



**SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS**

**Fiscal Year 2015-16  
Executive Recommendation**

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| SECTION                                    | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|--|--|---------------|----------------|------------|
| <p>Sec. 6 Pupil Membership Definitions</p> | <p>(4) Defines pupil membership and calculates a district's pupil membership blend equal to 90% of pupils counted on October count day plus 10% of pupils counted on following February count day.</p> <p>(4)(f) (ii) Provides an exception for when a pupil may exceed the age of 20 and still be counted in membership if they meet all the following:<br/>(A) is enrolled in a PSA or alt. education high school focused primarily on educating homeless pupils.<br/>(B) has dropped out for more than 1 year.<br/>(C) Is less than 22 years old.</p> <p>(6) Allows a district to count a pupil in membership without approval of resident district under certain conditions.</p> | <p>(4) Clarifies that pupil participation means "as defined in the pupil accounting manual".</p> <p>(4)(f)(ii) Revises to add a fourth qualifier:<br/>(D) the pupil is considered homeless under the federal McKinney Homeless Assistance Act.</p> <p>(4)(ee) Adds that a pupil enrolled in an online course under Sec. 21f shall be counted in membership in its resident district, referred to under Sec. 21f as primary district.</p> <p>(6)(p) Strikes provision that allows a pupil in an online course in Sec. 21f to be counted in a district other than its district of residence.</p> |               |                |            |

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| Sec. 8b<br>Public School<br>Academy<br>District Codes | Assigns PSAs district codes beginning with the county code and either a 7 or a 9 in the third digit.   | Revises to require the department to assign a cyber school authorized by a district, ISD, or college with a district code beginning with the county code for the county in which the authorizer is located.                 |               |                |            |
| Sec. 11<br>Total<br>Appropriations                    | <b>FY 2014-15<br/>Gross Appropriation:</b><br>\$13,686,960,100<br><br><b>School Aid Fund (SAF):</b><br>\$11,827,097,400<br><br><b>MPSERS Reserve Fund:</b><br>\$18,000,000<br><br><b>General Fund (GF/GP):</b><br>\$33,700,000<br><br><b>Federal Funds:</b><br>\$1,808,162,700 | <b>FY 2015-16<br/>Gross Appropriation:</b><br>\$13,958,963,900<br><br><b>School Aid Fund (SAF):</b><br>\$12,137,294,700<br><br><b>General Fund (GF/GP):</b><br>\$45,900,000<br><br><b>Federal Funds:</b><br>\$1,775,769,200 |               |                |            |
| Sec. 11g<br>Durant<br>Bonding<br>Payment              | Appropriates \$39,500,000 in FY 2014-15 to districts for "Durant" court case mandated bond payments.   | Repeals this section, as FY 2014-15 was the last year for court mandated payments.  |               |                |            |
| Sec. 11j<br>School Bond<br>Redemption<br>Fund         | Appropriates \$126,000,000 for debt service in FY 2014-15 for the school bond loan program.  | Increases the appropriation to \$143,000,000 for FY 2015-16 to recognize the increasing cost of required debt service payments.   |               |                |            |
| Sec. 11m<br>Cash-Flow<br>Borrowing                    | Appropriates \$3,000,000 in FY 2014-15 to pay for costs associated with cash-flow borrowing related to the SAF.  | Appropriates \$4,000,000 for FY 2015-16 to recognize anticipated interest rates.  |               |                |            |

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| Sec. 11r<br>Distressed<br>Districts<br>Emergency<br>Grant Fund               | <p>Appropriates \$4,000,000 for FY 2014-15 into a school aid fund subaccount, the Distressed Districts Emergency Grant Fund.</p> <p>(3) Provides that eligible districts include those that voluntarily dissolve or receiving districts for pupils from a dissolved district.</p> <p>(4) Excludes the 2013 dissolutions in Buena Vista and Inkster.</p> <p>(5) Allows Treasury in consultation with State Superintendent to determine grant amounts.</p> | <p>Appropriates \$75,000,000 for FY 2015-16 into the fund, but renames it Distressed Districts Rehabilitation Fund. Adds that funds are intended to support the rehabilitation of districts experiencing severe academic and financial stress in order to mitigate the impact on student learning.</p> <p>(3) Deletes this subsection.</p> <p>(4) Deletes this subsection.</p> <p>(5) Deletes this subsection.</p> |               |                |            |
| Sec. 18<br>Spending,<br>Financial<br>Reporting,<br>and Audit<br>Requirements | <p>Specifies allowable uses of funds and requires yearly financial and pupil audits. Also requires budget transparency information on district and intermediate district websites.</p> <p>(4) and (5) Requires that districts and ISDs provide all of their audited financial information by November 15, 2014 for reporting 2013-2014 data and by October 15 for 2014-2015 and successive years.</p>  | <p>(2) Revises to require a district or ISD to adopt an annual budget that complies with the Uniform Budgeting and Accounting Act.</p> <p>(4) and (5) Revises to maintain the November 15 deadline for reporting 2014-2015 data and to move to November 1 for 2015-2016 data and successive years.</p>   |               |                |            |

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| Sec. 18<br>Spending,<br>Financial<br>Reporting,<br>and Audit<br>Requirements<br>(cont.) | (10) Requires MDE to withhold next state aid payment if district does not comply with subsections (4)(5)(6) or (7). Prohibits withholding of October 20 payment, to reflect the change to an October 15 deadline.  | (10) Deletes mention of October 20 payment to reflect moving the October 15 deadline back to November 1.<br><br>(11) Adds that MDE may withhold up to 10% of state aid if a district or ISD does not comply with (2).  |               |                |            |
| Sec. 20<br>Foundation<br>Allowance<br>Calculation                                       | Basic foundation allowance for FY 2014-15 is \$8,099 and the Minimum foundation is \$7,126.<br><br>(6) Provides that the allocation for a PSA is the lesser of either the foundation allowance of the district the PSA is located in or the state maximum PSA allocation.<br><br>(14)(j) The state maximum PSA allocation is equal to \$7,168. | Increases Basic foundation by \$75 to \$8,174 for FY 2015-16.<br><br>Increases the Minimum foundation by \$75 to bring it to \$7,326 for FY 2015-16 (after rolling the FY 2014-15 Sec. 22c equity payment into the base).<br><br>(6) Adds that the allocation for a PSA that is a cyber school authorized by a school district is the lesser of the foundation allowance of the district that authorized the cyber school or the state maximum PSA allocation.<br><br>(14)(j) With the \$75 across-the-board increase and after rolling in the FY 2014-15 equity payment the PSA maximum for FY 2015-16 would be equal to \$7,326, which is equal to the minimum foundation. |               |                |            |

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| Sec. 20f<br>Hold<br>Harmless<br>Grants                   | Appropriates \$6,000,000 for FY 2014-15 for grants to districts so that no district received less than a \$5 increase in FY 2013-14 compared to FY 2012-13 when adding together the increases in the foundation allowances, equity payments and MPSEERS offset reductions.  | Maintains appropriation of \$6,000,000 for FY 2015-16.   |               |                |            |
| Sec. 20g<br>Dissolved<br>District<br>Transition<br>Grant | Appropriates \$2,200,000 for FY 2014-15 for grants to districts that received portions of the dissolved districts of Buena Vista and Inkster.   | Maintains appropriation of \$2,200,000 for FY 2015-16.   |               |                |            |
| Sec. 21f<br>Online<br>Courses                            | (1) Allows pupils in grades 6 to 12 to enroll in online courses as provided below.<br><br>(2) Requires district to enroll a pupil in up to 2 online courses per term, with consent of parent or legal guardian. Allows pupils to take more than 2 online courses per term if demonstrated previous success and with school leadership and parental consent. | Revises to refer to a resident district as the "primary" district rather than "educating" district and refers to the district providing the online class as the "providing" district, to clarify, along with Sec. 6 revisions, that the primary district will count the pupil for pupil membership purposes.<br><br>(1) No Change<br><br>(2) No Change |               |                |            |

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| Sec. 21f<br>Online<br>Courses<br>(cont.) | <p>(3) Provides that the course must be in either the district's catalog of online courses or the statewide catalog of online courses maintained by Michigan Virtual University (MVU).</p> <p>(4) Allows online provider district to decide its capacity. If it has open capacity, a district must accept all nonresident, eligible students, and if the number of applicants exceeds capacity, requires use of a random draw to abide by nondiscrimination laws.</p> <p>(5) Allows educating district to prohibit enrollment in an online course under certain conditions.</p> <p>(6) Allows a pupil who is denied enrollment an appeal process.</p> <p>(7) Requires district, if offering an online course, to provide MVU with the course syllabus for inclusion in the statewide catalog and report to MVU number of enrollments and the number that earned 60% or more of total course points.</p> | <p>(3) No Change</p> <p>(4) Also adds that in addition to other districts a community college may also provide online classes.</p> <p>(5) No Change</p> <p>(6) No Change.</p> <p>(7) Adds that a providing district must assign to each pupil a teacher of record and provide the primary district with the personal identification code for the teacher of record.</p> |               |                |            |

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| Sec. 21f<br>Online<br>Courses<br>(cont.) | <p>(8) Requires districts to use foundation allowance to pay for student's enrollment in online course if in the district or statewide catalog. Requires district to pay 80% upon enrollment and 20% upon completion. Caps the amount a district must pay to no more than 8.33% of the Minimum foundation allowance.</p> | <p>(8) Adds that a community college providing an online course under this section must do all of the following:<br/>           (a) Provide MVU with the course syllabus for inclusion in the statewide catalog.<br/>           (b) Offer the course on an open entry and exit method or aligned to a semester, trimester, or accelerated academic term format.<br/>           (c) Offer online courses that can generate postsecondary credit.<br/>           (d) Provide MVU with the number of enrollments in each course and the number of enrollments in which the pupil earned 60% or more of the total course points.<br/>           (e) Online courses require an instructor employed by or contracted through the community college.</p> <p>(9) Adds that a primary district must assign to each pupil a mentor to monitor the pupil's progress during the online course and supply the providing district with the mentor's contact information.</p> <p><del>(8)</del> (10) Strikes the 80%/20% payment provision.</p> <p>Revises the cap from 8.33% of the minimum foundation allowance (equal to \$610) to 6.66% of the minimum foundation allowance (equal to \$488).</p> |               |                |            |

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| Sec. 21f<br>Online<br>Courses<br>(cont.) | (13) Definitions                   | <p><del>(13)</del> (15) Revises as follows:</p> <p>(a) Adds that “mentor” means a professional employee of the primary district who monitors pupil’s progress, ensures the pupil has access to technology, is available for assistance, and ensures access to teacher of record. On-site mentor may serve as teacher of record if they meet the requirements.</p> <p><del>(a)</del> (b) Revises definition of “online course”, such that the requirement that the teacher hold a valid Michigan teaching certificate applies only to courses provided by a district or ISD, (excluding the addition of community colleges).</p> <p>(f) Adds that “providing district” means the district, ISD, or community college that the primary district pays to provide the online course.</p> <p>(g) Adds that “teacher of record” means a Michigan certified teacher who, where applicable, is endorsed in content area and grade. Teacher of record is responsible for providing instruction, determining instructional methods, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.</p> |               |                |            |



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| Sec. 22a<br>Proposal A<br>Obligation<br>Payment (The<br>Constitutionally<br>required<br>part of the<br>foundation) | FY 2014-15 appropriation of<br>\$5,380,000,000.  | FY 2015-16 appropriation is<br>reduced to \$5,277,000,000<br>to reflect consensus cost<br>estimates.   |               |                |            |
| Sec. 22b<br>Discretionary<br>Payment<br>(The<br>discretionary<br>portion of the<br>foundation<br>allowance.)       | FY 2014-15 appropriation of<br>\$3,434,000,000.  | FY 2015-16 appropriation<br>increased to \$3,662,000,000<br>to reflect cost estimates and<br>the foundation allowance<br>increases proposed under<br>Sec. 20.                            |               |                |            |
| Sec. 22c<br>Equity<br>Payment  | Appropriates \$103,000,000 for<br>FY 2014-15 for an equity<br>payment of up to \$125 per<br>pupil to districts with a<br>foundation less than \$7,251.   | Section is repealed because<br>the equity payment is rolled<br>into the foundation in Sec.<br>20. The costs are rolled into<br>Sec. 22b.   |               |                |            |
| Sec. 22d<br>Supplemental<br>funding to<br>Small,<br>Isolated<br>Districts  | Appropriates \$2,584,600 for<br>FY 2014-15, as follows:<br><br>(2) \$957,300 to small,<br>geographically isolated<br>districts.<br><br>(4) \$1,627,300 to districts<br>with 5.0 or fewer pupils per<br>square mile and a square<br>mileage greater than 200. | Maintains appropriation at<br>\$2,584,600 for FY 2015-16.<br><br>(2) Maintains \$957,300.<br><br>(4) Maintains \$1,627,300.  |               |                |            |
| Sec. 22f<br>Best Practices<br>Incentives   | Appropriates \$75,000,000<br>for FY 2014-15.<br><br>(2) Provides \$50 per pupil for<br>districts that meet 7 out of 9<br>criteria by June 1, 2015:   | Reduces appropriation to<br>\$30,000,000 for FY 2015-16.<br><br>(2) Provides \$20 per pupil<br>for districts that meet the<br>following new best practices<br>criteria by June 1, 2016 : |               |                |            |

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| Sec. 22f<br>Best Practices<br>Incentives<br>(cont.) | <p>(a) Act as policyholder for health care services benefits.</p> <p>(b) Competitively bid at least one non-instructional service.</p> <p>(c) Participate in Schools of Choice under Section 105 and Section 105c.</p> <p>(d) Provide online learning opportunities and publish syllabi for online courses.</p> <p>(e) Provide a dashboard of both academic and school finance data.</p> <p>(f) Comply with a method of compensation for teachers and administrators that includes job performance as a significant factor in determining compensation as required under section 1250 of the Revised School Code, MCL 380.1250.</p> <p>(g) Has collective bargaining agreements that do not contain provisions that are prohibited subjects of bargaining as defined in the Public Employment Relations Act.</p> <p>(h) Implement a comprehensive guidance and counseling program.</p> <p>(i) Offer equivalent of 1 credit of foreign language in grades K – 8.</p> | <p>(a) 2 out of 3 of the following criteria:</p> <p><del>(e)</del> (i) Provide a dashboard of both academic and school finance data.</p> <p>(ii) If general fund balance less than or equal to 5% of operating expenditures, board members receive department-approved training.</p> <p>(iii) General fund balance greater than 5% of its operating expenditures.</p> <p>(b) 2 out of 3 following academic criteria:</p> <p>(i) Administers department-approved kindergarten entry assessment.</p> <p>(ii) Administers department-approved diagnostic tools to monitor early literacy skills in grades K to 3 and supports professional development to identify students who need additional support and to offer research-based interventions.</p> <p>(iii) Assesses effectiveness of college and career advising programs by reviewing student-to-counselor ratios, time dedicated to college and career readiness counseling, and amount of professional development offered to advisors.</p> |               |                |            |

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| Sec. 22g<br>Consolidation<br>Innovation<br>Grants                      | Appropriates \$2,000,000 for FY 2014-15 for competitive assistance grants to reimburse districts and ISDs for transition costs associated with the consolidation of two or more districts or ISDs or for consolidation of operations, services, or technology between districts, ISDs, or other local units of government.  | Maintains appropriation at \$2,000,000 for FY 2015-16.   |               |                |            |
| Sec. 22i<br>Technology<br>Readiness<br>Infrastructure<br>Grants (TRIG) | (1) Appropriates \$41,500,000 for grants to districts or ISDs on behalf of their constituent districts for the development or improvement of a districts' technology infrastructure, shared technology/data service consolidation, and hardware in preparation for the planned implementation of online assessments in FY 2014-15.<br><br>(2) Competitive grants up to \$2,000,000 for each district. | Reduces appropriation to \$25,000,000 for FY 2015-16.<br><br>Revises purpose to the statewide development or improvement of districts' technology hard infrastructure, shared technology/data service consolidation, data systems that use evidence-based literacy diagnostic tools to inform teachers of K-3 pupils, and for the coordination and strategic purchasing of hardware and software necessary for the delivery online assessments.<br><br>(2) No Change<br><br>(4) Adds the following definitions:<br>(a) Hard infrastructure means technology hardware necessary to move to an online learning and testing environment, including but not limited to fiber, servers, wireless computing networks, and necessary peripherals. |               |                |            |

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| Sec. 22i<br>Technology<br>Readiness<br>Infrastructure<br>Grants (TRIG)<br>(cont.) |   | (b) Shared services consolidation of technology and data means projects that support the move to a collaborative multiple organizational approach to managing hardware, software, peripherals, and data integration and display of information to parents, teachers, administrators, and the state. |               |                |            |
| Sec. 22j<br>District<br>Performance<br>Grants                                     | Appropriates \$51,500,000 for FY 2014-15 for district performance grants of up to \$100 per pupil, including \$30 each for improving proficiency in mathematics and reading for grades 3 to 8 and \$40 per pupil for improving proficiency for high school assessments. | Eliminates funding and repeals this section.  |               |                |            |
| Sec. 24<br>Court-Placed<br>Pupils   | Appropriates \$8,000,000 in FY 2014-15 to reimburse districts for added costs of educating court-placed pupils in a local juvenile detention facility institution.  | Maintains appropriation of \$8,000,000 for FY 2015-16.  |               |                |            |
| Sec. 24a<br>Educating<br>Pupils in DHS<br>Facilities                              | Appropriates \$2,195,500 for FY 2014-15 for payments to ISDs for pupils who are placed in Department of Human Services (DHS) juvenile justice facilities.   | Reduces the appropriation to \$2,189,800 for FY 2015-16 to reflect net cost reduction of economic adjustments.  |               |                |            |
| Sec. 24c<br>Youth<br>Challenge<br>Program   | Appropriates \$1,500,000 in FY 2014-15 for the Youth Challenge Program. Payment goes through Marshall Public Schools to the Department of Military and Veterans' Affairs for the program.   | Reduces the appropriation to \$1,497,400 for FY 2015-16 to reflect net cost reduction of economic adjustments.  |               |                |            |

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| Sec. 25e<br>Revised Pupil<br>Transfer<br>Process          | <p>If a pupil transfers from another district after the count day, allows the newly enrolling district to report the enrollment through the pupil transfer application up until the February count day. Transfer must be submitted within 30 days of the transfer or the pupil membership count certification date, whichever is later.</p> <p>(6) Requires CEPI to report to the Legislature data including the number of transactions and the net change in pupil memberships related to the implementation of this section.</p> | <p>No Change</p> <p>(6) Deletes this subsection.</p>                                  |               |                |            |
| Sec. 25f<br>Strict<br>Discipline<br>Academy<br>Membership | <p>Appropriates \$2,000,000 for FY 2014-15 for payments to strict discipline academies for pupil transfers that occur after the February pupil membership count date or for payments to dropout recovery programs with special pupil membership count provisions under Sec. 23a.</p>   | <p>Reduces appropriation to \$1,000,000 for FY 2015-16.</p>                           |               |                |            |
| Sec. 26a<br>Renaissance<br>Zone<br>Reimburse-<br>ment     | <p>Appropriates \$26,300,000 SAF for FY 2014-15 to reimburse districts and ISDs for lost local revenue due to renaissance zones.</p>   | <p>Maintains appropriation of \$26,300,000 for FY 2015-16 for districts and ISDs.</p> |               |                |            |

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| Sec. 26b<br>PILT<br>Reimburse-<br>ment   | Appropriates \$4,210,000 for FY 2014-15 to reimburse districts, intermediate districts, and community colleges for payment in lieu of taxes (PILT) obligations per PA 513 of 2004.  | Maintains appropriation of \$4,210,000 for FY 2015-16 to fully fund reimbursements.  |               |                |            |
| Sec. 26c<br>Promise<br>Zones   | Appropriates \$293,100 for FY 2014-15 to districts and ISDs with an approved promise zone development plan for the purposes of Promise Zone Authorities.  | Increases appropriation to \$610,000 for FY 2015-16 based on current cost estimates.   |               |                |            |
| Sec. 31a<br>At-Risk<br>Funding/<br>Adolescent<br>Health<br>Centers/<br>Hearing and<br>Vision<br>Screenings | <p>(1) Appropriates \$317,695,500 in FY 2014-15 to districts for the purposes of ensuring pupils are proficient in reading by end of 3<sup>rd</sup> grade and that high school graduates are career and college ready.</p> <p>In addition, PA 476 of 2014 (SB 80) appropriates another \$40,000,000 for FY 2014-15 if HJR UU, the constitutional amendment to increase the sales tax increase, is approved.</p> <p>At-Risk program funding equals \$308,988,200. (Total appropriation minus funds earmarked under (6) and (7) for other purposes.)<br/>If HJR UU is approved, At-Risk program funding will equal \$348,988,200.</p> <p>(2) Prohibits districts whose combined state and local revenues per pupil exceeds the Basic foundation, \$8,099.</p> | <p>(1) Increases appropriation to \$417,695,500 for FY 2015-16.</p> <p>At-Risk program funding increased to \$408,988,200. (Total appropriation minus funds earmarked under (6) and (7) for other purposes.)</p> <p>(2) No Change.</p> |               |                |            |

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| Sec. 31a<br>At-Risk<br>Funding/<br>Adolescent<br>Health<br>Centers/<br>Hearing and<br>Vision<br>Screenings<br>(cont.) | <p>(3) Allocates funding for At-risk based on 11.5% of each district's foundation allowance times the number of pupils qualifying for free breakfast, lunch, or milk in the preceding fiscal year.</p> <p>(4) Requires funding to be used for instructional programs and direct noninstructional services including but not limited to medical, mental health, or counseling services, and in districts with at least 50% free lunch for school security, or as described under (5) for providing breakfast, (6) for health centers, (7) for hearing and vision screenings, and (10) for schoolwide reform in schools with 40% of pupils identified as at-risk. Prohibits using funds for administration.</p> <p>(6) Allocates \$3,557,300 for school-based health centers.</p> <p>(7) Allocates \$5,150,000 from total for hearing and vision screenings.</p> <p>(13) Defines "at-risk pupil" (for providing services, not funding eligibility):<br/>           (a) victim of abuse or neglect.<br/>           (b) pregnant teen or teen parent.<br/>           (c) Pupil with family history of school failure, incarceration, or substance abuse.<br/>           (d) Pupil failed to achieve proficiency on Michigan Merit Exam.</p> | <p>(3) No Change.</p> <p>(4) No Change.</p> <p>(6) Maintains \$3,557,300 for school-based health centers.</p> <p>(7) Maintains \$5,150,000 for hearing and vision screenings.</p> <p>(13) Revises as follows:<br/> <del>(a)</del> Strikes this subdivision.<br/> <del>(b)</del> Strikes this subdivision.<br/> <del>(c)</del> Strikes this subdivision.<br/>           (d) Revises to Grade 11 state summative assessment.</p> |               |                |            |

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|---|---|--|---------------|----------------|------------|
| Sec. 31a<br>At-Risk<br>Funding/<br>Adolescent<br>Health<br>Centers/<br>Hearing and<br>Vision<br>Screenings<br>(cont.) | <p>(e) K-3 pupil at risk of not meeting academic objectives in ELA and Math.</p> <p>(f) Pupil enrolled in a priority or priority-successor school.</p> <p>(g) Pupil failed to achieve proficiency on 2 or more state assessments.</p> <p>(h) Pupil failed to receive satisfactory scores on local assessments for grades not assessed by the state.</p> <p>(e) In absence of local assessment data, pupil meets at least 2 of following:</p> <p>(i) Eligible for free breakfast, lunch, or milk.</p> <p>(ii) Absent more than 10% of enrolled days or more than 10 days during school year.</p> <p>(iii) Homeless.</p> <p>(iv) Migrant.</p> <p>(v) English language learner.</p> <p>(vi) Immigrant</p> <p>(vii) Did not complete high school in four years.</p> <p>(14) If at least 50% of at-risk pupils after 3 years are not reading at grade level by end of 3<sup>rd</sup> grade or are not demonstrating improvement on Michigan Merit Exam (MME), requires district to use a portion of funds for improving reading and improving scores on MME.</p> | <p>(14) Revises MME to the English Language Arts, Mathematics, and Science grade 11 state summative assessment.</p> <p>(17) Adds that MDE shall collaborate with DHS to prioritize assigning Pathways to Potential Success coaches to elementary schools with a high percentage of pupils in grades K to 3 not reading on grade level.</p> |               |                |            |



| SECTION  | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|---|---|---------------|----------------|------------|
| <p><b>NEW</b><br/>Sec. 31c<br/>Gang<br/>Prevention/<br/>Intervention</p> |   | <p>Appropriates \$1,000,000 for programs intended to improve public safety, reduce the number of youth in gang-related activity, and to increase graduation rates.</p> <p>(2) Grants to districts in partnerships with nonprofits, law enforcement, and other community resources to divert young adults from gang-related activity.</p> <p>(3) Grants may provide for the following activities:<br/> (a) Employment training and placement.<br/> (b) Counseling services.<br/> (c) Accessing community resources for continuing education, court advocacy, and health care.<br/> (d) Outreach programs to educate participants and families.</p> <p>(4) Each district shall partner with a university to collect data necessary to evaluate effectiveness of programs.</p> |               |                |            |
| <p>Sec. 31d<br/>School Lunch<br/>Program</p>                             | <p>Appropriates \$22,495,100 SAF for FY 2014-15 for the State share of school lunch programs as required by <i>Durant</i> settlement.</p> <p>Includes \$513,200,000 in Federal funding.</p> | <p>Maintains the SAF appropriation of \$22,495,100 for FY 2015-16.</p> <p>Maintains the Federal grant of \$513,200,000.</p>   |               |                |            |
| <p>Sec. 31f<br/>School<br/>Breakfast</p>                                 | <p>Appropriates \$5,625,000 for FY 2014-15 to reimburse districts for the cost of providing breakfast.</p>  | <p>Maintains the appropriation of \$5,625,000 for FY 2015-16.</p>   |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|---|---|---------------|----------------|------------|
| <p>Sec. 32d<br/>Great Start<br/>Readiness<br/>Program<br/>(GSRP)</p> | <p>Appropriates \$239,275,000 SAF for FY 2014-15 for GSRP preschool programs and \$300,000 GF/GP to continue a longitudinal study of the GSRP.</p> <p>Allocates \$25,000,000 of the total into reserve fund subject to Legislative transfer.</p> <p>(5)(b) Requires that at least 90% of participating children live in families with income less than 250% of federal poverty level. Allows an ISD to serve children in families with income up to 300% of the federal poverty level, if they have served all eligible children and have no children with a family income less than 250% of the federal poverty level on a waiting list.</p> <p>(9) Caps ISD administration expenses at 7% if providing direct services. If contracting, the ISD is capped at 2% and subrecipients at 5%.</p> <p>(11) Requires each provider to rank children based on income and enroll children in the lowest quintile first before moving to the next quintile until all children are served.</p> <p>They may serve children with family income more than 300% of poverty level if risk factors are considered subject to serving all kids eligible under (5)(b) first.</p> | <p>Maintains appropriation of \$239,275,000 SAF and maintains \$300,000 GF/GP for the longitudinal study for FY 2015-16.</p> <p>Deletes the reserve fund.</p> <p>No Change.</p> <p>No Change.</p> <p>No Change.</p> |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|---|---|---------------|----------------|------------|
| Sec. 32d<br>Great Start<br>Readiness<br>Program<br>(GSRP)<br>(cont.) | <p>(12) Requires that an ISD must allow a parent to pick a GSRP program offered by another ISD and pay for it.</p> <p>(13) Requires an ISD to contract with interested and eligible public and private for-profit and nonprofit community-based providers for at least 30% of its total allocated slots.</p> <p>(14) Requires MDE to reduce ISD slot allocation if the ISD fails to submit evidence demonstrating its effort to contract for 30% of its slots.</p> <p>(18) Requires ISDs to establish a tuition sliding scale for families with income greater than 250% of federal poverty level.</p> <p>(19) Establishes Great Start Readiness Reserve Fund for use in FY 2014-15 upon legislative transfer.</p> <p>(20) Allocates \$10,000,000 for transportation reimbursements equal to up to \$150 per half-day slot.</p> | <p>No Change.</p> <p>No Change.</p> <p>No Change.</p> <p>No change.</p> <p>Deletes this subsection.</p> <p>No Change.</p> |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|--|---|---------------|----------------|------------|
| Sec. 32p<br>Early<br>Childhood<br>Block Grants | <p>(1) Appropriates \$10,900,000 for FY 2014-15 for early childhood funding block grants to ISDs.</p> <p>(2) Requires each ISD or consortium to convene a local great start collaborative and parent coalition with goal of ensuring coordination and expansion of local early childhood infrastructure to achieve the following outcomes for children:</p> <p>(a) Born healthy.<br/> (b) Healthy, thriving, and developmentally on track from birth to 3<sup>rd</sup> grade.<br/> (c) Developmentally ready to succeed upon school entry.<br/> (d) Reading proficiently by end of 3<sup>rd</sup> grade.</p> <p>(3) Each collaborative and parent coalition shall make recommendations for services to ensure their local great start system supports physical, and social-emotional health, family supports and basic needs, parent education and child advocacy, and early education and care.</p> <p>(4) Requires report of activities provided and number of families and children served by Dec. 1, with results compiled by MDE to the Legislature by Feb. 15.</p> | <p>(1) Increases the appropriation to \$15,900,000 for FY 2015-16.</p> <p>(2) No Change.</p> <p>(3) No Change.</p> <p>(4) Adds \$5,000,000 to provide home visits to at-risk children and their families. The goals of the home visits are to improve school readiness, reduce the number of pupils retained in grade level, and reduce the number of pupils requiring special education services.</p> <p><del>(4)</del> (5) No Change.</p> |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|------------------------------------|---|---------------|----------------|------------|
| <b>NEW</b><br>Sec. 35<br>Early Literacy-<br>Implementation                     |                                    | Appropriates \$1,000,000 GF/GP for FY 2015-16 for implementing Sec. 35a through Sec. 35g, to ensure children are reading on grade level by end of 3 <sup>rd</sup> Grade.  |               |                |            |
| <b>NEW</b><br>Sec. 35a<br>Early<br>Literacy-<br>Parents<br>University<br>Pilot |                                    | <p>(1) Appropriates \$1,000,000 for FY 2015-16 for a pilot for parent education programs to ensure children 0-3 are developmentally ready to succeed in school.</p> <p>(2) Competitive grants to ISD consortia of \$120 per resident child under age 4 or \$130,000 whichever is less, to be distributed to the extent possible to each of 10 prosperity regions.</p> <p>(3) Programs provide a sliding fee scale for reduced or waived tuition for those unable to pay. Administrative funds capped at 5%.</p> <p>(4) Program must provide at least 2 hours per week throughout the school year.</p> <p>(6) Allocates up to \$100,000 to a performance evaluation.</p> |               |                |            |
| <b>NEW</b><br>Sec. 35b<br>Early<br>Literacy-<br>Professional<br>Development    |                                    | (1) Appropriates \$950,000 for FY 2015-16 for grants to districts for professional development for educators in a department-approved research-based training program related to state literacy standards for pupils in grades K-3.   |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|------------------------------------|---|---------------|----------------|------------|
| <b>NEW</b><br>Sec. 35b<br>Early<br>Literacy–<br>Professional<br>Development<br>(cont.) |                                    | (2) Requires MDE to collaborate with MVU to provide this training online to all educators of pupils in grades K-3.<br><br>(3) Unexpended funds are a work project and may be carried forward into FY 2016-17.   |               |                |            |
| <b>NEW</b><br>Sec. 35c<br>Early<br>Literacy–<br>Teacher<br>Certification<br>Test       |                                    | Appropriates \$500,000 GF/GP for FY 2015-16 for MDE for a certification test to ensure all newly certified elementary teachers have the skills to deliver evidence-based literacy instruction.  |               |                |            |
| <b>NEW</b><br>Sec. 35d<br>Early<br>Literacy–<br>Diagnostic<br>Tools                    |                                    | (1) Appropriates \$1,450,000 for FY 2015-16.<br><br>(2) Grants to districts to administer department-approved diagnostic tools to monitor the development of early literacy skills of pupils in grades K to 3 and to support professional development for educators in data interpretation for the purpose of implementing a system of support to improve 3 <sup>rd</sup> grade reading proficiency.<br><br>(3) Requires MDE to collaborate with MVU to provide this training online to all educators in grades K-3.<br><br>(4) Unexpended funds are a work project and may be carried forward into FY 2016-17. |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|------------------------------------|---|---------------|----------------|------------|
| <p><b>NEW</b><br/>Sec. 35e<br/>Early<br/>Literacy–<br/>Teacher<br/>Coaches</p> |                                    | <p>(1) Appropriates \$3,000,000 for FY 2015-16 for the purpose of providing early literacy coaches to assist teachers in developing and implementing instructional strategies for pupils in grades K to 3 to ensure pupils are reading on grade level by the end of 3<sup>rd</sup> grade.</p> <p>(2) Competitive grant with extra consideration to ISDs with the highest percentage of 4<sup>th</sup> grade pupils who are not proficient on the 4<sup>th</sup> grade state reading assessment.</p> <p>(3) Grants to consortia of ISDs that ensure that literacy coaches funded under this section are knowledgeable about the following:<br/> (a) Current state literacy standards for grades K to 3.<br/> (b) Implementing an instructional delivery model based on frequent use of formative and diagnostic tools known as multi-tiered system of support to determine individual progress for pupils in grades K to 3 so that pupils are reading on grade level by end of 3<sup>rd</sup> grade.</p> |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|---|------------------------------------|--|---------------|----------------|------------|
| <p><b>NEW</b><br/>Sec. 35f<br/>Early Literacy<br/>(3<sup>rd</sup> Grade<br/>Reading) –<br/>Added<br/>Instructional<br/>Time</p> |                                    | <p>(1) Appropriates \$10,000,000 for FY 2015-16 for districts that provide additional instructional time to pupils in grades K to 3 that have been identified using department-approved diagnostic tools as needing additional supports and interventions to be reading at grade level by the end of 3<sup>rd</sup> grade. Added time may be provided before, during, and after regular school hours or as part of a year-round balanced school calendar.</p> <p>(2) To be eligible, a district must demonstrate it has done the following:<br/> (a) Implemented a multi-tiered system of support instructional delivery model.<br/> (b) Used department-approved research-based diagnostic tools to identify individual pupils in need of added instructional time.<br/> (c) Provided teachers of pupils in grades K to 3 with research-based professional development in diagnostic data interpretation.</p> <p>(3) Funding allocated to districts in an amount equal to \$95.00 per 1<sup>st</sup> grade FTE.</p> <p>(4) If funds are insufficient, payments will be prorated on an equal per pupil amount for each 1<sup>st</sup> grade pupil.</p> |               |                |            |



| SECTION   | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| <b>NEW</b><br>Sec. 35g<br>Early Literacy<br>(3 <sup>rd</sup> Grade<br>Reading) –<br>Research<br>Clearinghouse |  | (1) Appropriates \$500,000 GF/GP for FY 2015-16 to MDE for a best practices clearinghouse. MDE shall collaborate with CEPI, universities, ISDs and districts to establish a clearinghouse that identifies, develops, and disseminates best practices from research-based models of education reform that districts can use to improve reading proficiency for pupils in grades K to 3.<br><br>(2) Unexpended funds are a work project and may be carried forward into FY 2016-17. |               |                |            |
| Sec. 39<br>GSRP Per<br>Pupil<br>Allocation<br>Formula   | Per pupil allocation for GSRP half-day slot is \$3,625.<br><br>Prescribes the application process, the determination of the number of children construed to be in need, and the funding allocation process.  | Deletes reference to reserve fund per Sec 32d changes.  |               |                |            |
| Sec. 39a<br>Federal Funds   | (1) Appropriates \$807,969,900 for FY 2014-15 in Federal No Child Left Behind (NCLB) funds including the following:<br><br>(a) \$8,000,000 in Drug-Free schools and Communities funds.<br>(b) \$111,111,900 in Improving Teacher Quality funds.<br>(c) \$12,200,000 in Language Acquisition funds. | (1) Decreases Federal grants to \$779,076,400 for NCLB funds for FY 2015-16.<br><br>(a) Decreases to \$5,000,000.<br>(b) No Change.<br>(c) No Change.   |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 39a<br>Federal Funds<br>(cont.)                | <p>(d) \$10,286,500 in Charter School funds.</p> <p>(e) \$2,393,500 in Rural and Low Income School funds.</p> <p>(f) \$591,500,000 in Title I, Disadvantaged Children funds.</p> <p>(g) \$8,878,000 in Migrant Education funds.</p> <p>(h) \$39,000,000 in 21<sup>st</sup> Century Community Learning Center funds.</p> <p>(i) \$24,600,000 in Title I, School Improvement Grants.</p> <p>(2) Appropriates \$31,300,000 in other Federal funds for education including the following:</p> <p>(a) \$200,000 in CDC-AIDS education grants.</p> <p>(b) \$2,600,000 in Homeless Children and Youth funds.</p> <p>(c) \$28,500,000 in Career and Technical Education funds.</p> | <p>(d) No Change.</p> <p>(e) Increases to \$3,000,000.</p> <p>(f) Decreases to \$565,000,000.</p> <p>(g) No Change.</p> <p>(h) No Change.</p> <p>(i) No Change.</p> <p>(2) Decreases to \$30,800,000 for other Federal funds for education for FY 2015-16.</p> <p>(a) No Change.</p> <p>(b) No Change.</p> <p>(c) Adds \$4,000,000 for mental health, substance abuse, or violence prevention services for students.</p> <p><del>(e)</del> (d) Decreases to \$24,000,000.</p> |               |                |            |
| Sec. 41<br>Bilingual<br>Education                   | Appropriates \$1,200,000 for FY 2014-15 for instruction to pupils with limited English-speaking ability.   | Maintains appropriation of \$1,200,000 for FY 2015-16.  |               |                |            |
| Sec. 43<br>Teacher<br>Certification<br>Tests Update | Appropriates \$1,800,000 GF/GP for FY 2014-15 to update teacher certification tests by September 30, 2016.   | <p>Maintains appropriation of \$1,800,000 for FY 2015-16.</p> <p>Clarifies that this funding is the second year of two years of funding.</p>  |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|---|--|---|---------------|----------------|------------|
| Sec. 51a<br>(1) Total<br>Special<br>Education<br>Funding      | (1) Appropriates a total of \$914,946,100 SAF and \$370,000,000 Federal funding for FY 2014-15.<br><br>Allocations of the total are below in Sec. 51a  | (1) Decreases to a total of \$934,546,100 SAF for FY 2015-16. Maintains federal funding levels at \$370,000,000 for FY 2015-16. |               |                |            |
| (2) Special Ed<br>-ISD<br>Foundations<br>and Costs            | (2) Allocates \$251,800,000 for FY 2014-15.  | (2) Increases allocation to \$257,200,000 for FY 2015-16.   |               |                |            |
| (3) Special<br>Ed -ISD Hold<br>Harmless<br>Payments           | (3) Allocates \$1,000,000 for FY 2014-15.  | (3) Maintains allocation at \$1,000,000 for FY 2015-16.   |               |                |            |
| (6) Special Ed<br>Administrative<br>Rule Changes              | (6) Allocates \$2,200,000 for FY 2014-15.  | (6) Maintains allocation at \$2,200,000 for FY 2015-16.   |               |                |            |
| (7)(c) Itinerant<br>Staffing                                  | (7)(c) Allows unspent Sec. 51a funds at end of fiscal year to be allocated as additional reimbursements to ISDs based on the transfer of special education staff under certain situations since 2003-2004. Eliminates this funding after FY 2014-15. | (7)(c) Deletes this subsection as FY 2014-15 was specified as the final year of funding.  |               |                |            |
| (11) Special<br>Ed - ISD<br>Foundations<br>for Non Sec.<br>52 | (11) Allocates \$4,000,000 for FY 2014-15.   | (11) Decreases to \$3,200,000 for FY 2015-16.   |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|---|---|--|---------------|----------------|------------|
| Sec. 51c<br>Special Ed -<br><i>Durant</i><br>Payment            | Allocates 606,000,000 from the appropriation in Sec. 51a(1) for FY 2014-15 to provide funding for costs associated with <i>Durant</i> settlement that guarantees districts 28.6138% of total approved costs of special education services and 70.4164% of total approved costs of special education transportation.   | Increases the FY 2015-16 allocation to \$621,000,000 to reflect future cost estimates.   |               |                |            |
| Sec. 51d<br>Other Federal<br>Special<br>Education               | Appropriates \$74,000,000 in other Federal special education grants for FY 2014-15.   | Reduces the appropriation to \$71,000,000 for FY 2015-16.  |               |                |            |
| Sec. 53a<br>Special Ed -<br>Court Placed<br>Pupils              | Allocates \$10,500,000 from the appropriation in Sec. 51a(1) for FY 2014-15.  | Maintains the \$10,500,000 allocation for FY 2015-16.  |               |                |            |
| Sec. 54<br>Special Ed -<br>Schools for<br>the Deaf and<br>Blind | Allocates \$1,688,000 from the appropriation in Sec. 51a(1) for FY 2014-15.   | Maintains the \$1,688,000 allocation for FY 2015-16.   |               |                |            |
| Sec. 56<br>Special<br>Education -<br>Millage<br>Equalization    | (2) Allocates \$37,758,100 from Sec. 51a(1) for FY 2014-15. Funding for ISDs to guarantee a minimum level of revenue per pupil for each special education mill levied.<br><br>(3) Per-pupil equalization amount equal to \$172,200.<br><br>(4) Caps maximum ISD allocation at 62.9% of the total appropriation.<br><br>(5) Provides that no ISD shall receive less than 75% of its prior year allocation. | (2) Maintains the \$37,758,100 allocation for FY 2015-16.<br><br>(3) Per-pupil equalization amount equal to \$174,400.<br><br>(4) No Change.<br><br>(5) No Change. |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|--|---|---------------|----------------|------------|
| Sec. 61a<br>Career and<br>Technical<br>Education<br>(CTE)              | <p>Appropriates \$27,611,300 for FY 2014-15 to support vocational education programs.</p> <p>(1) Allocates \$26,611,300 for reimbursements to districts and intermediate districts for vocational education programs. Reimburses districts for up to 75% of added costs of programs based on the following:</p> <ul style="list-style-type: none"> <li>- Type of CTE program.</li> <li>- Number of pupils enrolled.</li> <li>- Length of training provided.</li> </ul> <p>(2) Allocates \$1,000,000 to districts and ISDs for career and technical education centers to integrate the state curriculum content standards into career and technical education programs.</p> | <p>Reduces to \$26,611,300 appropriation for FY 2015-16.</p> <p>(1) Maintains allocation of \$26,611,300.</p> <p>Revises reimbursements to be based on the following:</p> <ul style="list-style-type: none"> <li>- Cost of program.</li> <li>- Number of pupils enrolled.</li> <li>- The advancement of pupils through the instructional program.</li> <li>- Program rank in student placement.</li> <li>- Job openings and placement.</li> <li>- Length of training provided.</li> </ul> <p>(2) Deletes this subsection.</p> |               |                |            |
| <b>NEW</b><br>Sec. 61b<br>CTE<br>Education<br>Early/Middle<br>Colleges |  | <p>(1) Appropriates \$17,800,000 for CTE early middle colleges.</p> <p>(2) Funding allocated to ISDs serving as fiscal agents for each of the 10 prosperity regions. Caps administrative costs at 5%.</p>   |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|------------------------------------|---|---------------|----------------|------------|
| <p><b>NEW</b><br/>Sec. 61b<br/>CTE<br/>Education<br/>Early/Middle<br/>Colleges<br/>(cont.)</p> |                                    | <p>(3) Eligible ISDs must:<br/>(a) Distribute funds to CTE early/middle colleges.<br/>(b) Collaborate with the Talent District Career Council in the prosperity region to develop a strategic plan aligning regional CTE programs and services.<br/>(c) Implement a process to rank career clusters in the prosperity region.<br/>(d) Report program and student data to MDE.</p> <p>(4) Regional plan must:<br/>(a) Identify regional employer need based on a ranking of career clusters in the region ranked by 10-year job openings projections and median wage for each occupation code in each career cluster. Rankings must be reviewed and may be modified by the Talent District Career Council in the prosperity region to reflect employer demand for talent.<br/>(b) Identify education entities to provide eligible CTE early/middle colleges including districts, ISDs, postsecondary institutions and noncredit occupational training programs leading to an industry-recognized credential.<br/>(c) Inform parents and students of regional CTE early/middle colleges.<br/>(d) Satisfy other MDE requirements.<br/>(e) Be approved by the Talent District Career Council.</p> |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|------------------------------------|--|---------------|----------------|------------|
| <p><b>NEW</b><br/>Sec. 61b<br/>CTE<br/>Education<br/>Early/Middle<br/>Colleges<br/>(cont.)</p> |                                    | <p>(5) An eligible CTE early/middle college program is a 5-year high school program that contains the following components:</p> <p>(a) Has been identified in the highest five career cluster rankings in any of the 10 regional plans approved by TED and MDE.</p> <p>(b) Allows student to earn a high school diploma and at least an associate's degree, industry-recognized technical certification, up to 60 transferable college credits, or participation in a registered apprenticeship.</p> <p>(c) Is aligned with Michigan Merit Curriculum</p> <p>(d) Has an articulation agreement with at least one postsecondary institution.</p> <p>(e) Provides instruction supervised, directed, or coordinated by an appropriately certificated CTE teacher or adjunct professor.</p> <p>(f) Provides for student support services including teachers as academic advisors, supervised course selection, monitoring of student progress, and career planning services.</p> <p>(g) Courses taught on college campuses or by adjunct college professors at high schools, or in combination with online instruction.</p> <p>(6) Funding equal to 50% of statewide average CTE cost by career cluster per FTE.</p> |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|---|--|---|---------------|----------------|------------|
| Sec. 62<br>CTE/<br>Vocational<br>Education<br>Millage<br>Equalization | <p>(2) Appropriates \$9,190,000 for FY 2014-15. Funding for ISDs to guarantee a minimum level of revenue per pupil for each special education mill levied.</p> <p>(3) Per-pupil equalization amount equal to \$188,100.</p> <p>(4) Caps maximum ISD allocation at 38.4% of the total appropriation.</p> <p>(5) Provides that no ISD shall receive less than 75% of its prior year allocation.</p>                  | <p>(2) Maintains the \$9,190,000 appropriation for FY 2015-16.</p> <p>(3) Per-pupil equalization amount equal to \$189,400.</p> <p>(4) No Change.</p> <p>(5) No Change.</p>                       |               |                |            |
| Sec. 64b<br>Dual<br>Enrollment<br>Incentive<br>Payments               | <p>(1) Appropriates \$1,750,000 for FY 2014-15 in one-time payments to districts that provide dual and concurrent enrollment options to students in grades 9-12.</p> <p>(4) Payments equal to \$10 per credit hour for up to 3 credits for each student enrolled plus \$30 per pupil per course, if the pupil successfully completes and is awarded both high school and post-secondary credit for the course.</p> | <p>(1) Maintains the \$1,750,000 appropriation for FY 2015-16.</p> <p>Adds that funds are intended to improve college and career readiness upon high school graduation.</p> <p>(4) No Change.</p> |               |                |            |
| Sec. 64c<br>Career<br>Readiness<br>Study                              | <p>Appropriates \$250,000 GF/GP for FY 2014-15 for the MDE for an independent third party study analyzing the state's current career readiness education system. Requires report by September 30, 2015.</p>  | <p>Eliminates this appropriation and repeals this section.</p>  |               |                |            |



| SECTION   | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|---|------------------------------------|---|---------------|----------------|------------|
| <b>NEW</b><br>Sec. 67<br>College and<br>Career<br>Preparation |                                    | <p>(1) Appropriates \$3,600,000 GF/GP for FY 2015-16 for programs to inform students of college and career options and provide tools and resources to increase the number of students prepared to make informed college and career decisions.</p> <p>(2) Allocates \$3,000,000 to the College Access Program administered by the Talent and Economic Development Department (TED) in collaboration with the Michigan College Access Network (MCAN). Funds may be used for:</p> <p>(a) MCAN operations, programs, services to local college access networks.</p> <p>(b) Local college access networks to increase college participation and completion.</p> <p>(c) The Michigan College Advising Program, to place trained recently graduated college advisers in high schools that serve significant number of low-income and first generation college-going students.</p> <p>(d) Grants of up to \$5,000 to districts that establish a college access team and implement strategies to create a college-going culture in high school as determined by MCAN and TED.</p> <p>(e) The Michigan College Access Portal, an online one-stop portal to help students and families plan and apply for college.</p> |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| <p><b>NEW</b><br/>Sec. 67<br/>College and<br/>Career<br/>Preparation<br/>(cont.)</p> |   | <p>(f) Public awareness and outreach campaigns to encourage low-income and first-generation students to take the necessary steps toward college and to assist students and families in completing applications for federal student aid.</p> <p>(g) Grants to postsecondary institutions to recruit, hire, and train college student mentors and college advisors to assist high school students in navigating the postsecondary planning and enrollment process.</p> <p>(3) Allocates up to \$600,000 administered by TED in collaboration with MCAN and MVU to provide students, parents, and educators information on dual enrollment and opportunities to earn postsecondary credits, industry-recognized technical certifications, and registered apprenticeships at no cost and an online career planning tool.</p> |               |                |            |
| <p>Sec. 74<br/>Bus Driver<br/>Safety and<br/>School Bus<br/>Inspections</p>          | <p>Appropriates \$3,316,500 for FY 2014-15.</p> <p>(2) \$1,625,000 for bus driver safety instruction.</p> <p>(4) \$1,691,500 to reimburse Michigan State Police for school bus inspections.</p> | <p>Decreases FY 2015-16 total appropriation to \$3,315,700.</p> <p>(2) Maintains funding at \$1,625,000.</p> <p>(4) Decreases funding to \$1,690,700 to reflect net cost reduction for economic adjustments.</p>   |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|--|--|---|---------------|----------------|------------|
| Sec. 74a<br>Bus Fuel<br>Conversion   | Appropriates \$3,000,000 for FY 2014-15 for a pilot program to help districts convert school bus fuel from diesel to natural gas. Caps awards at \$8,000 per bus and \$30,000 per district.  | Eliminates this appropriation and repeals this section.   |               |                |            |
| Sec. 81<br>Intermediate<br>School<br>Districts (ISD)<br>General<br>Operations<br>Funding | <p>(1) Appropriates \$67,115,000 for FY 2014-15 for basic operational funding of intermediate districts.</p> <p>(2) Allocates \$65,108,000 based on historical allocations.</p> <p>(4) Provides \$7,000 to recognize the consolidation of Mason-Lake ISD and Oceana ISD into West Shore ISD. Funding will be awarded for 3 years through FY 2014-15.</p> <p>(7) Allocates \$2,000,000 in grants to ISDs equal to 3.1% of their allocation under (2) if they fulfill 5 out of 6 best practices:</p> <p>(a) Develop or implement a consolidation plan to reduce costs.</p> <p>(b) Obtain competitive bids on at least 1 non-instructional service valued at \$50,000 or more for itself or its constituent districts, excluding retirement unfunded liabilities when comparing bids.</p> | <p>(1) Decreases appropriation to \$67,108,000 for FY 2015-16.</p> <p>(2) Maintains allocation of \$65,108,000 for FY 2015-16.</p> <p>(4) Deletes</p> <p><del>(7)</del> (6) Maintains allocation of \$2,000,000 for ISD best practices but requires that the ISD do all of the following 4 best practices:</p> <p>(a) No Change</p> <p>(b) Deletes this subdivision</p> |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 81<br>Intermediate<br>School<br>Districts (ISD)<br>General<br>Operations<br>Funding<br>(cont.) | <p>(c) Develop or implement a technology plan in accordance with MDE policy on behalf of all of its constituent districts to integrate technology into the classroom and prepare teachers to use digital technology for instruction.</p> <p>(d) Provide to parents and community members a dashboard or report card including specified items demonstrating the ISD's efforts to manage its finances responsibly.</p> <p>(e) Work in a consortium with other ISDs and CEPI to develop local information management system requirements and bid specifications that result in a recommended model that supports interoperability to ensure linkage and connectivity in a manner that facilitates the efficient exchange of data between districts, ISDs, and CEPI.</p> <p>(f) Act as policyholder for health care services benefits. An ISD that does not directly employ its staff or an ISD with a voluntary employee beneficiary association (VEBA) that pays no more than the maximum allowed under PA 152 of 2011 is considered to have met this requirement.</p> | <p><del>(c)</del> (b) No Change</p> <p><del>(d)</del> (c) No Change</p> <p><del>(e)</del> (d) No Change</p> <p>(f) Deletes this subdivision.</p> |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 94<br>Advanced<br>Placement<br>Incentive<br>Program                             | Appropriates \$250,000 for FY 2014-15 to districts to pay for some or all of Advanced Placement (AP) and International Baccalaureate (IB) test fees for low-income students. Payments estimated at \$20 per test. Requires that a student pay at least \$5.00 toward each test.  | Maintains \$250,000 appropriation for FY 2015-16.  |               |                |            |
| Sec. 94a<br>Center for<br>Educational<br>Performance<br>and<br>Information<br>(CEPI) | Appropriates \$12,022,800 GF/GP in FY 2014-15 to support the operations of the CEPI, which is in the Department of Technology, Management, and Budget (DTMB), and for the comprehensive data management and student tracking system.<br><br>Appropriates \$193,500 in FY 2014-15 from Federal funds.                           | Maintains \$11,967,000 GF/GP appropriation for FY 2015-16.<br><br>Appropriates \$193,500 in Federal funds for FY 2015-16.                                    |               |                |            |
| Sec. 95a<br>Educator and<br>Administrator<br>Evaluations                             | (4) Appropriates \$12,100,000 SAF and \$2,700,000 GF/GP into the Educator Evaluation Reserve Fund<br><br>(5) Prohibits expenditures until House Bills 5223 and 5224 of the 97 <sup>th</sup> Legislature have been enacted.<br><br>(6) Requires MDE to submit a spending plan to the State Budget Office before spending funds. | (4) Makes no appropriation for FY 2015-16.<br><br>(5) Strikes this subsection to revise requirements for the FY 2014-15 appropriation.<br><br>(6) No Change. |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 98<br>Michigan<br>Virtual<br>University<br>(MVU) | <p>Appropriates \$7,387,500 GF/GP to MVU in FY 2014 - 15.</p> <p>(2) Requires Michigan Virtual Learning Research Institute with following objectives:</p> <p>(a) Support and accelerate innovation in education through specified activities.</p> <p>(b) Provide leadership for the state's system of digital learning education through specified activities.</p> | <p>Increases the appropriation to \$7,987,500 GF/GP for FY 2015-16.</p> <p>(2) Revises as follows:</p> <p>(a) Postpones a reporting deadline from Dec. 1, 2015 to March 31, 2016.</p> <p>(b) Revises as follows:<br/> <del>(v)</del> Strikes pursuit of public/private partnerships to study and implement competency-based online learning models.<br/> (v) Adds requirement to create a statewide network of school-based mentors serving as liaisons between students, online instructors, parents and school staff and provide mentors with research-based training and technical assistance to help students be successful online learners.<br/> (ix) Adds courses provided by community colleges to the statewide catalog of online learning.<br/> (x) Revises from determining need for to providing a prototype and pilot for registration, payment, and transcript function in the statewide catalog and train stakeholders in how to use the new features.<br/> (xi) Strikes collaboration with stakeholders on online learning district accountability and teacher effectiveness.</p> |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 98<br>Michigan<br>Virtual<br>University<br>(MVU)<br>(cont.) |   | (3) Requires that to further enhance its expertise and leadership in digital learning, the MVU shall continue to operate the Michigan Virtual School as a statewide laboratory and quality model of instruction by implementing online and blended learning as follows:<br>(a) Michigan Virtual School must maintain its accreditation status.<br>(b) MVU shall use no more than \$1,000,000 of its total appropriation to subsidize the cost paid by districts for online courses.<br>(c) Michigan Virtual School shall work with Michigan State Police to provide criminal history and records checks for all online educators as if it were a public school. |               |                |            |
| Sec. 99<br>Math and<br>Science<br>Centers                        | Appropriates for FY 2014-15 \$2,750,000 SAF, \$475,000 GF/GP, and \$5,249,300 in Federal funds for the funding of 33 math and science centers.<br><br>(7) Earmarks \$475,000 GF/GP for the Michigan STEM Partnership to administer a competitive grants to organizations for classroom or extracurricular programs and competitions in science, technology, engineering and mathematics (STEM). | Maintains appropriation the appropriation for FY 2015-16 at \$2,750,000 SAF, \$475,000 GF/GP, and \$5,249,300 in Federal funds.<br><br>(7) No Change.   |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION                             | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 99b<br>STEM<br>Professional<br>Development | Appropriates \$330,000 for FY 2014-15 for grants to districts to support professional development for teachers in a department-approved program for science, technology, and mathematics instruction.   | Eliminates this appropriation and repeals this section. |               |                |            |
| Sec. 99h<br>FIRST<br>Robotics                   | Appropriates \$2,000,000 for FY 2014-15 to districts for grants for FIRST Robotics programs. Funds may be used for stipends for coaches and program and competition expenses.   | Maintains \$2,000,000 appropriation for FY 2015-16.     |               |                |            |
| Sec. 101<br>Instructional<br>Days and<br>Hours  | <p>(3) Maintains the minimum required 1,098 instructional hours and the minimum required days of 175. Provides that beginning in FY 2016-17 the minimum number of instructional days will be 180.</p> <p>(4) Allows for up to 6 days or the equivalent number of hours to be counted as instruction if school is cancelled for reasons outside control of the district (snow days, for example). Also allows the State Superintendent to waive up to another 6 such days or the equivalent hours if they occur after April 1.</p> | No Change.  |               |                |            |



| SECTION  | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| <p>Sec. 102<br/>Deficits and<br/>Deficit<br/>Elimination<br/>Plans</p> | <p>(1) Prohibits a district or ISD from adopting or operating with a budget deficit. If a district or ISD has a deficit, this section requires that payments under this act are withheld until the district or ISD submits, and the department approves, a deficit elimination plan to eliminate the deficit within two years and the department ensures the current school fiscal year budget is balanced. Requires deficit elimination plan to be posted on district or ISD website.</p> <p>(3) Amount of permissible deficit shall not exceed amount of state aid reduced by an executive order during that school fiscal year.</p> <p>(4) Requires district or ISD with a deficit to submit monthly monitoring reports to MDE.</p> | <p>(1) Revises to require a district or ISD to immediately notify the department if a deficit is incurred or a budget with a deficit is adopted and within 30 days of notifying the department, submit to MDE and Treasurer a preplan financial report.</p> <p>Allows department to withhold some or all of money payable under this act, in an amount necessary to incentivize the district or ISD to eliminate its deficit. Deletes two year deficit elimination requirement. Allows MDE to require a deficit elimination plan to include an education plan.</p> <p>MDE shall release funds after it approves the deficit elimination plan, but no longer requires the current year budget to be balanced for approval.</p> <p>(3) Strikes this provision.</p> <p><del>(4)</del> (3) Adds Treasury as report recipient.</p> |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 102<br>Deficits and<br>Deficit<br>Elimination<br>Plans<br>(cont.) |                                    | <p>(5) States that an enhanced deficit elimination plan (EDEP) shall provide resolution for deteriorating financial circumstances, persistently declining enrollment, or indicators of financial stress likely to result in recurring operating deficits or financial stress. As a condition of approving an EDEP, the Treasurer may require a district or ISD to enter into a financial recovery agreement.</p> <p>(6) Allows Treasury to withhold some or all of state aid funding to incentivize deficit elimination and release funds after approval of EDEP. Treasury may establish period within which district or ISD must eliminate deficit and may set special conditions while EDEP is in place.</p> <p>(7) EDEP must be posted to district or ISD website.</p> <p>(8) A district or ISD with an EDEP must submit to MDE and Treasury an enhanced monthly monitoring report on revenue, expenditures, cash flow, liabilities, budget amendments, pupil membership, and other financial data.</p> <p>(9) An allocation of state aid under this act is contingent upon the district's or ISD's compliance with this section.</p> |               |                |            |

| SECTION  | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| <p><b>NEW</b><br/>Sec. 103a.<br/>Budgetary<br/>Assumptions<br/>Reports</p> |                                    | <p>(1) Requires that by July 7 of each year, a district report to CEPI the budgetary assumptions used when adopting its annual budget including projected foundation allowance, projected pupil membership, previous year's expenditures per pupil, and projected expenditures per pupil for current year.</p> <p>(2) An allocation of state aid under this act is contingent upon a district's compliance with this section.</p>  |               |                |            |
| <p><b>NEW</b><br/>Sec. 103b.<br/>Distressed<br/>Districts</p>              |                                    | <p>(1) If a district determines that conditions of fiscal stress, a deficit or a financial emergency have arisen or may arise, the district shall notify the State Superintendent and request technical assistance in addressing the issue. The State Superintendent shall notify the State Treasurer of any request for assistance.</p> <p>(2) After receiving a request for technical assistance MDE and Treasury shall subject to available resources review the financial condition and budget of the district and provide assistance including, but not limited to, data analysis tools.</p> <p>(3) An allocation of state aid under this act is contingent upon a district's compliance with this section.</p> |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110 | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|---|------------------------------------|---|---------------|----------------|------------|
| <p><b>NEW</b><br/>Sec. 103c<br/>Periodic<br/>Financial<br/>Status<br/>Reports</p> |                                    | <p>(1) Superintendent or Treasurer may require a district to submit periodic financial reports if potential financial stress exists, if a deficit may arise within the current or next two fiscal years, or if district is unable to meet its financial obligations based on district:</p> <ul style="list-style-type: none"> <li>(a) Fails to pay obligations.</li> <li>(b) Expends tax revenue in manner prohibited by law.</li> <li>(c) Has more than 5% decline in enrollment in a single year or 15% decline over 3 or more years and has failed to reduce expenditures accordingly.</li> <li>(d) Has per pupil rising by more than 5% per year.</li> <li>(e) Has actual enrollment or foundation allowance less than or equal to 97% of the district's budgetary assumptions.</li> <li>(f) Has applied for a loan under the Emergency Municipal Loan Act.</li> </ul> <p>(2) A district must provide copies of periodic financial status reports to its governing board and provide Treasury access to all financial records and information requested.</p> <p>(3) Treasury may require a district to submit an EDEP.</p> <p>(5) District no longer required to submit periodic financial status reports if the conditions are reversed and when notified by Treasury.</p> |               |                |            |

| SECTION                           | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 104<br>Assessment<br>Funding | <p>Appropriates \$41,394,400 SAF for FY 2014-15 for reimbursement of costs associated with state student assessment requirements.</p> <p>Appropriates \$6,250,000 in Federal assessment funding for the purposes of complying with Federal NCLB Act.</p> <p>(5) Allocates \$8,500,000 for:<br/>(a) Converting to online assessments.<br/>(b) Providing paper/pencil tests for districts unprepared for online versions.<br/>(c) Expanding writing assessments to additional grade levels.<br/>(d) Providing more constructed response questions.</p> <p>(6) Allocates \$3,200,000 to the development or selection of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored.</p> <p>(7) Appropriates \$3,000,000 for the purpose of implementing a summative assessment system pursuant to Section 104c.</p> | <p>Increases appropriation to \$43,994,400 SAF in FY 2015-16.</p> <p>Maintains appropriation of \$6,250,000 federal funding for FY 2015-16.</p> <p>Renames the Michigan Educational Assessment Program (MEAP) to the Michigan Student Test of Educational Progress (M-STEP)</p> <p>(5) No Change.</p> <p>(6) No Change.</p> <p>(7) Increases to \$5,600,000.</p> |               |                |            |

| SECTION   | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| <p>Sec. 104b<br/>Michigan<br/>Merit<br/>Examination<br/>(MME)</p> | <p>(1) Requires a district to administer the Michigan Merit Examination.</p> <p>(2) Identifies components of the MME.</p> <p>(5) Provides subject area scoring requirements.</p> <p>(6) MME administered during last 12 weeks of the year and scores available by beginning of next school year.</p> <p>(8) Superintendent shall ensure that maximum total length of time schools must set aside for MME does not exceed 8 hours if sufficient alignment to Michigan content standards can be achieved within that time.</p> <p>(10) MME shall be based to extent possible on grade level content expectations.</p> | <p>(1) Revises such that MME includes a college entrance exam, work skills exam, and a summative Michigan Student Test of Educational Progress (M-STEP).</p> <p>(2) Revises such that the MME <del>shall</del> MAY include a writing component.</p> <p>(5) No Change.</p> <p>(6) No Change.</p> <p>(8) No Change.</p> <p>(10) Revises to base MME on Michigan Content Standards. Allows MDE to augment the college entrance and work skills components of the MME to develop the assessment, dependent on those components' alignment to Michigan Content Standards. If alignment is not present in these components, MDE will produce additional components as required by law while minimizing the amount of time needed for assessments.</p> |               |                |            |

| SECTION                               | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 104c<br>New State<br>Assessments | <p>(2) Requires MDE to develop a new Michigan education assessment program (MEAP) test for 2014-2015.</p> <p>(3) Requires MDE to implement a new summative test for grades 3-10 for 2015-2016.</p> <p>(4) Requires RFP in place by September 1, 2014.</p> <p>(6) MDE shall seek a waiver or an amendment to an existing waiver from US Department of Education.</p> | <p>(2) Updates to replace the MEAP with the Michigan Student Test of Education Progress (M-STEP) beginning with 2015-2016.</p> <p>(3) Revises to grades 3-11.</p> <p><del>(4)</del> Deletes this subsection.</p> <p>(4) Requires that beginning in 2015-2016, MDE field test additional components of the assessment to determine a pupil's proficiency level prior to grade 3 to implement in 2016-2017 including:<br/> (a) Assessments administered in fall and spring to measure English language arts and mathematics in 1<sup>st</sup> and 2<sup>nd</sup> grades.<br/> (b) A kindergarten entry assessment administered in the fall in kindergarten including English language arts and mathematics, and which may also include observational components measuring cognitive, social-emotional, and physical skills.</p> <p><del>(6)</del> Deletes this subsection.</p> |               |                |            |

| SECTION                        | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 107<br>Adult<br>Education | <p>Appropriates \$22,000,000 in SAF for FY 2014-15.</p> <p>(in this section department means the Michigan Strategic Fund (MSF))</p> <p>(3) Defines eligible participants in adult education programs:</p> <p>(a) An individual with a high school diploma or GED and meets 1 of the following:</p> <p>(i) Is less than 20, and enrolled in the Michigan Career and Technical Institute.</p> <p>(ii) Is less than 20, not enrolled in higher education and is enrolled in employment-related program.</p> <p>(iii) Is enrolled in an English as second language program.</p> <p>(iv) Is enrolled in a high school completion program.</p> <p>(b) An individual without a high school diploma or GED who meets 1 of the following:</p> <p>(i) Is at least 20.</p> <p>(ii) Is at least 16 and has been permanently expelled from school and has no appropriate alternative education program in his or her district of residence.</p> | <p>Maintains appropriation of \$22,000,000 for FY 2015-16.</p> <p>No Change.</p> <p>(3) Revises as follows:</p> <p>(a)</p> <p><del>(i)</del> Strikes this subparagraph.</p> <p><del>(ii)</del> (i) No Change.</p> <p><del>(iii)</del> (ii) No Change.</p> <p><del>(iv)</del> (iii) No Change.</p> <p>(iv) Adds is 20 and enrolled in an adult basic education program and determined by a department-approved assessment to be below 9<sup>th</sup> grade level in reading or mathematics or both.</p> <p>(b) No Change.</p> |               |                |            |



| SECTION                                   | CURRENT LAW<br>Adjusted by HB 4110  | EXECUTIVE<br>RECOMMENDATION  | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
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| Sec. 107<br>Adult<br>Education<br>(cont.) | <p>(4) Distributes to ISDs serving as the fiscal agent for each of the 10 prosperity regions.</p> <p>Requires that funds allocated in FY 2014-15 provide services to at least the same number of individuals as were enrolled in FY 2014-15.</p> <p>Uses a 3-year phase-in based on both FY 2013-14 total funding in each prosperity region plus the newly proposed factors:</p> <ul style="list-style-type: none"> <li>- FY 2014-15: 2/3 old method, 1/3 new</li> <li>- FY 2015-16: 1/3 old method, 2/3 new</li> <li>- FY 2016-17: 100% new method</li> </ul> <p>Factors for allocations are as follows:</p> <ul style="list-style-type: none"> <li>- 60% based on region's proportion of total state population between ages 18-24 that are not high school graduates.</li> <li>- 35% based on region's proportion of total state population ages 25 or older that are not high school graduates.</li> <li>- 5% based on region's proportion of total state population ages 18 or older lacking basic English proficiency.</li> </ul> | <p>(4) Adds that by April 1 of each fiscal year, ISDs within a prosperity region must determine which ISD will be the fiscal agent and MSF shall approve or disapprove of the selected fiscal agent.</p> <p>Strikes this language.</p> <p>No Change.</p> <p>No Change.</p> |               |                |            |

| SECTION                                   | CURRENT LAW<br>Adjusted by HB 4110   | EXECUTIVE<br>RECOMMENDATION   | HOUSE<br>(HB) | SENATE<br>(SB) | CONFERENCE |
|---|--|---|---------------|----------------|------------|
| Sec. 107<br>Adult<br>Education<br>(cont.) | <p>(5) Requires an ISD that is a fiscal agent to distribute funds and collaborate with education advisory groups of the workforce development board in each region to develop a regional strategy and create a local process and criteria that identifies eligible adult education providers based on location, demand for services, and cost to provide instruction.</p> <p>(6) Allocates up to \$2,850 per FTE for a 450-hour program.</p> <p>(11) A funding recipient receives funding based 75% on enrollment and 25% on participant completion of specified adult education objectives.</p> | <p>Revises education advisory groups to the Talent District Career Council or its successor.</p> <p>Adds that they must give special consideration for providing contextualized learning and career pathways (see subsection (18) definitions below.)</p> <p>Adds based on past performance and quality indicators identified by MSF.</p> <p>Adds that fiscal agent ISDs must provide oversight to its adult education providers throughout the year to ensure compliance.</p> <p>(6) No Change.</p> <p>(11) No Change.</p> <p>(18) Adds Definitions:<br/>(a) "Career Pathway" means education, training, and services doing the following:<br/>(i) Aligns with the skill needs of industries in the economy of the state or region.<br/>(ii) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options including apprenticeships.</p> |               |                |            |

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| Sec. 107<br>Adult<br>Education<br>(cont.)      |  | <p>(iii) Includes counseling to support an individual's education and career goals.</p> <p>(iv) Includes education offered concurrently with workforce preparation activities and training for a specific occupation.</p> <p>(v) Organizes education, training and other services to meet the needs of an individual that accelerates the advancement of the individual to the extent possible.</p> <p>(vi) Enables an individual to attain a secondary school diploma or its recognized equivalent and at least 1 recognized postsecondary credential.</p> <p>(vii) Helps an individual enter or advance within a specific occupation.</p> |               |                |            |
| Sec. 147<br>Retirement<br>Contribution<br>Rate | <p>Provides retirement rates separated into seven different subgroups based on hire date and benefit and contribution choices made under PA 300 of 2012.</p> <p>Total contribution rates for FY 2014-15 range for the seven subgroups from 28.59% - 33.41%.</p> <p>The maximum employer contribution capped rate for FY 2014-15 ranges for the seven subgroups from 20.96% - 25.78%.</p> <p>The retirement rates reflect an amortization period of 24 years.</p> | <p>Revises the total rates for FY 2015-16 to a range from 31.49% - 36.31%.</p> <p>Maximum employer contribution rates for FY 2015-16 range from 20.96% - 25.78%, with slight Normal Includes slight rate fluctuations for subgroups in between.</p> <p>Revises to a 23-year amortization period.</p>  |               |                |            |

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|---|---|---|---------------|----------------|------------|
| Sec. 147a<br>MPSERS<br>Cost Offset  | Appropriates \$100,000,000 for FY 2014-15 to offset a portion of MPSERS costs, based on each district's share of MPSERS payroll in the preceding fiscal year.   | Maintains appropriation of \$100,000,000 for FY 2015-16.  |               |                |            |
| Sec. 147c.<br>MPSERS<br>Prefunding -<br>Unfunded<br>Accrued<br>Liability<br>Payment | <p>Appropriates \$676,400,000 SAF and \$500,000 GF/GP to pay for the MPSERS unfunded accrued liability (UAL) that exceeds the maximum rate charged to MPSERS employers as required under the Public School Employees' Retirement Act, MCL 38.1341 for districts, ISDs, and libraries.</p> <p>(2) Calculates an average per pupil under this section of \$449 per pupil and a range for districts between \$4 and \$2,056 per pupil.</p> <p>(7) Requires the MDE to publish an estimated rate cap per pupil for each district by October 20, 2014.</p> | <p>Increases appropriation to \$892,900,000 SAF and \$600,000 GF/GP for FY 2015-16 based on actuarial estimates for the state share of UAL costs.</p> <p>(2) Revises average to \$601 and the range to between \$4 and \$2,300 per pupil.</p> <p>(7) Revises date for to FY 2015-16 to December 20, 2015.</p> |               |                |            |
| Sec. 147d<br>MPSERS<br>Early<br>Retirement<br>Incentive<br>Extra<br>Payment         | Appropriates \$19,634,500 for FY 2014-15 to make a one-time extra payment toward the MPSERS early retirement incentive costs from the 2010 early retirement.  | Eliminates this appropriation and repeals this section.   |               |                |            |
| Sec. 152a<br>Adair Data<br>collection and<br>reporting<br>costs                     | Appropriates \$38,000,500 for FY 2014-15 to reimburse districts for data collection and reporting costs as required in <i>Adair v. State of Michigan</i> .  | Maintains appropriation of \$38,000,500 for FY 2015-16.   |               |                |            |

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|---|---|--|---------------|----------------|------------|
| Sec. 163<br>Noncertificated<br>Teachers                                   | Prohibits districts or ISDs may noncertificated teacher to teach or provide counseling services to pupils in elementary or secondary school or in adult basic education or high school completion programs. | Revises "teacher" to "educator" and adds "nonlicensed".<br><br>Adds that a noncertificated educator may not administer instructional programs unless that educator is fulfilling applicable continuing education requirements.   |               |                |            |
| Enacting<br>Section 1<br>State<br>Spending and<br>Payments to<br>Locals   | N/A   | FY 2015-16 total state spending from state sources is \$12,183,194,700 and payments to locals are \$12,022,427,700.  |               |                |            |
| Enacting<br>Section 2<br>Repeals<br>Sections as of<br>October 1,<br>2014. | N/A   | Repeals following sections:<br><b>12</b> – Two year budgeting<br><b>22c</b> – Equity Payments<br><b>22j</b> – District Performance Grants<br><b>31b</b> – Year-Round Schools Grants<br><b>32r</b> – Race to the Top Early Learning Challenge Grant<br><b>64c</b> – Career Readiness Study<br><b>64d</b> – Information Technology Certifications<br><b>74a</b> – School Bus Natural Gas Conversion<br><b>99b</b> – STEM Professional Development<br><b>147d</b> – MPSERS One-time Additional Liability Payment<br><b>166</b> – Penalty for Dispensing Family Planning Drugs or Devices/Abortion Referrals |               |                |            |
| Enacting<br>Section 3<br>Effective Date                                   |   | Effective date is October 1, 2015; however, gives immediate effect to Sections 18a and 95a.  |               |                |            |