what pupils should learn through high school and
20 are aligned with national standards.

21 (14) For a pupil enrolled in a middle college program, other
22 than a middle college operated as a shared educational entity or a
23 specialized shared educational entity, if the pupil receives at
24 least 50% of his or her instruction at the high school while in
25 grade 11, the Michigan merit examination shall be administered to
26 the pupil at the high school at which the pupil receives high
27 school instruction, and the department shall include the pupil's



1 scores on the Michigan merit examination in the scores for that
2 high school for all purposes for which a school's or district's
3 results are reported. The department shall allow the middle college
4 program to use a 5-year graduation rate for determining adequate
5 yearly progress. As used in this subsection, "middle college" means
6 a program consisting of a series of courses and other requirements
7 and conditions, including an early college or other program created
8 under a memorandum of understanding, that allows a pupil to
9 graduate from high school with both a high school diploma and a
10 certificate or degree from a community college or state public
11 university.

12 (15) As used in this section:

13 (a) "English language arts" means reading and writing.

14 (b) "Social studies" means United States history, world
15 history, world geography, economics, and American government.

16 **(16) FOR EACH REPORT MADE BY THE DEPARTMENT THAT INCLUDES THE**
17 **STATEWIDE ASSESSMENT RESULTS FOR A SCHOOL BUILDING, THE DEPARTMENT**
18 **SHALL INCLUDE THE SCORES FOR THE STATEWIDE ASSESSMENT AND THE**
19 **GRADUATION RATE FOR CONSORTIUM PUPILS WITH THE SCORES FOR THE**
20 **SCHOOL BUILDING IN THE PARTICIPATING DISTRICT IN WHICH THE**
21 **CONSORTIUM PUPIL IS ENROLLED OR WOULD OTHERWISE ATTEND. THE**
22 **STATEWIDE ASSESSMENT FOR A CONSORTIUM PUPIL MAY BE ADMINISTERED**
23 **EITHER AT THE CONSORTIUM LOCATION OR AT THE SCHOOL BUILDING IN THE**
24 **PARTICIPATING DISTRICT IN WHICH THE CONSORTIUM PUPIL IS ENROLLED OR**
25 **WOULD OTHERWISE ATTEND. FOR THE PURPOSES OF THIS SUBSECTION, A**
26 **CONSORTIUM PUPIL IS A PUPIL WHO IS ENROLLED OR PARTICIPATING IN A**
27 **PARTICIPATING DISTRICT IN A SCHOOL OR PROGRAM OPERATED AS A**



1 CONSORTIUM OR UNDER A COOPERATIVE ARRANGEMENT FORMED BY 2 OR MORE
2 DISTRICTS OR INTERMEDIATE DISTRICTS, INCLUDING, BUT NOT LIMITED TO,
3 A CONSORTIUM OR COOPERATIVE ARRANGEMENT OPERATED AS A PROGRAM, A
4 SHARED EDUCATIONAL ENTITY, A SPECIALIZED EDUCATIONAL ENTITY, OR A
5 SPECIAL EDUCATION CENTER PROGRAM.

6 Sec. 104c. (1) In order to receive state aid under this
7 article, a district shall administer the state assessments
8 described in this section.

9 (2) For the purposes of this section, the department shall
10 develop ~~for use in the spring of 2015-2016~~ **AND ADMINISTER** the
11 Michigan student test of educational progress (M-STEP) assessments
12 in English language arts and mathematics. These assessments shall
13 be aligned to state standards.

14 (3) For the purposes of this section, the department shall
15 implement a summative assessment system that is proven to be valid
16 and reliable for administration to pupils as provided under this
17 subsection. The summative assessment system shall meet all of the
18 following requirements:

19 (a) The summative assessment system shall measure student
20 proficiency on the current state standards, shall measure student
21 growth for consecutive grade levels in which students are assessed
22 in the same subject area in both grade levels, and shall be capable
23 of measuring individual student performance.

24 (b) The summative assessments for English language arts and
25 mathematics shall be administered to all public school pupils in
26 grades 3 to 11, including those pupils as required by the federal
27 individuals with disabilities education act, Public Law 108-446,



1 and by title I of the federal every student succeeds act (ESSA),
2 Public Law 114-95.

3 (c) The summative assessments for science shall be
4 administered to all public school pupils in at least grades ~~4~~ and
5 ~~7~~, **5 AND 8**, including those pupils as required by the federal
6 individuals with disabilities education act, Public Law 108-446,
7 and by title I of the federal every student succeeds act (ESSA),
8 Public Law 114-95.

9 (d) The summative assessments for social studies shall be
10 administered to all public school pupils in at least grades 5 and
11 8, including those pupils as required by the federal individuals
12 with disabilities education act, Public Law 108-446, and by title I
13 of the federal every student succeeds act (ESSA), Public Law 114-
14 95.

15 (e) The content of the summative assessments shall be aligned
16 to state standards.

17 (f) The pool of questions for the summative assessments shall
18 be subject to a transparent review process for quality, bias, and
19 sensitive issues involving educator review and comment. The
20 department shall post samples from tests or retired tests featuring
21 questions from this pool for review by the public.

22 (g) The summative assessment system shall ensure that
23 students, parents, and teachers are provided with reports that
24 convey individual student proficiency and growth on the assessment
25 and that convey individual student domain-level performance in each
26 subject area, including representative questions, and individual
27 student performance in meeting state standards.



1 (h) The summative assessment system shall be capable of
2 providing, and the department shall ensure that students, parents,
3 teachers, administrators, and community members are provided with,
4 reports that convey aggregate student proficiency and growth data
5 by teacher, grade, school, and district.

6 (i) The summative assessment system shall ensure the
7 capability of reporting the available data to support educator
8 evaluations.

9 (j) The summative assessment system shall ensure that the
10 reports provided to districts containing individual student data
11 are available within 60 days after completion of the assessments.

12 (k) The summative assessment system shall ensure that access
13 to individually identifiable student data meets all of the
14 following:

15 (i) Is in compliance with 20 USC 1232g, commonly referred to
16 as the family educational rights and privacy act of 1974.

17 (ii) Except as may be provided for in an agreement with a
18 vendor to provide assessment services, as necessary to support
19 educator evaluations pursuant to subdivision (i), or for research
20 or program evaluation purposes, is available only to the student;
21 to the student's parent or legal guardian; and to a school
22 administrator or teacher, to the extent that he or she has a
23 legitimate educational interest.

24 (l) The summative assessment system shall ensure that the
25 assessments are pilot tested before statewide implementation.

26 (m) The summative assessment system shall ensure that
27 assessments are designed so that the maximum total combined length

1 of time that schools are required to set aside for a pupil to
2 answer all test questions on all assessments that are part of the
3 system for the pupil's grade level does not exceed that maximum
4 total combined length of time for the previous statewide assessment
5 system or 9 hours, whichever is less. This subdivision does not
6 limit the amount of time a district may allow a pupil to complete a
7 test.

8 (n) The total cost of executing the summative assessment
9 system statewide each year, including, but not limited to, the cost
10 of contracts for administration, scoring, and reporting, shall not
11 exceed an amount equal to 2 times the cost of executing the
12 previous statewide assessment after adjustment for inflation.

13 (o) Beginning with the 2017-2018 school year, the summative
14 assessment system shall not require more than 3 hours in duration,
15 on average, for an individual pupil to complete the combined
16 administration of the math and English language arts portions of
17 the assessment for any 1 grade level.

18 **(P) THE SUMMATIVE ASSESSMENTS FOR ENGLISH LANGUAGE ARTS AND**
19 **MATHEMATICS FOR PUPILS IN GRADES 8 TO 10 MUST BE ALIGNED TO THE**
20 **COLLEGE ENTRANCE TEST PORTION OF THE MICHIGAN MERIT EXAMINATION**
21 **REQUIRED UNDER SECTION 104B.**

22 ~~— (4) In an effort to develop a cohesive state assessment~~
23 ~~system, the department shall implement a request for information~~
24 ~~process for a common formative assessment system that is fully~~
25 ~~aligned to this state's content standards for English language arts~~
26 ~~and mathematics. The department may use information compiled from a~~
27 ~~request for proposal in 2016-2017 to satisfy this request.~~



1 (4) ~~(5) Beginning in the 2015-2016 school year, the~~ **THE**
2 department shall ~~field test~~ **OFFER BENCHMARK** assessments in the
3 fall and spring of each school year to measure English language
4 arts and mathematics in each of grades K to 2. ~~for full~~
5 ~~implementation when the assessments have been successfully field~~
6 ~~tested. This full~~ **FULL** implementation shall occur not later than
7 the 2018-2019 school year. These assessments are necessary to
8 determine a pupil's proficiency level before grade 3.

9 ~~(6) Not later than November 1, 2017, the department shall~~
10 ~~issue a request for information for not less than 3 benchmark~~
11 ~~assessments that each meet all of the following:~~

12 ~~(a) Assesses all of grades 3 through 7 in math and English~~
13 ~~language arts.~~

14 ~~(b) Is aligned with this state's content standards such that~~
15 ~~items were written for this state's content standards.~~

16 ~~(c) Is computer adaptive above and below grade level.~~

17 ~~(d) Produces a pupil's results in not more than 48 hours from~~
18 ~~the time the benchmark assessment is administered.~~

19 ~~(e) Is self-scoring.~~

20 ~~(f) Aligns to this state's content standards.~~

21 ~~(g) Measures the academic growth of pupils and provides an~~
22 ~~estimate for adequate yearly growth.~~

23 ~~(h) Demonstrates validity and reliability as appropriate for a~~
24 ~~computer adaptive assessment.~~

25 ~~(i) Is provided by a vendor that is willing to negotiate a~~
26 ~~discounted state rate for pricing.~~

27 ~~(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) ~~(9)~~—This section does not prohibit districts from adopting interim assessments.

(6) ~~(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~~ **\$9,200,000.00** for providing reimbursement to districts that purchase a computer-adaptive test, or that purchase 1 or more diagnostic tools ~~, OR~~ screening tools ~~, or benchmark assessments~~ for pupils in grades K to 3 that are intended to increase reading proficiency by grade 4, **OR THAT PURCHASE BENCHMARK ASSESSMENTS FOR PUPILS IN GRADES K TO 8.**

(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~~



1 **2018-2019** school year.

2 (c) Valid and reliable diagnostic assessment data.

3 (d) Adjustment of testing difficulty based on previous answers
4 to test questions.

5 (e) Immediate feedback to pupils and teachers.

6 (3) In order to receive reimbursement under this section for
7 the purchase of 1 or more diagnostic tools or screening tools for
8 pupils in grades K to 3, each of the tools must meet all of the
9 following:

10 (a) Be reliable.

11 (b) Be valid.

12 (c) Be useful. As used in this subdivision, "useful" means
13 that a tool is easy to administer and requires a short time to
14 complete and that results are linked to intervention.

15 (4) In order to receive funding under this section for the
16 purchase of ~~1 or more~~ benchmark assessments for pupils in grades K
17 to ~~3, each of 8~~, the benchmark assessments must meet all of the
18 following:

19 (a) Be aligned to the state standards of this state.

20 (b) Complement this state's summative assessment system.

21 (c) Be administered at least once a year before the
22 administration of any summative assessment to monitor pupil
23 progress.

24 (d) Provide information on pupil achievement with regard to
25 learning the content required in a given year or grade span.

26 (5) Reimbursement under this section shall be made to eligible
27 districts that purchase a computer-adaptive test or 1 or more

1 diagnostic tools, screening tools, or benchmark assessments
2 described in this section by October 15, ~~2017~~**2018** and shall be
3 made on an equal per-pupil basis according to the available
4 funding, based on the number of pupils for whom assessments were
5 purchased.

6 (6) In order to receive reimbursement under this section, a
7 district shall demonstrate to the satisfaction of the department
8 that each qualifying computer-adaptive test, diagnostic tool,
9 screening tool, or benchmark assessment was purchased by the
10 district by December 1, ~~2017~~**2018 AND SHALL REPORT TO THE**
11 **DEPARTMENT WHICH TESTS, TOOLS, AND ASSESSMENTS THE DISTRICT**
12 **PURCHASED.**

13 (7) **NOT LATER THAN FEBRUARY 1, 2019, THE DEPARTMENT SHALL**
14 **COMPILE THE DATA PROVIDED BY DISTRICTS UNDER SUBSECTION (6) AND**
15 **REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON**
16 **SCHOOL AID AND THE HOUSE AND SENATE FISCAL AGENCIES THE NUMBER OF**
17 **DISTRICTS THAT PURCHASED EACH TEST, TOOL, AND ASSESSMENT.**

18 (8) **DISTRICTS SEEKING REIMBURSEMENT UNDER THIS SECTION FOR A**
19 **BENCHMARK ASSESSMENT SHALL COMMIT TO USING THE SAME BENCHMARK**
20 **ASSESSMENT FOR NO LESS THAN 3 YEARS WITHOUT SWITCHING TO ANOTHER**
21 **BENCHMARK ASSESSMENT.**

22 Sec. 104e. (1) From the general fund appropriation in section
23 11, there is allocated an amount not to exceed \$250,000.00 for the
24 implementation of an assessment digital literacy preparation pilot
25 project for pupils enrolled in grades K to 8 **FOR 2017-2018.** The
26 department shall ensure that a pilot project funded under this
27 subsection satisfies all of the following:



1 (a) Is available to districts in the 2017-2018 school year.

2 (b) Focuses on ensuring pupils have the necessary skills
3 required for state online assessments by assessing pupil digital
4 literacy skill levels and providing teachers with a digital
5 curriculum targeted at areas of determined weakness.

6 (c) Allows pupils to engage with the digital curriculum in an
7 independent or teacher-facilitated modality.

8 (d) Includes training and professional development for
9 teachers.

10 (e) Is implemented in at least ~~220~~**50** districts that operate
11 grades K to 8 and that represent a diverse geography and socio-
12 economic demographic.

13 (2) Funding under subsection (1) shall be allocated to a
14 district that operates at least grades K to 8 and has a partnership
15 with a third party that is experienced in the assessment of digital
16 literacy and the preparation of digital literacy skills and has
17 demonstrable experience serving districts in this state and local
18 education agencies in other states. The district, along with its
19 third-party partner, shall provide a report to the house and senate
20 appropriations subcommittees on school aid and the house and senate
21 fiscal agencies on the efficacy and usefulness of the assessment
22 digital literacy preparation pilot project no later than ~~September~~
23 ~~30, 2018~~**APRIL 1, 2019**.

24 (3) Notwithstanding section 17b, payments under subsection (1)
25 shall be made in a manner determined by the department.

26 Sec. 107. (1) From the appropriation in section 11, there is
27 allocated an amount not to exceed ~~\$27,000,000.00 for 2017-2018~~



1 **\$30,000,000.00 FOR 2018-2019** for adult education programs
 2 authorized under this section. Except as otherwise provided under
 3 subsections (14) ~~, (15), and (19),~~ **AND (15)**, funds allocated under
 4 this section are restricted for adult education programs as
 5 authorized under this section only. A recipient of funds under this
 6 section shall not use those funds for any other purpose.

7 (2) To be eligible for funding under this section, an eligible
 8 adult education provider shall employ certificated teachers and
 9 qualified administrative staff and shall offer continuing education
 10 opportunities for teachers to allow them to maintain certification.

11 (3) To be eligible to be a participant funded under this
 12 section, an individual shall be enrolled in an adult basic
 13 education program, an adult secondary education program, an adult
 14 English as a second language program, a high school equivalency
 15 test preparation program, or a high school completion program, that
 16 meets the requirements of this section, and for which instruction
 17 is provided, and **THE INDIVIDUAL** shall ~~meet either of the following:~~

18 ~~—— (a) Has attained 20 years of age.~~

19 ~~—— (b) Has attained 18 years of age and the individual's~~

20 ~~graduating class has graduated.~~ **BE AT LEAST 18 YEARS OF AGE AND THE**
 21 **INDIVIDUAL'S GRADUATING CLASS SHALL HAVE GRADUATED.**

22 (4) By April 1 of each fiscal year, the intermediate districts
 23 within a prosperity region or subregion shall determine which
 24 intermediate district will serve as the prosperity region's or
 25 subregion's fiscal agent for the next fiscal year and shall notify
 26 the department in a form and manner determined by the department.
 27 The department shall approve or disapprove of the prosperity



1 region's or subregion's selected fiscal agent. From the funds
 2 allocated under subsection (1), an amount as determined under this
 3 subsection shall be allocated to each intermediate district serving
 4 as a fiscal agent for adult education programs in each of the
 5 prosperity regions or subregions identified by the department. An
 6 intermediate district shall not use more than 5% of the funds
 7 allocated under this subsection for administration costs for
 8 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
 9 allocation provided to each intermediate district serving as a
 10 fiscal agent shall be based on the proportion of total funding
 11 formerly received by the adult education providers in that
 12 prosperity region or subregion in 2013-2014, and 33% shall be
 13 allocated based on the factors in subdivisions (a), (b), and (c).
 14 For 2018-2019, 33% of the allocation provided to each intermediate
 15 district serving as a fiscal agent shall be based upon the
 16 proportion of total funding formerly received by the adult
 17 education providers in that prosperity region in 2013-2014 and 67%
 18 of the allocation shall be based upon the factors in subdivisions
 19 (a), (b), and (c). **HOWEVER, IF THE ALLOCATION TO AN INTERMEDIATE**
 20 **DISTRICT AS CALCULATED UNDER THE PRECEDING SENTENCE IS LESS THAN**
 21 **THE AMOUNT RECEIVED BY THE INTERMEDIATE DISTRICT UNDER THIS**
 22 **SUBSECTION FOR 2017-2018, THE INTERMEDIATE DISTRICT SHALL INSTEAD**
 23 **RECEIVE IN 2018-2019 AN AMOUNT EQUAL TO WHAT THE INTERMEDIATE**
 24 **DISTRICT RECEIVED IN 2017-2018.** Beginning in 2019-2020, ~~100% of the~~
 25 allocation provided to each intermediate district serving as a
 26 fiscal agent shall be ~~based on the factors in subdivisions (a),~~
 27 ~~(b), and (c).~~ **EQUAL TO WHAT THE INTERMEDIATE DISTRICT RECEIVED IN**



1 **2018-2019.** The funding factors for this section are as follows:

2 (a) Sixty percent of this portion of the funding shall be
3 distributed based upon the proportion of the state population of
4 individuals between the ages of 18 and 24 that are not high school
5 graduates that resides in each of the prosperity regions or
6 subregions, as reported by the most recent 5-year estimates from
7 the American ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the
8 United States Census Bureau.

9 (b) Thirty-five percent of this portion of the funding shall
10 be distributed based upon the proportion of the state population of
11 individuals age 25 or older who are not high school graduates that
12 resides in each of the prosperity regions or subregions, as
13 reported by the most recent 5-year estimates from the American
14 ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the United States
15 Census Bureau.

16 (c) Five percent of this portion of the funding shall be
17 distributed based upon the proportion of the state population of
18 individuals age 18 or older who lack basic English language
19 proficiency that resides in each of the prosperity regions or
20 subregions, as reported by the most recent 5-year estimates from
21 the American ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the
22 United States Census Bureau.

23 (5) To be an eligible fiscal agent, an intermediate district
24 must agree to do the following in a form and manner determined by
25 the department:

26 (a) Distribute funds to adult education programs in a
27 prosperity region or subregion as described in this section.



1 (b) Collaborate with the ~~talent district~~ career **AND**
2 **EDUCATIONAL ADVISORY** council, which is an advisory council of the
3 workforce development boards located in the prosperity region or
4 subregion, or its successor, to develop a regional strategy that
5 aligns adult education programs and services into an efficient and
6 effective delivery system for adult education learners, with
7 special consideration for providing contextualized learning and
8 career pathways and addressing barriers to education and
9 employment.

10 (c) Collaborate with the ~~talent district~~ career **AND**
11 **EDUCATIONAL ADVISORY** council, which is an advisory council of the
12 workforce development boards located in the prosperity region or
13 subregion, or its successor, to create a local process and criteria
14 that will identify eligible adult education providers to receive
15 funds allocated under this section based on location, demand for
16 services, past performance, quality indicators as identified by the
17 department, and cost to provide instructional services. The fiscal
18 agent shall determine all local processes, criteria, and provider
19 determinations. However, the local processes, criteria, and
20 provider services must be approved by the department before funds
21 may be distributed to the fiscal agent.

22 (d) Provide oversight to its adult education providers
23 throughout the program year to ensure compliance with the
24 requirements of this section.

25 (e) Report adult education program and participant data and
26 information as prescribed by the department.

27 (6) An adult basic education program, an adult secondary



1 education program, or an adult English as a second language program
2 operated on a year-round or school year basis may be funded under
3 this section, subject to all of the following:

4 (a) The program enrolls adults who are determined by a
5 department-approved assessment, in a form and manner prescribed by
6 the department, to be below twelfth grade level in reading or
7 mathematics, or both, or to lack basic English proficiency.

8 (b) The program tests individuals for eligibility under
9 subdivision (a) before enrollment and upon completion of the
10 program in compliance with the state-approved assessment policy.

11 (c) A participant in an adult basic education program is
12 eligible for reimbursement until 1 of the following occurs:

13 (i) The participant's reading and mathematics proficiency are
14 assessed at or above the ninth grade level.

15 (ii) The participant fails to show progress on 2 successive
16 assessments after having completed at least 450 hours of
17 instruction.

18 (d) A participant in an adult secondary education program is
19 eligible for reimbursement until 1 of the following occurs:

20 (i) The participant's reading and mathematics proficiency are
21 assessed above the twelfth grade level.

22 (ii) The participant fails to show progress on 2 successive
23 assessments after having at least 450 hours of instruction.

24 (e) A funding recipient enrolling a participant in an English
25 as a second language program is eligible for funding according to
26 subsection (9) until the participant meets 1 of the following:

27 (i) The participant is assessed as having attained basic

1 English proficiency as determined by a department-approved
2 assessment.

3 (ii) The participant fails to show progress on 2 successive
4 department-approved assessments after having completed at least 450
5 hours of instruction. The department shall provide information to a
6 funding recipient regarding appropriate assessment instruments for
7 this program.

8 (7) A high school equivalency test preparation program
9 operated on a year-round or school year basis may be funded under
10 this section, subject to all of the following:

11 (a) The program enrolls adults who do not have a high school
12 diploma or a high school equivalency certificate.

13 (b) The program shall administer a pre-test approved by the
14 department before enrolling an individual to determine the
15 individual's literacy levels, shall administer a high school
16 equivalency practice test to determine the individual's potential
17 for success on the high school equivalency test, and shall
18 administer a post-test upon completion of the program in compliance
19 with the state-approved assessment policy.

20 (c) A funding recipient shall receive funding according to
21 subsection (9) for a participant, and a participant may be enrolled
22 in the program until 1 of the following occurs:

23 (i) The participant achieves a high school equivalency
24 certificate.

25 (ii) The participant fails to show progress on 2 successive
26 department-approved assessments used to determine readiness to take
27 a high school equivalency test after having completed at least 450

1 hours of instruction.

2 (8) A high school completion program operated on a year-round
3 or school year basis may be funded under this section, subject to
4 all of the following:

5 (a) The program enrolls adults who do not have a high school
6 diploma.

7 (b) The program tests participants described in subdivision
8 (a) before enrollment and upon completion of the program in
9 compliance with the state-approved assessment policy.

10 (c) A funding recipient shall receive funding according to
11 subsection (9) for a participant in a course offered under this
12 subsection until 1 of the following occurs:

13 (i) The participant passes the course and earns a high school
14 diploma.

15 (ii) The participant fails to earn credit in 2 successive
16 semesters or terms in which the participant is enrolled after
17 having completed at least 900 hours of instruction.

18 (9) A funding recipient shall receive payments under this
19 section in accordance with all of the following:

20 (a) Statewide allocation criteria, including 3-year average
21 enrollments, census data, and local needs.

22 (b) Participant completion of the adult basic education
23 objectives by achieving an educational gain as determined by the
24 national reporting system levels; for achieving basic English
25 proficiency, as determined by the department; for achieving a high
26 school equivalency certificate or passage of 1 or more individual
27 high school equivalency tests; for attainment of a high school



1 diploma or passage of a course required for a participant to attain
2 a high school diploma; for enrollment in a postsecondary
3 institution, or for entry into or retention of employment, as
4 applicable.

5 (c) Participant completion of core indicators as identified in
6 the innovation and opportunity act.

7 (d) Allowable expenditures.

8 (10) A person who is not eligible to be a participant funded
9 under this section may receive adult education services upon the
10 payment of tuition. In addition, a person who is not eligible to be
11 served in a program under this section due to the program
12 limitations specified in subsection (6), (7), or (8) may continue
13 to receive adult education services in that program upon the
14 payment of tuition. The tuition level shall be determined by the
15 local or intermediate district conducting the program.

16 (11) An individual who is an inmate in a state correctional
17 facility shall not be counted as a participant under this section.

18 (12) A funding recipient shall not commingle money received
19 under this section or from another source for adult education
20 purposes with any other funds and shall establish a separate ledger
21 account for funds received under this section. This subsection does
22 not prohibit a district from using general funds of the district to
23 support an adult education or community education program.

24 (13) A funding recipient receiving funds under this section
25 may establish a sliding scale of tuition rates based upon a
26 participant's family income. A funding recipient may charge a
27 participant tuition to receive adult education services under this

1 section from that sliding scale of tuition rates on a uniform
2 basis. The amount of tuition charged per participant shall not
3 exceed the actual operating cost per participant minus any funds
4 received under this section per participant. A funding recipient
5 may not charge a participant tuition under this section if the
6 participant's income is at or below 200% of the federal poverty
7 guidelines published by the United States Department of Health and
8 Human Services.

9 (14) In order to receive funds under this section, a funding
10 recipient shall furnish to the department, in a form and manner
11 determined by the department, all information needed to administer
12 this program and meet federal reporting requirements; shall allow
13 the department or the department's designee to review all records
14 related to the program for which it receives funds; and shall
15 reimburse the state for all disallowances found in the review, as
16 determined by the department. In addition, a funding recipient
17 shall agree to pay to a career and technical education program
18 under section 61a the amount of funding received under this section
19 in the proportion of career and technical education coursework used
20 to satisfy adult basic education programming, as billed to the
21 funding recipient by programs operating under section 61a. **IN**

22 **ADDITION TO THE FUNDING ALLOCATED UNDER SUBSECTION (1), THERE IS**
23 **ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 TO REIMBURSE FUNDING**
24 **RECIPIENTS FOR ADMINISTRATIVE AND INSTRUCTIONAL EXPENSES ASSOCIATED**
25 **WITH COMMINGLING PROGRAMMING UNDER THIS SECTION AND SECTION 61A.**
26 **PAYMENTS MADE TO EACH FUNDING RECIPIENT SHALL BE IN THE SAME**
27 **PROPORTION AS FUNDING CALCULATED AND ALLOCATED UNDER SUBSECTION**



1 (4) .

2 ~~—— (15) From the amount appropriated in subsection (1), an amount~~
3 ~~not to exceed \$500,000.00 shall be allocated for 2017-2018 to not~~
4 ~~more than 1 pilot program that is located in a prosperity region~~
5 ~~with 2 or more subregions and that connects adult education~~
6 ~~participants directly with employers by linking adult education,~~
7 ~~career and technical skills, and workforce development. To be~~
8 ~~eligible for funding under this subsection, a pilot program shall~~
9 ~~provide a collaboration linking adult education programs within the~~
10 ~~county, the area career/technical center, and local employers, and~~
11 ~~shall meet the additional criteria in subsections (16) and (17).~~
12 ~~Funding under this subsection for 2017-2018 is for the third of 3~~
13 ~~years of funding.~~

14 ~~—— (16) A pilot program funded under subsection (15) shall~~
15 ~~require adult education staff to work with Michigan works! agency~~
16 ~~to identify a cohort of participants who are most prepared to~~
17 ~~successfully enter the workforce. Participants identified under~~
18 ~~this subsection shall be dually enrolled in adult education~~
19 ~~programming and at least 1 technical course at the area~~
20 ~~career/technical center.~~

21 ~~—— (17) A pilot program funded under subsection (15) shall have~~
22 ~~on staff an adult education navigator who will serve as a~~
23 ~~caseworker for each participant identified under subsection (16).~~
24 ~~The navigator shall work with adult education staff and potential~~
25 ~~employers to design an educational program best suited to the~~
26 ~~personal and employment needs of the participant, and shall work~~
27 ~~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~~ **\$4,000,000.00** shall be allocated for ~~2017-2018~~ **2018-2019** for grants to ~~not more than 5 pilot~~ **ADULT EDUCATION OR CAREER TECHNICAL CENTER** programs ~~that are additional to the pilot program funded under subsection (15) to~~ **THAT** connect adult education participants with employers as provided under this subsection. The grant to each ~~eligible pilot~~ program shall be up to ~~\$400,000.00.~~ **\$350,000.00. TO BE ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PROGRAM MUST PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE COUNTY, THE AREA CAREER TECHNICAL CENTER, AND LOCAL EMPLOYERS.** 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).~~

(A) SHALL CONNECT ADULT EDUCATION PARTICIPANTS DIRECTLY WITH EMPLOYERS BY LINKING ADULT EDUCATION, CAREER AND TECHNICAL SKILLS, AND WORKFORCE DEVELOPMENT.

(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 ACCESS.

(16) A PROGRAM THAT WAS A PILOT PROGRAM IN 2017-2018 AND THAT WAS FUNDED UNDER THIS SECTION IN 2017-2018 SHALL BE FUNDED IN 2018-2019 UNLESS THE PROGRAM CEASES OPERATION. THE INTERMEDIATE DISTRICT



1 IN WHICH THAT PILOT PROGRAM WAS FUNDED SHALL BE THE FISCAL AGENT
 2 FOR THAT PROGRAM AND SHALL APPLY FOR THAT PROGRAM'S FUNDING UNDER
 3 SUBSECTION (15).

4 (17) EACH PROGRAM FUNDED UNDER SUBSECTION (15) WILL RECEIVE
 5 FUNDING FOR 3 YEARS. AFTER 3 YEARS OF OPERATIONS AND FUNDING, A
 6 PROGRAM MUST REAPPLY FOR FUNDING.

7 (18) ~~(20)~~ Not later than December 1, 2018, ~~2019~~, a ~~pilot~~
 8 program funded under subsection ~~(19)~~ (15) shall provide a report to
 9 the senate and house appropriations subcommittees on school aid, to
 10 the senate and house fiscal agencies, and to the state budget
 11 director identifying the number of participants, graduation rates,
 12 and a measure of transition to employment.

13 (19) ~~(21)~~ The department shall approve at least 3 high school
 14 equivalency tests and determine whether a high school equivalency
 15 certificate meets the requisite standards for high school
 16 equivalency in this state.

17 (20) ~~(22)~~ As used in this section:

18 (A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN
 19 ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED
 20 IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,
 21 AND PARENT REPRESENTATIVES.

22 (B) ~~(a)~~ "Career pathway" means a combination of rigorous and
 23 high-quality education, training, and other services that comply
 24 with all of the following:

25 (i) Aligns with the skill needs of industries in the economy
 26 of this state or in the regional economy involved.

27 (ii) Prepares an individual to be successful in any of a full



1 range of secondary or postsecondary education options, including
2 apprenticeships registered under the act of August 16, 1937
3 (commonly known as the "national apprenticeship act"), 29 USC 50 et
4 seq.

5 (iii) Includes counseling to support an individual in
6 achieving the individual's education and career goals.

7 (iv) Includes, as appropriate, education offered concurrently
8 with and in the same context as workforce preparation activities
9 and training for a specific occupation or occupational cluster.

10 (v) Organizes education, training, and other services to meet
11 the particular needs of an individual in a manner that accelerates
12 the educational and career advancement of the individual to the
13 extent practicable.

14 (vi) Enables an individual to attain a secondary school
15 diploma or its recognized equivalent, and at least 1 recognized
16 postsecondary credential.

17 (vii) Helps an individual enter or advance within a specific
18 occupation or occupational cluster.

19 (C) ~~(b)~~ "Department" means the department of talent and
20 economic development.

21 (D) ~~(e)~~ "Eligible adult education provider" means a district,
22 intermediate district, a consortium of districts, a consortium of
23 intermediate districts, or a consortium of districts and
24 intermediate districts that is identified as part of the local
25 process described in subsection (5)(c) and approved by the
26 department.

27 Sec. 147. (1) The allocation for ~~2017-2018~~ **2018-2019** for the

1 public school employees' retirement system pursuant to the public
2 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
3 to 38.1437, shall be made using the individual projected benefit
4 entry age normal cost method of valuation and risk assumptions
5 adopted by the public school employees retirement board and the
6 department of technology, management, and budget.

7 (2) The annual level percentage of payroll contribution rates
8 for the ~~2017-2018~~ **2018-2019** fiscal year, as determined by the
9 retirement system, are estimated as follows:

10 (a) For public school employees who first worked for a public
11 school reporting unit before July 1, 2010 and who are enrolled in
12 the health premium subsidy, the annual level percentage of payroll
13 contribution rate is estimated at ~~36.88%~~ **38.39%**, with ~~25.56%~~
14 **26.18%** paid directly by the employer.

15 (b) For public school employees who first worked for a public
16 school reporting unit on or after July 1, 2010 and who are enrolled
17 in the health premium subsidy, the annual level percentage of
18 payroll contribution rate is estimated at ~~35.60%~~ **36.60%**, with
19 ~~24.28%~~ **24.39%** paid directly by the employer.

20 (c) For public school employees who first worked for a public
21 school reporting unit on or after July 1, 2010 and who participate
22 in the personal healthcare fund, the annual level percentage of
23 payroll contribution rate is estimated at ~~35.35%~~ **36.24%**, with
24 24.03% paid directly by the employer.

25 (d) For public school employees who first worked for a public
26 school reporting unit on or after September 4, 2012, who elect
27 defined contribution, and who participate in the personal



healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~32.28%~~, **33.17%**, with 20.96% paid directly by the employer.

(e) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~32.53%~~, **33.53%**, with ~~21.21%~~ **21.32%** paid directly by the employer.

(f) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~32.28%~~, **33.17%**, with 20.96% paid directly by the 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

1 to the Tier 2 plan, as determined by the public school employees
2 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

3 (4) The contribution rates in subsection (2) reflect an
4 amortization period of ~~21-20~~ years for ~~2017-2018-2018-2019~~. The
5 public school employees' retirement system board shall notify each
6 district and intermediate district by February 28 of each fiscal
7 year of the estimated contribution rate for the next fiscal year.

8 Sec. 147a. (1) From the appropriation in section 11, there is
9 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
10 \$100,000,000.00 for payments to participating districts. A
11 participating district that receives money under this subsection
12 shall use that money solely for the purpose of offsetting a portion
13 of the retirement contributions owed by the district for the fiscal
14 year in which it is received. The amount allocated to each
15 participating district under this subsection shall be based on each
16 participating district's percentage of the total statewide payroll
17 for all participating districts for the immediately preceding
18 fiscal year. As used in this subsection, "participating district"
19 means a district that is a reporting unit of the Michigan public
20 school employees' retirement system under the public school
21 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
22 38.1437, and that reports employees to the Michigan public school
23 employees' retirement system for the applicable fiscal year.

24 (2) In addition to the allocation under subsection (1), from
25 the state school aid fund money appropriated under section 11,
26 there is allocated an amount not to exceed ~~\$48,940,000.00 for 2017-~~
27 ~~2018-\$88,091,000.00 FOR 2018-2019~~ for payments to participating



1 districts and intermediate districts and from the general fund
2 money appropriated under section 11, there is allocated an amount
3 not to exceed ~~\$29,000.00 for 2017-2018~~ **\$48,000.00 FOR 2018-2019** for
4 payments to participating district libraries. The amount allocated
5 to each participating entity under this subsection shall be based
6 on each participating entity's percentage of the total statewide
7 payroll for that type of participating entity for the immediately
8 preceding fiscal year. A participating entity that receives money
9 under this subsection shall use that money solely for the purpose
10 of offsetting a portion of the normal cost contribution rate. As
11 used in this subsection:

12 (a) "District library" means a district library established
13 under the district library establishment act, 1989 PA 24, MCL
14 397.171 to 397.196.

15 (b) "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 Sec. 147b. (1) The MPSERS retirement obligation reform reserve
23 fund is created as a separate account within the state school aid
24 fund.

25 (2) The state treasurer may receive money or other assets from
26 any source for deposit into the MPSERS retirement obligation reform
27 reserve fund. The state treasurer shall direct the investment of



1 the MPERS retirement obligation reform reserve fund. The state
2 treasurer shall credit to the MPERS retirement obligation reform
3 reserve fund interest and earnings from the MPERS retirement
4 obligation reform reserve fund.

5 (3) Money available in the MPERS retirement obligation reform
6 reserve fund shall not be expended without a specific
7 appropriation.

8 (4) Money in the MPERS retirement obligation reform reserve
9 fund at the close of the fiscal year shall remain in the MPERS
10 retirement obligation reform reserve fund and shall not lapse to
11 the state school aid fund or to the general fund. The department of
12 treasury shall be the administrator of the MPERS retirement
13 obligation reform reserve fund for auditing purposes.

14 ~~—— (5) If the contributions described in section 43e of the~~
15 ~~public school employees retirement act of 1979, 1980 PA 300, MCL~~
16 ~~38.1343e, as that section was added by 2010 PA 75, are determined~~
17 ~~by a final order of a court of competent jurisdiction for which all~~
18 ~~rights of appeal have been exhausted to be constitutional and if~~
19 ~~the order for preliminary injunction in case no. 10-45-MM issued on~~
20 ~~July 13, 2010 is lifted, the money placed in a separate interest~~
21 ~~bearing account as a result of implementing the preliminary~~
22 ~~injunction shall be deposited into the MPERS retirement obligation~~
23 ~~reform reserve fund created in this section to be used solely for~~
24 ~~health care unfunded accrued liabilities.~~

25 ~~—— (6) For the fiscal year ending September 30, 2018,~~
26 ~~\$55,000,000.00 from the state school aid fund shall be deposited~~
27 ~~into the MPERS 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.



1 (c) The amount allocated to each participating entity under
2 this subsection shall be based on each participating entity's
3 proportion of the total covered payroll for the immediately
4 preceding fiscal year for the same type of participating entities.
5 A participating entity that receives funds under this subsection
6 shall use the funds solely for the purpose of retirement
7 contributions as specified in subdivision (d).

8 (d) Each participating entity receiving funds under this
9 subsection shall forward an amount equal to the amount allocated
10 under subdivision (c) to the retirement system in a form, manner,
11 and time frame determined by the retirement system.

12 (e) Funds allocated under this subsection should be considered
13 when comparing a district's growth in total state aid funding from
14 1 fiscal year to the next.

15 (f) Not later than December 20, ~~2017~~, **2018**, the department
16 shall publish and post on its website an estimated MPERS rate cap
17 per pupil for each district.

18 (g) It is the intent of the legislature that any funds
19 allocated under this subsection are first applied to pension
20 contributions, and if any funds remain after that payment, those
21 remaining funds shall be applied to other postemployment benefit
22 contributions.

23 (h) As used in this subsection:

24 (i) "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 (ii) "MPERS rate cap per pupil" means an amount equal to the



1 quotient of the district's payment under this subsection divided by
2 the district's pupils in membership.

3 (iii) "Participating entity" means a district, intermediate
4 district, or district library that is a reporting unit of the
5 Michigan public school employees' retirement system under the
6 public school employees retirement act of 1979, 1980 PA 300, MCL
7 38.1301 to 38.1437, and that reports employees to the Michigan
8 public school employees' retirement system for the applicable
9 fiscal year.

10 (iv) "Retirement board" means the board that administers the
11 retirement system under the public school employees retirement act
12 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

13 (v) "Retirement system" means the Michigan public school
14 employees' retirement system under the public school employees
15 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

16 ~~———— (2) In addition to the funds allocated under subsection (1),~~
17 ~~from the appropriation in section 11, there is allocated for 2017-~~
18 ~~2018 only an amount not to exceed \$200,000,000.00 for payments to~~
19 ~~participating entities. Notwithstanding section 17b, payments to~~
20 ~~eligible participating entities under this subsection shall be paid~~
21 ~~in 1 installment no later than October 20, 2017. Payments under~~
22 ~~this subsection shall be made as follows:~~

23 ~~———— (a) The amount allocated to each participating entity under~~
24 ~~this subsection shall be based on each participating entity's~~
25 ~~proportion of the total covered payroll for the fiscal year ending~~
26 ~~September 30, 2016. A participating entity that receives funds~~
27 ~~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.~~

~~—— (d) As used in this subsection:~~

~~—— (i) "Participating entity" means a district, intermediate district, community college, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.~~

~~—— (ii) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

Sec. 147e. (1) From the appropriation in section 11, there is



1 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
 2 ~~\$23,100,000.00~~ **\$31,900,000.00** from the MPSERS retirement obligation
 3 reform reserve fund **AND \$5,700,000.00 FROM THE STATE SCHOOL AID**
 4 **FUND** for payments to participating entities.

5 (2) The payment to each participating entity under this
 6 section shall be the sum of the amounts under this subsection as
 7 follows:

8 (a) An amount equal to the contributions made by a
 9 participating entity for the additional contribution made to a
 10 qualified participant's Tier 2 account in an amount equal to the
 11 contribution made by the qualified participant not to exceed 3% of
 12 the qualified participant's compensation as provided for under
 13 section 131(6) of the public school employees retirement act of
 14 1979, 1980 PA 300, MCL 38.1431. ~~, if that act is amended by either~~
 15 ~~Senate Bill No. 401 or House Bill No. 4647 of the 99th Legislature.~~

16 (b) Beginning October 1, 2017, an amount equal to the
 17 contributions made by a participating entity for a qualified
 18 participant who is only a Tier 2 qualified participant under
 19 section 81d of the public school employees retirement act of 1979,
 20 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
 21 February 1, 2018, not to exceed 1%, of the qualified participant's
 22 compensation. ~~, if that act is amended by either Senate Bill No.~~
 23 ~~401 or House Bill No. 4647 of the 99th Legislature.~~

24 (c) An amount equal to the increase in employer normal cost
 25 contributions under section 41b(2) of the public school employees
 26 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
 27 that was hired after February 1, 2018 and chose to participate in



1 Tier 1, compared to the employer normal cost contribution for a
 2 member under section 41b(1) of the public school employees
 3 retirement act of 1979, 1980 PA 300, MCL 38.1341b. ~~, if section 41b~~
 4 ~~of the public school employees retirement act of 1979, 1980 PA 300,~~
 5 ~~MCL 38.1341b, is amended by either Senate Bill No. 401 or House~~
 6 ~~Bill No. 4647 of the 99th Legislature.~~

7 (3) As used in this section:

8 (a) "Member" means that term as defined under the public
 9 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
 10 to 38.1437.

11 (b) "Participating entity" means a district, intermediate
 12 district, or community college that is a reporting unit of the
 13 Michigan public school employees' retirement system under the
 14 public school employees retirement act of 1979, 1980 PA 300, MCL
 15 38.1301 to 38.1437, and that reports employees to the Michigan
 16 public school employees' retirement system for the applicable
 17 fiscal year.

18 (c) "Qualified participant" means that term as defined under
 19 section 124 of the public school employees retirement act of 1979,
 20 1980 PA 300, MCL 38.1424.

21 Sec. 152a. (1) As required by the court in the consolidated
 22 cases known as Adair v State of Michigan, **Adair v State of**
 23 **Michigan**, 486 Mich 468 (2010), from the state school aid fund money
 24 appropriated in section 11 there is allocated for ~~2017-2018-2018-~~
 25 **2019** an amount not to exceed \$38,000,500.00 to be used solely for
 26 the purpose of paying necessary costs related to the state-mandated
 27 collection, maintenance, and reporting of data to this state.



1 (2) From the allocation in subsection (1), the department
2 shall make payments to districts and intermediate districts in an
3 equal amount per-pupil based on the total number of pupils in
4 membership in each district and intermediate district. The
5 department shall not make any adjustment to these payments after
6 the final installment payment under section 17b is made.

7 Sec. 152b. (1) From the general fund money appropriated under
8 section 11, there is allocated an amount not to exceed
9 \$2,500,000.00 ~~for each fiscal year for 2016-2017 and for 2017-2018~~
10 **AND AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2018-2019** to reimburse
11 actual costs incurred by nonpublic schools in complying with a
12 health, safety, or welfare requirement mandated by a law or
13 administrative rule of this state.

14 (2) By January 1 of each applicable fiscal year, the
15 department shall publish a form for reporting actual costs incurred
16 by a nonpublic school in complying with a health, safety, or
17 welfare requirement mandated under state law containing each
18 health, safety, or welfare requirement mandated by a law or
19 administrative rule of this state applicable to a nonpublic school
20 and with a reference to each relevant provision of law or
21 administrative rule for the requirement. The form shall be posted
22 on the department's website in electronic form.

23 (3) By June 30 of each applicable fiscal year, a nonpublic
24 school seeking reimbursement for actual costs incurred in complying
25 with a health, safety, or welfare requirement under a law or
26 administrative rule of this state during each applicable school
27 year shall submit a completed form described in subsection (2) to



1 the department. This section does not require a nonpublic school to
2 submit a form described in subsection (2). A nonpublic school is
3 not eligible for reimbursement under this section if the nonpublic
4 school does not submit the form described in subsection (2) in a
5 timely manner.

6 (4) By August 15 of each applicable fiscal year, the
7 department shall distribute funds to each nonpublic school that
8 submits a completed form described under subsection (2) in a timely
9 manner. The superintendent shall determine the amount of funds to
10 be paid to each nonpublic school in an amount that does not exceed
11 the nonpublic school's actual costs in complying with a health,
12 safety, or welfare requirement under a law or administrative rule
13 of this state. The superintendent shall calculate a nonpublic
14 school's actual cost in accordance with this section.

15 (5) If the funds allocated under this section are insufficient
16 to fully fund payments as otherwise calculated under this section,
17 the department shall distribute funds under this section on a
18 prorated or other equitable basis as determined by the
19 superintendent.

20 (6) The department may review the records of a nonpublic
21 school submitting a form described in subsection (2) only for the
22 limited purpose of verifying the nonpublic school's compliance with
23 this section. If a nonpublic school does not allow the department
24 to review records under this subsection, the nonpublic school is
25 not eligible for reimbursement under this section.

26 (7) The funds appropriated under this section are for purposes
27 related to education, are considered to be incidental to the



1 operation of a nonpublic school, are noninstructional in character,
2 and are intended for the public purpose of ensuring the health,
3 safety, and welfare of the children in nonpublic schools and to
4 reimburse nonpublic schools for costs described in this section.

5 (8) Funds allocated under this section are not intended to aid
6 or maintain any nonpublic school, support the attendance of any
7 student at a nonpublic school, employ any person at a nonpublic
8 school, support the attendance of any student at any location where
9 instruction is offered to a nonpublic school student, or support
10 the employment of any person at any location where instruction is
11 offered to a nonpublic school student.

12 (9) For purposes of this section, "actual cost" means the
13 hourly wage for the employee or employees performing a task or
14 tasks required to comply with a health, safety, or welfare
15 requirement under a law or administrative rule of this state
16 identified by the department under subsection (2) and is to be
17 calculated in accordance with the form published by the department
18 under subsection (2), which shall include a detailed itemization of
19 costs. The nonpublic school shall not charge more than the hourly
20 wage of its lowest-paid employee capable of performing a specific
21 task regardless of whether that individual is available and
22 regardless of who actually performs a specific task. Labor costs
23 under this subsection shall be estimated and charged in increments
24 of 15 minutes or more, with all partial time increments rounded
25 down. When calculating costs under subsection (4), fee components
26 shall be itemized in a manner that expresses both the hourly wage
27 and the number of hours charged. The nonpublic school may not



1 charge any applicable labor charge amount to cover or partially
2 cover the cost of health or fringe benefits. A nonpublic school
3 shall not charge any overtime wages in the calculation of labor
4 costs.

5 (10) For the purposes of this section, the actual cost
6 incurred by a nonpublic school for taking daily student attendance
7 shall be considered an actual cost in complying with a health,
8 safety, or welfare requirement under a law or administrative rule
9 of this state. Training fees, inspection fees, and criminal
10 background check fees are considered actual costs in complying with
11 a health, safety, or welfare requirement under a law or
12 administrative rule of this state.

13 (11) The funds allocated under this section for ~~2016-2017~~
14 **2017-2018** are a work project appropriation, and any unexpended
15 funds for ~~2016-2017-2017-2018~~ are carried forward into ~~2017-2018-~~
16 **2018-2019**. The purpose of the work project is to continue to
17 reimburse nonpublic schools for actual costs incurred in complying
18 with a health, safety, or welfare requirement mandated by a law or
19 administrative rule of this state. The estimated completion date of
20 the work project is September 30, ~~2019-2020~~.

21 **(12) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2018-2019 ARE**
22 **A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2018-**
23 **2019 ARE CARRIED FORWARD INTO 2019-2020. THE PURPOSE OF THE WORK**
24 **PROJECT IS TO CONTINUE TO REIMBURSE NONPUBLIC SCHOOLS FOR ACTUAL**
25 **COSTS INCURRED IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE**
26 **REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE RULE OF THIS STATE.**
27 **THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,**

1 2020.

2 Sec. 163. (1) Except as provided in the revised school code,
3 the board of a district or intermediate district shall not permit
4 any of the following:

5 (a) ~~A noncertificated educator~~ **AN INDIVIDUAL WHO DOES NOT HOLD**
6 **A VALID CERTIFICATE OR WHO IS NOT WORKING UNDER A VALID SUBSTITUTE**
7 **PERMIT, AUTHORIZATION, OR APPROVAL ISSUED UNDER RULES PROMULGATED**
8 **BY THE DEPARTMENT** to teach in an elementary or secondary school. ~~or~~
9 ~~in an adult basic education or high school completion program.~~

10 (b) ~~A noncertificated educator~~ **AN INDIVIDUAL WHO DOES NOT**
11 **SATISFY THE REQUIREMENTS OF SECTION 1233 OF THE REVISED SCHOOL**
12 **CODE, MCL 380.1233, AND RULES PROMULGATED BY THE DEPARTMENT** to
13 provide ~~counseling~~ **SCHOOL COUNSELOR** services to pupils in an
14 elementary or secondary school. ~~or in an adult basic education or~~
15 ~~high school completion program.~~

16 (c) ~~A noncertificated educator to administer~~ **AN INDIVIDUAL WHO**
17 **DOES NOT SATISFY THE REQUIREMENTS OF SECTION 1246 OF THE REVISED**
18 **SCHOOL CODE, MCL 380.1246, OR WHO IS NOT WORKING UNDER A VALID**
19 **SUBSTITUTE PERMIT ISSUED UNDER RULES PROMULGATED BY THE DEPARTMENT,**
20 **TO BE EMPLOYED AS A SUPERINTENDENT, PRINCIPAL, OR ASSISTANT**
21 **PRINCIPAL, OR AS AN INDIVIDUAL WHOSE PRIMARY RESPONSIBILITY IS TO**
22 **ADMINISTER** instructional programs in an elementary or secondary
23 school, or in ~~an adult basic education or high school completion~~
24 ~~program, unless that educator is fulfilling applicable continuing~~
25 ~~education requirements.~~ **A DISTRICT OR INTERMEDIATE DISTRICT.**

26 (2) Except as provided in the revised school code, a district
27 or intermediate district employing ~~educators not legally~~



1 ~~certificated or licensed~~ **INDIVIDUALS IN VIOLATION OF THIS SECTION**
 2 shall have deducted the sum equal to the amount paid the ~~educators~~
 3 **INDIVIDUALS** for the period of ~~noncertificated, unlicensed, or~~
 4 ~~illegal~~ employment. Each intermediate superintendent shall notify
 5 the department of the name of the ~~noncertificated or unlicensed~~
 6 ~~educator,~~ **INDIVIDUAL EMPLOYED IN VIOLATION OF THIS SECTION,** and the
 7 district employing that individual and the amount of salary the
 8 ~~noncertificated or unlicensed educator~~ **INDIVIDUAL** was paid within a
 9 constituent district.

10 (3) If a school official is notified by the department that he
 11 or she is employing a ~~nonapproved, noncertificated, or unlicensed~~
 12 ~~educator~~ **AN INDIVIDUAL** in violation of this section and knowingly
 13 continues to employ that ~~educator,~~ **INDIVIDUAL,** the school official
 14 is guilty of a misdemeanor ~~—~~ punishable by a fine of \$1,500.00 for
 15 each incidence. This penalty is in addition to all other financial
 16 penalties otherwise specified in this article.

17 Sec. 164h. (1) Beginning October 1, 2017, a district or
 18 intermediate district shall not enter into a collective bargaining
 19 agreement that does any of the following:

20 (a) Establishes racial or religious preferences for employees.

21 (b) Automatically deducts union dues from employee
 22 compensation.

23 (c) Is in conflict with any state or federal law regarding
 24 district or intermediate district transparency.

25 (d) Includes a method of compensation that does not comply
 26 with section 1250 of the revised school code, MCL 380.1250. **THIS**

27 **SUBDIVISION SHALL NOT BE CONSTRUED TO AFFECT THE OPERATION OF**



1 SECTION 15(3) (O) OF 1947 PA 336, MCL 423.215, THE OPERATION OF
 2 SECTION 1231 OF THE REVISED SCHOOL CODE, MCL 380.1231, OR THE
 3 REQUIREMENT TO CONFER IN GOOD FAITH WITH RESPECT TO WAGES UNDER
 4 SECTION 15(1) OF 1947 PA 336, MCL 423.215.

5 (2) A district or intermediate district that enters into a
 6 collective bargaining agreement in violation of subsection (1)
 7 shall forfeit an amount equal to 5% of the funds due to the
 8 district or intermediate district under this article.

9 Sec. 166b. (1) This act does not prohibit a parent or legal
 10 guardian of a minor who is enrolled in any of grades kindergarten
 11 to 12 in a nonpublic school or who is being home-schooled from also
 12 enrolling the minor in a district, public school academy, or
 13 intermediate district in any curricular offering that is provided
 14 by the district, public school academy, or intermediate district at
 15 a public school site and is available to pupils in the minor's
 16 grade level or age group, subject to compliance with the same
 17 requirements that apply to a full-time pupil's participation in the
 18 offering. However, state school aid shall be provided under this
 19 act for a minor enrolled as described in this subsection only for **A**
 20 ~~curricular offerings that are~~ **OFFERING THAT IS RESTRICTED TO**
 21 **NONESSENTIAL ELECTIVE COURSES AND IS** available to full-time pupils
 22 in the minor's grade level or age group. **FOR THE PURPOSES OF THIS**
 23 **SUBSECTION, A CURRICULAR OFFERING INCLUDES OPTIONAL EXPERIENCES**
 24 **ASSOCIATED WITH THE CURRICULAR OFFERING.**

25 (2) This act does not prohibit a parent or legal guardian of a
 26 minor who is enrolled in any of grades kindergarten to 12 in a
 27 nonpublic school or who resides within ~~the~~ **A** district and is being

1 home-schooled from also enrolling the minor in the district in a
 2 **ANY NONESSENTIAL ELECTIVE** curricular offering being provided by the
 3 district at the ~~A~~ nonpublic school site ~~. However, state~~ **OR THAT IS**
 4 **PROVIDED BY THE DISTRICT, A PUBLIC SCHOOL ACADEMY, OR AN**
 5 **INTERMEDIATE DISTRICT AT A PUBLIC SCHOOL SITE, AND THAT IS**
 6 **AVAILABLE TO PUPILS IN THE MINOR'S GRADE LEVEL OR AGE GROUP,**
 7 **SUBJECT TO COMPLIANCE WITH THE SAME REQUIREMENTS THAT APPLY TO A**
 8 **FULL-TIME PUPIL'S PARTICIPATION IN THE OFFERING. FOR THE PURPOSES**
 9 **OF THIS SUBSECTION, A CURRICULAR OFFERING INCLUDES OPTIONAL**
 10 **EXPERIENCES ASSOCIATED WITH THE CURRICULAR OFFERING. STATE** school
 11 aid shall be provided under this act for a minor enrolled as
 12 described in this subsection only if all of the following apply:

13 (a) Either of the following:

14 (i) The nonpublic school site is located, or the nonpublic
 15 students are educated, within the geographic boundaries of the
 16 district.

17 (ii) If the nonpublic school has submitted a written request
 18 to the district in which the nonpublic school is located for the
 19 district to provide certain instruction under this subsection for a
 20 school year and the district does not agree to provide some or all
 21 of that instruction by May 1 immediately preceding that school year
 22 or, if the request is submitted after March 1 immediately preceding
 23 that school year, within 60 days after the nonpublic school submits
 24 the request, the instruction is instead provided by an eligible
 25 other district. This subparagraph does not require a nonpublic
 26 school to submit more than 1 request to the district in which the
 27 nonpublic school is located for that district to provide

1 instruction under this subsection, and does not require a nonpublic
2 school to submit an additional request to the district in which the
3 nonpublic school is located for that district to provide additional
4 instruction under this subsection beyond the instruction requested
5 in the original request, before having the instruction provided by
6 an eligible other district. A public school academy that is located
7 in the district in which the nonpublic school is located or in an
8 eligible other district also may provide instruction under this
9 subparagraph under the same conditions as an eligible other
10 district. As used in this subparagraph, "eligible other district"
11 means a district that is located in the same intermediate district
12 as the district in which the nonpublic school is located or is
13 located in an intermediate district that is contiguous to that
14 intermediate district.

15 (b) The nonpublic school is registered with the department as
16 a nonpublic school and meets all state reporting requirements for
17 nonpublic schools.

18 (c) The instruction is provided directly by a certified
19 teacher ~~at~~ **OF** the district, ~~or~~ public school academy, or ~~at~~ **an**
20 intermediate district.

21 (d) The curricular offering is also available to full-time
22 pupils in the minor's grade level or age group in the district or
23 public school academy at a public school site.

24 (e) The curricular offering is restricted to nonessential
25 elective courses for pupils in grades kindergarten to 12.

26 **(F) THE DISTRICT ENSURES THAT ALL INDIVIDUALS THAT HAVE**
27 **CONTACT WITH PUPILS AS PART OF A COURSE PROVIDED TO PUPILS ENROLLED**



1 IN THE DISTRICT UNDER SECTION 166B AND COUNTED IN MEMBERSHIP UNDER
2 SECTION 6 HAVE NOT BEEN CONVICTED OF SEXUAL MISCONDUCT.

3 (G) THE DISTRICT ENSURES THAT AN INDIVIDUAL WHO PROVIDES
4 DIRECT OR INDIRECT CURRICULAR OFFERINGS TO PUPILS AS PART OF AN
5 OPTIONAL OR REQUIRED COURSE PROVIDED TO PUPILS ENROLLED IN THE
6 DISTRICT UNDER SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION
7 6, OR WHO HAS UNSUPERVISED CONTACT WITH PUPILS AS PART OF SUCH A
8 COURSE, IS SUBJECT TO THE REQUIREMENTS UNDER SECTIONS 1230, 1230A,
9 1230B, 1230C, 1230D, 1230E, AND 1230G OF THE REVISED SCHOOL CODE,
10 MCL 380.1230, 380.1230A, 380.1230B, 380.1230C, 380.1230D,
11 380.1230E, AND 380.1230G, AS IF THE INDIVIDUAL IS OFFERED FULL-TIME
12 OR PART-TIME EMPLOYMENT IN THE DISTRICT, IS AN EMPLOYEE OF THE
13 DISTRICT, OR IS ASSIGNED TO REGULARLY AND CONTINUOUSLY WORK UNDER
14 CONTRACT IN ANY OF ITS SCHOOLS, AS APPLICABLE.

15 (H) THE DISTRICT ENSURES THAT EACH OPTIONAL EXPERIENCE
16 ASSOCIATED WITH A COURSE PROVIDED TO PUPILS ENROLLED IN THE
17 DISTRICT UNDER SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION
18 6 IS OFFERED ON A SCHEDULE THAT ENSURES THAT THE EXPERIENCE IS
19 AVAILABLE TO THE MAJORITY OF FULL-TIME PUPILS IN MEMBERSHIP IN THE
20 DISTRICT IN THE SAME GRADE LEVEL OR AGE GROUP AS PUPILS
21 PARTICIPATING IN THE COURSE AND ENROLLED IN THE DISTRICT UNDER
22 SECTION 166B.

23 (I) THE DISTRICT PROVIDES THE DEPARTMENT INFORMATION NECESSARY
24 TO QUANTIFY ALL OF THE FOLLOWING, IN A FORM AND MANNER PRESCRIBED
25 BY THE DEPARTMENT IN CONJUNCTION WITH THE CENTER:

26 (i) A COMPLETE LISTING OF ALL COURSES PROVIDED TO PUPILS
27 COUNTED IN MEMBERSHIP IN THE DISTRICT.



1 (ii) COURSE ENROLLMENTS BY EACH PARTICIPANT USING LOCAL CODING
2 AND THE SCHOOL CODES FOR THE EXCHANGE OF DATA (SCED) .

3 (iii) IDENTIFICATION OF EACH COURSE TEACHER OR MENTOR.

4 (3) A nonessential course in grades 1 to 8 is a course other
5 than a mathematics, science, social studies, and English language
6 arts course required by the district for grade progression.
7 Nonessential courses in grades 9 to 12 are those other than algebra
8 1, algebra 2, English 9-12, geometry, biology, chemistry, physics,
9 economics, geography, American history, world history, the
10 Constitution, government, and civics, or courses that fulfill the
11 same credit requirement as these courses. Nonessential elective
12 courses include courses offered by the local district for high
13 school credit that are also capable of generating postsecondary
14 credit, including, at least, advanced placement and international
15 baccalaureate courses. College level courses taken by high school
16 students for college credit are nonessential courses. Remedial
17 courses for any grade in the above-listed essential courses are
18 considered essential. Kindergarten is considered nonessential.

19 (4) Subject to section 6(4)(ii), a minor enrolled as described
20 in this section is a part-time pupil for purposes of state school
21 aid under this act.

22 (5) A district that receives a written request to provide
23 instruction under subsection (2) shall reply to the request in
24 writing by May 1 immediately preceding the applicable school year
25 or, if the request is made after March 1 immediately preceding that
26 school year, within 60 days after the nonpublic school submits the
27 request. The written reply shall specify whether the district



1 agrees to provide or does not agree to provide the instruction for
2 each portion of instruction included in the request.

3 **SEC. 167B. (1) NOT LATER THAN AUGUST 1, 2018, AND NOT LATER**
4 **THAN AUGUST 1 OF EACH SUBSEQUENT YEAR, A DISTRICT OR INTERMEDIATE**
5 **DISTRICT THAT OPERATES A SCHOOL VIOLENCE TIP LINE SHALL REPORT TO**
6 **THE ATTORNEY GENERAL ON THE OPERATION OF THE TIP LINE. THE**
7 **INFORMATION REPORTED MUST INCLUDE AT LEAST ALL OF THE FOLLOWING,**
8 **FOR THE PURPOSES OF STUDYING BEST PRACTICES:**

9 **(A) WHETHER THE TIP LINE OPERATES 24 HOURS A DAY.**

10 **(B) WHETHER THE TIP LINE IS CONNECTED TO LOCAL LAW**
11 **ENFORCEMENT.**

12 **(C) THE TYPE AND DURATION OF TRAINING FOR PERSONNEL WHO**
13 **OPERATE THE TIP LINE.**

14 **(2) A DISTRICT OR INTERMEDIATE DISTRICT SHALL ANNUALLY**
15 **DESIGNATE AT LEAST 1, BUT NO MORE THAN 2, EMPLOYEES AS THE SCHOOL**
16 **OFFICIALS WHO WILL RECEIVE INFORMATION UNDER SECTION 3(4) OF THE**
17 **STUDENT SAFETY ACT, 2013 PA 183, MCL 752.913, AND SHALL PROVIDE THE**
18 **ATTORNEY GENERAL WITH THE CONTACT INFORMATION FOR THE DESIGNATED**
19 **SCHOOL OFFICIALS THAT ALLOWS THE DESIGNATED SCHOOL OFFICIALS TO**
20 **RECEIVE INFORMATION 24 HOURS A DAY, 365 DAYS A YEAR.**

21 Sec. 169a. (1) A board member, official, or employee of a
22 district or intermediate district shall ~~not interfere with the~~
23 ~~right or ability of~~ **PROVIDE ANY INFORMATION RECEIVED FROM** the
24 Michigan schools for the deaf and blind ~~to provide information~~
25 about ~~the~~ **ITS** residential program ~~among~~ **TO** parents and guardians of
26 pupils ~~or~~ **WHO ARE DEAF, DEAF-BLIND, OR HARD OF HEARING AND TO ANY**
27 residents of the district or intermediate district **WHO REQUEST THE**



1 **INFORMATION.**

2 (2) Upon determining that a pupil is deaf or hard of hearing,
3 a district or intermediate district shall provide to the pupil's
4 parent or legal guardian information, provided by the Michigan
5 coalition for deaf and hard of hearing persons, on educational
6 placement options for deaf and hard of hearing children.

7 (3) Upon determining that a pupil is blind, a district or
8 intermediate district shall provide to the pupil's parent or legal
9 guardian information, provided by the Michigan federation for the
10 blind, on educational placement options for blind children.

11 **(4) A DISTRICT OR INTERMEDIATE DISTRICT THAT VIOLATES THIS**
12 **SECTION SHALL FORFEIT AN AMOUNT EQUAL TO 5% OF THE FUNDS DUE TO THE**
13 **DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE.**

14 Enacting section 1. In accordance with section 30 of article
15 IX of the state constitution of 1963, total state spending from
16 state sources on state school aid under article I of the state
17 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
18 amended by 2017 PA 143 and this amendatory act for fiscal year
19 2017-2018 is estimated at \$12,855,927,300.00 and state
20 appropriations for school aid to be paid to local units of
21 government for fiscal year 2017-2018 are estimated at
22 \$12,668,769,700.00. In accordance with section 30 of article IX of
23 the state constitution of 1963, total state spending on school aid
24 under article I of the state school aid act of 1979, 1979 PA 94,
25 MCL 388.1601 to 388.1772, as amended by this amendatory act from
26 state sources for fiscal year 2018-2019 is estimated at
27 \$13,040,725,300.00 and state appropriations for school aid to be



1 paid to local units of government for fiscal year 2018-2019 are
2 estimated at \$12,847,081,000.00.

3 Enacting section 2. Sections 21j, 22g, 35, 61e, 67a, 99k, 99r,
4 and 104e of the state school aid act of 1979, 1979 PA 94, MCL
5 388.1621j, 388.1622g, 388.1635, 388.1667a, 388.1699k, 388.1699r,
6 and 388.1704e, are repealed effective October 1, 2018.

7 Enacting section 3. (1) Except as otherwise provided in
8 subsection (2), this amendatory act takes effect October 1, 2018.

9 (2) Sections 11, 11m, 21f, 22a, 22b, 22g, 24, 25f, 26a, 26c,
10 31d, 31m, 51a, 51c, 56, 61b, 61e, 62, 94, 99h, 104, 104e, 152b, and
11 167b of the state school aid act of 1979, 1979 PA 94, MCL 388.1611,
12 388.1611m, 388.1621f, 388.1622a, 388.1622b, 388.1622g, 388.1624,
13 388.1625f, 388.1626a, 388.1626c, 388.1631d, 388.1631m, 388.1651a,
14 388.1651c, 388.1656, 388.1661b, 388.1661e, 388.1662, 388.1694,
15 388.1699h, 388.1704, 388.1704e, 388.1752b, and 388.1767b, as
16 amended by this amendatory act, take effect upon enactment of this
17 amendatory act.