

DRAFT 2

**SUBSTITUTE FOR  
SENATE BILL NO. 130**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18,  
18a, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22i, 23a, 24, 24a,  
24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41,  
43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a,  
98, 99, 99h, 102, 104, 104b, 104c, 107, 147, 147a, 147c, 152a, and  
163 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j,  
388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618, 388.1618a,  
388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a,  
388.1622b, 388.1622d, 388.1622f, 388.1622i, 388.1623a, 388.1624,  
388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b,  
388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p,  
388.1639, 388.1639a, 388.1641, 388.1643, 388.1651a, 388.1651c,  
388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662,



388.1664b, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699, 388.1699h, 388.1702, 388.1704, 388.1704b, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, and 388.1763), sections 6, 8b, 11a, 11j, 11k, 15, 20, 20d, 20f, 20g, 21f, 22d, 22f, 22i, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 104, 104b, 107, 147, 147a, 152a, and 163 as amended and sections 11r, 43, 64b, 95a, and 104c as added by 2014 PA 196, sections 11, 11m, 18, 22a, 22b, 51a, 51c, and 147c as amended by 2015 PA 5, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, and section 102 as amended by 2013 PA 60, and by adding sections 35, 35a, 35b, 35d, 35e, 35f, 61b, 67, 99c, 102a, 102b, 102c, 102d, and 104d; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 6. (1) "Center program" means a program operated by a  
 2 district or by an intermediate district for special education  
 3 pupils from several districts in programs for pupils with autism  
 4 spectrum disorder, pupils with severe cognitive impairment, pupils  
 5 with moderate cognitive impairment, pupils with severe multiple  
 6 impairments, pupils with hearing impairment, pupils with visual  
 7 impairment, and pupils with physical impairment or other health  
 8 impairment. Programs for pupils with emotional impairment housed in  
 9 buildings that do not serve regular education pupils also qualify.  
 10 Unless otherwise approved by the department, a center program  
 11 either shall serve all constituent districts within an intermediate  
 12 district or shall serve several districts with less than 50% of the



1 pupils residing in the operating district. In addition, special  
 2 education center program pupils placed part-time in noncenter  
 3 programs to comply with the least restrictive environment  
 4 provisions of section 612 of part B of the individuals with  
 5 disabilities education act, 20 USC 1412, may be considered center  
 6 program pupils for pupil accounting purposes for the time scheduled  
 7 in either a center program or a noncenter program.

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

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

17 (4) "Membership", except as otherwise provided in this  
 18 article, means for a district, a public school academy, the  
 19 education achievement system, or an intermediate district the sum  
 20 of the product of ~~.90~~**.85** times the number of full-time equated  
 21 pupils in grades K to 12 actually enrolled and in regular daily  
 22 attendance on the pupil membership count day for the current school  
 23 year, plus the product of ~~.10~~**.15** times the final audited count  
 24 from the supplemental count day for the ~~current~~**IMMEDIATELY**  
 25 **PRECEDING** school year. A district's, public school academy's, or  
 26 intermediate district's membership shall be adjusted as provided  
 27 under section 25e for pupils who enroll in the district, public



1 school academy, or intermediate district after the pupil membership  
2 count day. All pupil counts used in this subsection are as  
3 determined by the department and calculated by adding the number of  
4 pupils registered for attendance plus pupils received by transfer  
5 and minus pupils lost as defined by rules promulgated by the  
6 superintendent, and as corrected by a subsequent department audit.  
7 For the purposes of this section and section 6a, for a school of  
8 excellence that is a cyber school, as defined in section 551 of the  
9 revised school code, MCL 380.551, and is in compliance with section  
10 553a of the revised school code, MCL 380.553a, a pupil's  
11 participation, **AS DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH**  
12 **THE PUPIL ACCOUNTING MANUAL**, in the cyber school's educational  
13 program is considered regular daily attendance; for the education  
14 achievement system, a pupil's participation, **AS DETERMINED BY THE**  
15 **DEPARTMENT IN ACCORDANCE WITH THE PUPIL ACCOUNTING MANUAL**, in an  
16 online educational program of the education achievement system or  
17 of an achievement school is considered regular daily attendance;  
18 and for a district a pupil's participation in an online course as  
19 defined in section 21f is considered regular daily attendance. The  
20 amount of the foundation allowance for a pupil in membership is  
21 determined under section 20. In making the calculation of  
22 membership, all of the following, as applicable, apply to  
23 determining the membership of a district, a public school academy,  
24 the education achievement system, or an intermediate district:  
25 (a) Except as otherwise provided in this subsection, and  
26 pursuant to subsection (6), a pupil shall be counted in membership  
27 in the pupil's educating district or districts. An individual pupil



1 shall not be counted for more than a total of 1.0 full-time equated  
2 membership.

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

13 (c) A special education pupil educated by the intermediate  
14 district shall be counted in membership in the intermediate  
15 district.

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

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

25 (f) A pupil enrolled in a career and technical education  
26 program supported by a millage levied over an area larger than a  
27 single district or in an area vocational-technical education



1 program established pursuant to section 690 of the revised school  
2 code, MCL 380.690, shall be counted only in the pupil's district of  
3 residence.

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

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

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

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

24 (ii) If operations begin after the pupil membership count day  
25 for the fiscal year and not later than the supplemental count day  
26 for the fiscal year, membership is the final audited count of the  
27 number of full-time equated pupils in grades K to 12 actually



1 enrolled and in regular daily attendance on the supplemental count  
2 day for the current school year.

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

12 (k) In a district, a public school academy, the education  
13 achievement system, or an intermediate district operating an  
14 extended school year program approved by the superintendent, a  
15 pupil enrolled, but not scheduled to be in regular daily attendance  
16 on a pupil membership count day, shall be counted.

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

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



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

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

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

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

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

11 (iii) If a child does not meet the minimum age requirement to  
12 be eligible to attend school for that school year under section  
13 1147 of the revised school code, MCL 380.1147, but will be 5 years  
14 of age not later than December 1 of that school year, the district  
15 may count the child in membership for that school year if the  
16 parent or legal guardian has notified the district in writing that  
17 he or she intends to enroll the child in kindergarten for that  
18 school year.

19 (m) An individual who has obtained a high school diploma shall  
20 not be counted in membership. An individual who has obtained a  
21 general educational development (G.E.D.) certificate shall not be  
22 counted in membership unless the individual is a ~~pupil~~-**STUDENT** with  
23 a disability as defined in R 340.1702 of the Michigan  
24 administrative code. An individual participating in a job training  
25 program funded under former section 107a or a jobs program funded  
26 under former section 107b, administered by the Michigan strategic  
27 fund, or participating in any successor of either of those 2





1 programs, shall not be counted in membership.

2 (n) If a pupil counted in membership in a public school  
3 academy or the education achievement system is also educated by a  
4 district or intermediate district as part of a cooperative  
5 education program, the pupil shall be counted in membership only in  
6 the public school academy or the education achievement system  
7 unless a written agreement signed by all parties designates the  
8 party or parties in which the pupil shall be counted in membership,  
9 and the instructional time scheduled for the pupil in the district  
10 or intermediate district shall be included in the full-time equated  
11 membership determination under subdivision (q) **AND SECTION 101.**

12 However, for pupils receiving instruction in both a public school  
13 academy or the education achievement system and in a district or  
14 intermediate district but not as a part of a cooperative education  
15 program, the following apply:

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



1 instruction.

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

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

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

21 (q) The number of class hours used to calculate full-time  
22 equated memberships shall be consistent with section ~~101(3).~~ **101.**  
23 In determining full-time equated memberships for pupils who are  
24 enrolled in a postsecondary institution, a pupil shall not be  
25 considered to be less than a full-time equated pupil solely because  
26 of the effect of his or her postsecondary enrollment, including  
27 necessary travel time, on the number of class hours provided by the



1 district to the pupil.

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

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



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

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

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

26 (i) The district provides at least 2 nonconsecutive hours of  
27 instruction per week to the pupil at the pupil's home or otherwise



1 apart from the general school population under the supervision of a  
2 certificated teacher.

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

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

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

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

18 (w) For a public school academy that has been in operation for  
19 at least 2 years and that suspended operations for at least 1  
20 semester and is resuming operations, membership is the sum of the  
21 product of ~~.90~~.85 times the number of full-time equated pupils in  
22 grades K to 12 actually enrolled and in regular daily attendance on  
23 the first pupil membership count day or supplemental count day,  
24 whichever is first, occurring after operations resume, plus the  
25 product of ~~.10~~.15 times the final audited count from the most  
26 recent pupil membership count day or supplemental count day that  
27 occurred before suspending operations, as determined by the



1 superintendent.

2 (x) If a district's membership for a particular fiscal year,  
3 as otherwise calculated under this subsection, would be less than  
4 1,550 pupils and the district has 4.5 or fewer pupils per square  
5 mile, as determined by the department, and if the district does not  
6 receive funding under section 22d(2), the district's membership  
7 shall be considered to be the membership figure calculated under  
8 this subdivision. If a district educates and counts in its  
9 membership pupils in grades 9 to 12 who reside in a contiguous  
10 district that does not operate grades 9 to 12 and if 1 or both of  
11 the affected districts request the department to use the  
12 determination allowed under this sentence, the department shall  
13 include the square mileage of both districts in determining the  
14 number of pupils per square mile for each of the districts for the  
15 purposes of this subdivision. The membership figure calculated  
16 under this subdivision is the greater of the following:

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

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

24 (y) Full-time equated memberships for special education pupils  
25 who are not enrolled in kindergarten but are enrolled in a  
26 classroom program under R 340.1754 of the Michigan administrative  
27 code shall be determined by dividing the number of class hours



1 scheduled and provided per year by 450. Full-time equated  
2 memberships for special education pupils who are not enrolled in  
3 kindergarten but are receiving early childhood special education  
4 services under R 340.1755 or **R** 340.1862 of the Michigan  
5 administrative code shall be determined by dividing the number of  
6 hours of service scheduled and provided per year per-pupil by 180.

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

12 (aa) For the first year in which a pupil is counted in  
13 membership on the pupil membership count day in a middle college  
14 program, the membership is the average of the full-time equated  
15 membership on the pupil membership count day and on the  
16 supplemental count day for the current school year, as determined  
17 by the department. **IF A PUPIL DESCRIBED IN THIS SUBDIVISION WAS**  
18 **COUNTED IN MEMBERSHIP BY THE OPERATING DISTRICT ON THE IMMEDIATELY**  
19 **PRECEDING SUPPLEMENTAL COUNT DAY, THE PUPIL SHALL BE EXCLUDED FROM**  
20 **THE DISTRICT'S IMMEDIATELY PRECEDING SUPPLEMENTAL COUNT FOR THE**  
21 **PURPOSES OF DETERMINING THE DISTRICT'S MEMBERSHIP.**

22 (bb) A district, a public school academy, or the education  
23 achievement system that educates a pupil who attends a United  
24 States Olympic ~~education center~~-**EDUCATION CENTER** may count the  
25 pupil in membership regardless of whether or not the pupil is a  
26 resident of this state.

27 (cc) A pupil enrolled in a district other than the pupil's



1 district of residence pursuant to section 1148(2) of the revised  
2 school code, MCL 380.1148, shall be counted in the educating  
3 district or the education achievement system.

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

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

24 (ii) The pupil meets the district's definition under section  
25 23a of satisfactory monthly progress for that month or, if the  
26 pupil does not meet that definition of satisfactory monthly  
27 progress for that month, the pupil did meet that definition of





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

5 **(EE) A PUPIL ENROLLED IN AN ONLINE COURSE UNDER SECTION 21F**  
6 **SHALL BE COUNTED IN MEMBERSHIP IN THE PUPIL'S DISTRICT OF**  
7 **RESIDENCE.**

8 **(FF) IF A PUBLIC SCHOOL ACADEMY THAT IS NOT IN ITS FIRST OR**  
9 **SECOND YEAR OF OPERATION CLOSES AT THE END OF A SCHOOL YEAR AND**  
10 **DOES NOT REOPEN FOR THE NEXT SCHOOL YEAR, THE DEPARTMENT SHALL**  
11 **ADJUST THE MEMBERSHIP COUNT OF THE DISTRICT OR THE EDUCATION**  
12 **ACHIEVEMENT SYSTEM IN WHICH A FORMER PUPIL OF THE PUBLIC SCHOOL**  
13 **ACADEMY ENROLLS AND IS IN REGULAR DAILY ATTENDANCE FOR THE NEXT**  
14 **SCHOOL YEAR TO ENSURE THAT THE DISTRICT OR THE EDUCATION**  
15 **ACHIEVEMENT SYSTEM RECEIVES THE SAME AMOUNT OF MEMBERSHIP AID FOR**  
16 **THE PUPIL AS IF THE PUPIL WERE COUNTED IN THE DISTRICT OR THE**  
17 **EDUCATION ACHIEVEMENT SYSTEM ON THE SUPPLEMENTAL COUNT DAY OF THE**  
18 **PRECEDING SCHOOL YEAR.**

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

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

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



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

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

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

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

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

27 (i) "At school" means in a classroom, elsewhere on school



1 premises, on a school bus or other school-related vehicle, or at a  
2 school-sponsored activity or event whether or not it is held on  
3 school premises.

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

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

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

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

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

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

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

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

26 (j) A pupil who is the child of a person who works at the  
27 district or who is the child of a person who worked at the district



1 as of the time the pupil first enrolled in the district but who no  
 2 longer works at the district due to a workforce reduction. As used  
 3 in this subdivision, "child" includes an adopted child, stepchild,  
 4 or legal ward.

5 (k) An expelled pupil who has been denied reinstatement by the  
 6 expelling district and is reinstated by another school board under  
 7 section 1311 or 1311a of the revised school code, MCL 380.1311 and  
 8 380.1311a.

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

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

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

19 (o) A pupil who enrolls in a district other than the pupil's  
 20 district of residence as a result of the pupil's school not making  
 21 adequate yearly progress under the no child left behind act of  
 22 2001, Public Law 107-110.

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

26 However, if a district educates pupils who reside in another  
 27 district and if the primary instructional site for those pupils is



1 established by the educating district after 2009-2010 and is  
2 located within the boundaries of that other district, the educating  
3 district must have the approval of that other district to count  
4 those pupils in membership.

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

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

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

- 15 (i) Fourth Wednesday in July.  
16 (ii) First Wednesday in October.  
17 (iii) Second Wednesday in February.  
18 (iv) Fourth Wednesday in April.

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



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

24 (9) "Rule" means a rule promulgated pursuant to the  
25 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
26 24.328.

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



1 380.1852.

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

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

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

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

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

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

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



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

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

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

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

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





1 However, if there is not an existing public school academy located  
 2 in the same county as the newly authorized public school academy,  
 3 then the district code the department shall use to make payments  
 4 under this article to the newly authorized public school academy  
 5 shall be a 5-digit number that has the county code in which the  
 6 public school academy is located as its first 2 digits, 9 as its  
 7 third digit, 0 as its fourth digit, and 1 as its fifth digit. If  
 8 the number of public school academies in a county grows to exceed  
 9 100, the third digit in this 5-digit number shall then be 7 for the  
 10 public school academies in excess of 100.

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

20 Sec. 11. (1) For the fiscal year ending September 30, 2015,  
 21 there is appropriated for the public schools of this state and  
 22 certain other state purposes relating to education the sum of  
 23 ~~\$11,827,097,400.00~~ **\$11,813,297,400.00** from the state school aid  
 24 fund, the sum of \$18,000,000.00 from the MPSERS retirement  
 25 obligation reform reserve fund created under section 147b, and the  
 26 sum of \$33,700,000.00 from the general fund. **FOR THE FISCAL YEAR**  
 27 **ENDING SEPTEMBER 30, 2016, THERE IS APPROPRIATED FOR THE PUBLIC**



1 **SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO**  
2 **EDUCATION THE SUM OF \$12,151,094,700.00 FROM THE STATE SCHOOL AID**  
3 **FUND AND THE SUM OF \$41,700,000.00 FROM THE GENERAL FUND.** In  
4 addition, all other available federal funds are appropriated **EACH**  
5 **FISCAL YEAR** for the fiscal ~~year~~**YEARS** ending September 30, 2015 **AND**  
6 **SEPTEMBER 30, 2016.**

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

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

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

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

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

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

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



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

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

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

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

27 (7) For ~~2014-2015~~, **2015-2016**, in addition to the



1 appropriations in section 11, there is appropriated from the school  
 2 aid stabilization fund to the state school aid fund the amount  
 3 necessary to fully fund the allocations under this article.

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

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

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

23 Sec. 11r. (1) From the appropriation in section 11, there is  
 24 allocated **FOR 2015-2016** an amount not to exceed ~~\$4,000,000.00~~  
 25 **\$8,935,900.00** to be deposited into the distressed districts  
 26 ~~emergency grant~~ **REHABILITATION** fund created under this section for  
 27 the purpose of funding grants under this section. **THESE FUNDS ARE**



1 INTENDED TO SUPPORT THE REHABILITATION OF SCHOOL DISTRICTS  
 2 EXPERIENCING SEVERE ACADEMIC AND FINANCIAL STRESS IN ORDER TO  
 3 MITIGATE THE IMPACT ON STUDENT LEARNING.

4 (2) The distressed districts ~~emergency grant~~ **REHABILITATION**  
 5 fund is created as a separate account within the state school aid  
 6 fund. The state treasurer may receive money or other assets from  
 7 any source for deposit into the distressed districts ~~emergency~~  
 8 ~~grant~~ **REHABILITATION** fund. The state treasurer shall direct the  
 9 investment of the distressed districts ~~emergency grant~~  
 10 **REHABILITATION** fund and shall credit to the distressed districts  
 11 ~~emergency grant~~ **REHABILITATION** fund interest and earnings from the  
 12 fund.

13 ~~—— (3) Subject to subsection (4), a district is eligible to~~  
 14 ~~receive a grant from the distressed districts emergency grant fund~~  
 15 ~~if either of the following applies:~~

16 ~~—— (a) The district has adopted a resolution authorizing the~~  
 17 ~~voluntary dissolution of the district approved by the state~~  
 18 ~~treasurer under section 12 of the revised school code, MCL 380.12,~~  
 19 ~~but the dissolution has not yet taken effect under that section.~~

20 ~~—— (b) The district is a receiving district under section 12 of~~  
 21 ~~the revised school code, MCL 380.12, and the district enrolls~~  
 22 ~~pupils who were previously enrolled in a district that was~~  
 23 ~~dissolved under section 12 of the revised school code, MCL 380.12,~~  
 24 ~~in the immediately preceding school year.~~

25 ~~—— (4) A district receiving funds under section 20g is not~~  
 26 ~~eligible to receive funds under this section.~~

27 ~~—— (5) The amount of a grant under this section shall be~~



1 ~~determined by the state treasurer after consultation with the~~  
 2 ~~superintendent of public instruction, but shall not exceed the~~  
 3 ~~estimated amount of remaining district costs in excess of available~~  
 4 ~~revenues, including, but not limited to, payroll, benefits,~~  
 5 ~~retirement system contributions, pupil transportation, food~~  
 6 ~~services, special education, building security, and other costs~~  
 7 ~~necessary to allow the district to operate schools directly and~~  
 8 ~~provide public education services until the end of the current~~  
 9 ~~school fiscal year. For a district that meets the eligibility~~  
 10 ~~criteria under subsection (3) (b), the amount of the grant shall be~~  
 11 ~~determined in the same manner as transition costs under section~~  
 12 ~~20g.~~

13       (3) ~~(6)~~—Before disbursing funds under this section, the state  
 14 treasurer shall notify the house and senate appropriations  
 15 subcommittees on school aid and the house and senate fiscal  
 16 agencies. The notification shall include, but not be limited to,  
 17 the district receiving funds under this section, the amount of the  
 18 funds awarded under this section, an explanation of the district  
 19 conditions that necessitate funding under this section, and the  
 20 intended use of funds disbursed under this section.

21       (4) ~~(7)~~—Money in the distressed districts ~~emergency grant~~  
 22 **REHABILITATION** fund at the close of a fiscal year shall remain in  
 23 the distressed districts ~~emergency grant~~ **REHABILITATION** fund and  
 24 shall not lapse to the state school aid fund or to the general  
 25 fund.

26       Sec. 15. (1) If a district or intermediate district fails to  
 27 receive its proper apportionment, the department, upon satisfactory



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

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



1 department of treasury, or the office of auditor general, shall be  
2 deducted from the district's apportionments when the adjustment is  
3 finalized. At the request of the district and upon the district  
4 presenting evidence satisfactory to the department of the hardship,  
5 the department may grant up to an additional 4 years for the  
6 adjustment and may advance payments to the district otherwise  
7 authorized under this article if the district would otherwise  
8 experience a significant hardship in satisfying its financial  
9 obligations.

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





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

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

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

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



1 article the apportionment otherwise due upon a violation by the  
2 recipient.

3 (2) **A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AN ANNUAL**  
4 **BUDGET IN A MANNER THAT COMPLIES WITH THE UNIFORM BUDGETING AND**  
5 **ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.** Within 15 days  
6 after a board adopts its annual operating budget for the following  
7 school fiscal year, or after a board adopts a subsequent revision  
8 to that budget, the district shall make all of the following  
9 available through a link on its website ~~home page,~~ **HOME PAGE**, or may  
10 make the information available through a link on its intermediate  
11 district's website ~~home page,~~ **HOME PAGE**, in a form and manner  
12 prescribed by the department:

13 (a) The annual operating budget and subsequent budget  
14 revisions.

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

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

21 (A) Salaries and wages.

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

25 (C) Retirement benefit costs.

26 (D) All other personnel costs.

27 (ii) A chart of all district expenditures, broken into the



1 following subcategories:

2 (A) Instruction.

3 (B) Support services.

4 (C) Business and administration.

5 (D) Operations and maintenance.

6 (c) Links to all of the following:

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

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

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

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

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

20 (vi) The district's written policy establishing specific  
21 categories of reimbursable expenses, as described in section  
22 1254(2) of the revised school code, MCL 380.1254.

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



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

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

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

9 (g) Any deficit elimination plan or enhanced deficit  
10 elimination plan the district was required to submit under this  
11 article.

12 (h) Identification of all credit cards maintained by the  
13 district as district credit cards, the identity of all individuals  
14 authorized to use each of those credit cards, the credit limit on  
15 each credit card, and the dollar limit, if any, for each  
16 individual's authorized use of the credit card.

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

22 (3) For the information required under subsection (2) (a),  
23 (2) (b) (i), and (2) (c), an intermediate district shall provide the  
24 same information in the same manner as required for a district  
25 under subsection (2).

26 (4) For the purposes of determining the reasonableness of  
27 expenditures, whether a district or intermediate district has



1 received the proper amount of funds under this article, and whether  
2 a violation of this article has occurred, all of the following  
3 apply:

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

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



1 (c) A district's or intermediate district's annual financial  
2 audit shall include an analysis of the financial and pupil  
3 accounting data used as the basis for distribution of state school  
4 aid.

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

9 (e) All of the following shall be done not later than ~~November~~  
10 ~~15, 2014 for reporting 2013-2014 data during 2014-2015, and not~~  
11 ~~later than November 1~~ **EACH YEAR** for reporting the prior fiscal year  
12 data: ~~for all subsequent fiscal years:~~

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

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

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

21 (f) The annual financial audit reports and pupil accounting  
22 procedures reports shall be available to the public in compliance  
23 with the freedom of information act, 1976 PA 442, MCL 15.231 to  
24 15.246.

25 (g) Not later than January 31 of each year, the department  
26 shall notify the state budget director and the legislative  
27 appropriations subcommittees responsible for review of the school



1 aid budget of districts and intermediate districts that have not  
2 filed an annual financial audit and pupil accounting procedures  
3 report required under this section for the school year ending in  
4 the immediately preceding fiscal year.

5 (5) By ~~November 15, 2014 for 2014-2015 and by November 1 for~~  
6 ~~all subsequent fiscal years,~~ **EACH YEAR**, each district and  
7 intermediate district shall submit to the center, in a manner  
8 prescribed by the center, annual comprehensive financial data  
9 consistent with accounting manuals and charts of accounts approved  
10 and published by the department. For an intermediate district, the  
11 report shall also contain the website address where the department  
12 can access the report required under section 620 of the revised  
13 school code, MCL 380.620. The department shall ensure that the  
14 prescribed Michigan public school accounting manual chart of  
15 accounts includes standard conventions to distinguish expenditures  
16 by allowable fund function and object. The functions shall include  
17 at minimum categories for instruction, pupil support, instructional  
18 staff support, general administration, school administration,  
19 business administration, transportation, facilities operation and  
20 maintenance, facilities acquisition, and debt service; and shall  
21 include object classifications of salary, benefits, including  
22 categories for active employee health expenditures, purchased  
23 services, supplies, capital outlay, and other. Districts shall  
24 report the required level of detail consistent with the manual as  
25 part of the comprehensive annual financial report.

26 (6) By September 30 of each year, each district and  
27 intermediate district shall file with the department the special



1 education actual cost report, known as "SE-4096", on a form and in  
2 the manner prescribed by the department.

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

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

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

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

25 **(11) IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY**  
26 **WITH SUBSECTION (2), THE DEPARTMENT MAY WITHHOLD UP TO 10% OF THE**  
27 **STATE SCHOOL AID OTHERWISE PAYABLE TO THE DISTRICT OR INTERMEDIATE**





1 DISTRICT UNDER THIS ARTICLE, BEGINNING WITH THE NEXT PAYMENT DUE TO  
2 THE DISTRICT OR INTERMEDIATE DISTRICT, UNTIL THE DISTRICT OR  
3 INTERMEDIATE DISTRICT COMPLIES WITH SUBSECTION (2). IF THE DISTRICT  
4 OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION (2) BY THE  
5 END OF THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT  
6 FORFEITS THE AMOUNT WITHHELD.

7 (12) ~~(11)~~ Not later than November 1, 2014, ~~2015~~, if a district  
8 or intermediate district offers online learning under section 21f,  
9 the district or intermediate district shall submit to the  
10 department a report that details the per-pupil costs of operating  
11 the online learning by vendor type. The report shall include at  
12 least all of the following information concerning the operation of  
13 online learning for the school fiscal year ending June 30,  
14 ~~2014:2015~~:

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

17 (b) The total number of students enrolled in the online  
18 learning and the total number of membership pupils enrolled in the  
19 online learning.

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

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

24 (e) The number of participating students who had previously  
25 dropped out of school.

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



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

8 (h) The name of each online education provider contracted by  
9 the district and the state in which each online education provider  
10 is headquartered.

11 **(13)** ~~(12)~~ Not later than March 31, ~~2015,~~ **2016**, the department  
12 shall submit to the house and senate appropriations subcommittees  
13 on state school aid, the state budget director, and the house and  
14 senate fiscal agencies a report summarizing the per pupil costs by  
15 vendor type of online courses available under section 21f.

16 **(14)** ~~(13)~~ As used in subsections ~~(11) and (12),~~ **(12) AND (13)**,  
17 "vendor type" means the following:

18 (a) Online courses provided by the Michigan virtual  
19 university.

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

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

25 (d) Online courses created and offered by a district or  
26 intermediate district.

27 Sec. 18a. Grant funds awarded and allotted to a district,



1 intermediate district, or other entity, unless otherwise specified  
 2 in this ~~act~~, **ARTICLE**, shall be expended by the grant recipient  
 3 before the end of the school fiscal year immediately following the  
 4 fiscal year in which the funds are received. If a grant recipient  
 5 does not expend the funds received under this ~~act~~ **ARTICLE** before  
 6 the end of the fiscal year in which the funds are received, the  
 7 grant recipient shall submit a report to the department not later  
 8 than November 1 after the fiscal year in which the funds are  
 9 received indicating whether it expects to expend those funds during  
 10 the fiscal year in which the report is submitted. A recipient of a  
 11 grant shall return any unexpended grant funds to the department in  
 12 the manner prescribed by the department not later than September 30  
 13 after the fiscal year in which the funds are received.

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

16 (a) The basic foundation allowance is ~~\$8,099.00~~ **\$8,149.00**.

17 (b) The minimum foundation allowance is ~~\$7,126.00~~ **\$7,351.00**.

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

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

25 (a) Except as otherwise provided in this subdivision, for a  
 26 district that had a foundation allowance for the immediately  
 27 preceding state fiscal year that was equal to the minimum



1 foundation allowance for the immediately preceding state fiscal  
2 year, but less than the basic foundation allowance for the  
3 immediately preceding state fiscal year, the district shall receive  
4 a foundation allowance in an amount equal to the sum of the  
5 district's foundation allowance for the immediately preceding state  
6 fiscal year plus the difference between twice the dollar amount of  
7 the adjustment from the immediately preceding state fiscal year to  
8 the current state fiscal year made in the basic foundation  
9 allowance and [(the difference between the basic foundation  
10 allowance for the current state fiscal year and basic foundation  
11 allowance for the immediately preceding state fiscal year minus  
12 ~~\$10.00~~-\$15.00) times (the difference between the district's  
13 foundation allowance for the immediately preceding state fiscal  
14 year and the minimum foundation allowance for the immediately  
15 preceding state fiscal year) divided by the difference between the  
16 basic foundation allowance for the current state fiscal year and  
17 the minimum foundation allowance for the immediately preceding  
18 state fiscal year]. However, the foundation allowance for a  
19 district that had less than the basic foundation allowance for the  
20 immediately preceding state fiscal year shall not exceed the basic  
21 foundation allowance for the current state fiscal year. For the  
22 purposes of this subdivision, for ~~2014-2015~~, **2015-2016**, the minimum  
23 foundation allowance for the immediately preceding state fiscal  
24 year shall be considered to be ~~\$7,076.00~~. ~~For 2014-2015, for a~~  
25 ~~district that had a foundation allowance for the immediately~~  
26 ~~preceding state fiscal year that was at least equal to the minimum~~  
27 ~~foundation allowance for the immediately preceding state fiscal~~



1 ~~year but less than the basic foundation allowance for the~~  
2 ~~immediately preceding state fiscal year, the district shall receive~~  
3 ~~a foundation allowance in an amount equal to the district's~~  
4 ~~foundation allowance for 2013-2014 plus \$50.00.~~ **\$7,251.00.**

5 (b) Except as otherwise provided in this subsection, for a  
6 district that in the immediately preceding state fiscal year had a  
7 foundation allowance in an amount equal to the amount of the basic  
8 foundation allowance for the immediately preceding state fiscal  
9 year, the district shall receive a foundation allowance for ~~2014-~~  
10 ~~2015-2015-2016~~ in an amount equal to the basic foundation allowance  
11 for ~~2014-2015.~~ **2015-2016.**

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

26 (d) For a district that has a foundation allowance that is not  
27 a whole dollar amount, the district's foundation allowance shall be



1 rounded up to the nearest whole dollar.

2 (e) For a district that received a payment under section 22c  
3 as that section was in effect for ~~2013-2014~~, **2014-2015**, the  
4 district's ~~2013-2014~~**2014-2015** foundation allowance shall be  
5 considered to have been an amount equal to the sum of the  
6 district's actual ~~2013-2014~~**2014-2015** foundation allowance as  
7 otherwise calculated under this section plus the per-pupil amount  
8 of the district's equity payment for ~~2013-2014~~**2014-2015** under  
9 section 22c as that section was in effect for ~~2013-2014~~**2014-2015**.

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



1 been attached in whole or in part to the receiving district to  
2 satisfy debt obligations of the dissolved district under section 12  
3 of the revised school code, MCL 380.12, the taxable value per  
4 membership pupil of property in the receiving district used for the  
5 purposes of this subsection does not include the taxable value of  
6 property within the geographic area of the dissolved district.

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

21 (6) Except as otherwise provided in this subsection, for  
22 pupils in membership, other than special education pupils, in a  
23 public school academy, the allocation calculated under this section  
24 is an amount per membership pupil other than special education  
25 pupils in the public school academy equal to the foundation  
26 allowance of the district in which the public school academy is  
27 located or the state maximum public school academy allocation,



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

25 (7) Except as otherwise provided in this subsection, for  
26 pupils attending an achievement school and in membership in the  
27 education achievement system, other than special education pupils,





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

24 (8) Subject to subsection (4), for a district that is formed  
25 or reconfigured after June 1, 2002 by consolidation of 2 or more  
26 districts or by annexation, the resulting district's foundation  
27 allowance under this section beginning after the effective date of



1 the consolidation or annexation shall be the lesser of the sum of  
2 the average of the foundation allowances of each of the original or  
3 affected districts, calculated as provided in this section,  
4 weighted as to the percentage of pupils in total membership in the  
5 resulting district who reside in the geographic area of each of the  
6 original or affected districts plus \$100.00 or the highest  
7 foundation allowance among the original or affected districts. **IN**  
8 **ADDITION, FOR THE NEXT 2 FISCAL YEARS THAT BEGIN AFTER A**  
9 **CONSOLIDATION OR ANNEXATION UNDER THIS SECTION, THE RESULTING**  
10 **DISTRICT'S FOUNDATION ALLOWANCE SHALL BE ITS FOUNDATION ALLOWANCE**  
11 **AS OTHERWISE CALCULATED UNDER THIS SUBSECTION PLUS \$200.00.** This  
12 subsection does not apply to a receiving district unless there is a  
13 subsequent consolidation or annexation that affects the district.

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, public school academies, or the  
9 education achievement system shall not be made under this section.  
10 Rather, the calculations under this section shall be used to  
11 determine the amount of state payments 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 for the  
12 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 for the immediately  
15 preceding state fiscal year minus ~~\$10.00~~-\$15.00) times (the  
16 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 2014-~~  
23 ~~2015, the minimum foundation allowance for the immediately~~  
24 ~~preceding state fiscal year shall be considered to be \$7,076.00.~~  
25 ~~For 2014-2015, FOR 2015-2016, the maximum public school academy~~  
26 ~~allocation is \$7,218.00.~~ **\$7,351.00.**

27 (k) "Membership" means the definition of that term under



1 section 6 as in effect for the particular fiscal year for which a  
2 particular calculation is made.

3 (l) "Nonexempt property" means property that is not a  
4 principal residence, qualified agricultural property, qualified  
5 forest property, supportive housing property, industrial personal  
6 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**  
7 **A PUBLIC SCHOOL ACADEMY.**

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

13 (n) "Receiving district" means a district to which all or part  
14 of the territory of a dissolved district is attached under section  
15 12 of the revised school code, MCL 380.12.

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

20 (p) "School operating taxes" means local ad valorem property  
21 taxes levied under section 1211 of the revised school code, MCL  
22 380.1211, and retained for school operating purposes.

23 (q) "Tax increment financing acts" means 1975 PA 197, MCL  
24 125.1651 to 125.1681, the tax increment finance authority act, 1980  
25 PA 450, MCL 125.1801 to 125.1830, the local development financing  
26 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
27 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,



1 or the corridor improvement authority act, 2005 PA 280, MCL  
2 125.2871 to 125.2899.

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

9 Sec. 20d. In making the final determination required under  
10 former section 20a of a district's combined state and local revenue  
11 per membership pupil in 1993-94 and in making calculations under  
12 section 20 for ~~2014-2015~~, **2015-2016**, the department and the  
13 department of treasury shall comply with all of the following:

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





1 code, MCL 380.1211, as a result of the adjustment under this  
2 subdivision.

3 (b) If a district had an adjustment made to its 1993-94 total  
4 state school aid that excluded payments made under former section  
5 146 and under section 147 on behalf of the district's employees who  
6 provided direct services for intermediate district center programs  
7 operated by the district under article 5, if nonresident pupils  
8 attending the center programs were included in the district's  
9 membership for purposes of calculating the combined state and local  
10 revenue per membership pupil for 1993-94, and if there is a signed  
11 agreement by all constituent districts of the intermediate district  
12 that an adjustment under this subdivision shall be made, the  
13 foundation allowances for 1995-96 and 1996-97 of all districts that  
14 had pupils attending the intermediate district center program  
15 operated by the district that had the adjustment shall be  
16 calculated as if their combined state and local revenue per  
17 membership pupil for 1993-94 included resident pupils attending the  
18 center program and excluded nonresident pupils attending the center  
19 program.

20 Sec. 20f. (1) From the funds appropriated in section 11, there  
21 is allocated an amount not to exceed ~~\$6,000,000.00 for 2014-2015~~  
22 **\$12,400,000.00 FOR 2015-2016** for payments to eligible districts  
23 under this section.

24 **(2) THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**  
25 **UNDER SUBSECTION (1).** A district is eligible for funding under this  
26 ~~section~~**SUBSECTION** if the district received a payment under this  
27 section as it was in effect for 2013-2014. A district was eligible



1 for funding in 2013-2014 if the sum of the following was less than  
2 \$5.00:

3 (a) The increase in the district's foundation allowance or  
4 per-pupil payment as calculated under section 20 from 2012-2013 to  
5 2013-2014.

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

8 (c) The quotient of the district's allocation under section  
9 147a for 2012-2013 divided by the district's membership pupils for  
10 2012-2013 minus the quotient of the district's allocation under  
11 section 147a for 2013-2014 divided by the district's membership  
12 pupils for 2013-2014.

13 **(3) (2)**—The amount allocated to each eligible district under  
14 ~~this section~~ **SUBSECTION (2)** is an amount per membership pupil equal  
15 to the amount per membership pupil the district received **UNDER THIS**  
16 **SECTION** in 2013-2014.

17 **(4) THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**  
18 **UNDER SUBSECTION (1). A DISTRICT IS ELIGIBLE FOR FUNDING UNDER THIS**  
19 **SUBSECTION FOR 2015-2016 IF THE SUM OF THE FOLLOWING IS LESS THAN**  
20 **\$0.00:**

21 **(A) THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR**  
22 **PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO**  
23 **2015-2016.**

24 **(B) THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL**  
25 **FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016, IF THE**  
26 **DISTRICT QUALIFIED FOR FUNDING UNDER THAT SECTION FOR BOTH 2014-**  
27 **2015 AND 2015-2016.**



1 (C) THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL  
2 FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.

3 (D) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION  
4 31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR  
5 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER  
6 SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP  
7 PUPILS FOR 2014-2015.

8 (5) THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER  
9 SUBSECTION (4) IS AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO \$0.00  
10 MINUS THE SUM OF THE FOLLOWING:

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

14 (B) THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL  
15 FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016, IF THE  
16 DISTRICT QUALIFIED FOR FUNDING UNDER THAT SECTION FOR BOTH 2014-  
17 2015 AND 2015-2016.

18 (C) THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL  
19 FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.

20 (D) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION  
21 31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR  
22 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER  
23 SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP  
24 PUPILS FOR 2014-2015.

25 (6) ~~(3)~~—If the allocation under subsection (1) is insufficient  
26 to fully fund payments **UNDER SUBSECTIONS (3) AND (5)** as otherwise  
27 calculated under this section, the department shall prorate



1 payments under this section on an equal per-pupil basis.

2       Sec. 20g. (1) From the money appropriated under section 11,  
3 there is allocated an amount not to exceed \$2,200,000.00 for ~~2014-~~  
4 ~~2015-2015-2016~~ for grants to eligible districts that first received  
5 payments under this section in 2013-2014 for transition costs  
6 related to the enrollment of pupils who were previously enrolled in  
7 a district that was dissolved under section 12 of the revised  
8 school code, MCL 380.12, allocated as provided under subsection  
9 (3). Payments under this section shall continue for a total of 4  
10 fiscal years following the dissolution of a district, after which  
11 the payments shall cease.

12       (2) A receiving school district, as that term is defined in  
13 section 12 of the revised school code, MCL 380.12, is an eligible  
14 district under this section.

15       (3) The amount allocated to each eligible district under This  
16 section is an amount equal to the product of the number of  
17 membership pupils enrolled in the eligible district who were  
18 previously enrolled in the dissolved school district in the school  
19 year immediately preceding the dissolution, or who reside in the  
20 geographic area of the dissolved school district and are entering  
21 kindergarten, times 10.0% of the lesser of the foundation allowance  
22 of the eligible district as calculated under section 20 or the  
23 basic foundation allowance under section 20(1).

24       (4) As used in this section, "dissolved school district" means  
25 a school district that has been declared dissolved under section 12  
26 of the revised school code, 1976 PA 451, MCL 380.12.

27       Sec. 21f. (1) A pupil enrolled in a district in any of grades



1 6 to 12 is eligible to enroll in an online course as provided for  
2 in this section.

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

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

23 (4) A **PROVIDING** district **OR COMMUNITY COLLEGE** shall determine  
24 whether or not it has capacity to accept applications for  
25 enrollment from nonresident applicants in online courses and may  
26 use that limit as the reason for refusal to enroll an applicant. If  
27 the number of nonresident applicants eligible for acceptance in an



1 online course does not exceed the capacity of the **PROVIDING**  
2 district **OR COMMUNITY COLLEGE** to provide the online course, the  
3 **PROVIDING** district **OR COMMUNITY COLLEGE** shall accept for enrollment  
4 all of the nonresident applicants eligible for acceptance. If the  
5 number of nonresident applicants exceeds the **PROVIDING** district's  
6 **OR COMMUNITY COLLEGE'S** capacity to provide the online course, the  
7 **PROVIDING** district **OR COMMUNITY COLLEGE** shall use a random draw  
8 system, subject to the need to abide by state and federal  
9 antidiscrimination laws and court orders.

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

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

15 (b) The online course is not capable of generating academic  
16 credit.

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

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

22 (e) The online course is of insufficient quality or rigor. A  
23 district that denies a pupil enrollment for this reason shall make  
24 a reasonable effort to assist the pupil to find an alternative  
25 course in the same or a similar subject that is of acceptable rigor  
26 and quality.

27 (f) The cost of the online course exceeds the amount



1 identified in subsection ~~(8)~~, **(10)**, unless the pupil's parent or  
2 legal guardian agrees to pay the cost that exceeds this amount.

3 (g) The online course enrollment request does not occur within  
4 the same timelines established by the **PRIMARY** district for  
5 enrollment and schedule changes for regular courses.

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

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

22 (a) Provide the Michigan ~~virtual university~~-**VIRTUAL UNIVERSITY**  
23 with the course syllabus in a form and method prescribed by the  
24 Michigan ~~virtual university~~-**VIRTUAL UNIVERSITY** for inclusion in a  
25 statewide online course catalog. The district or intermediate  
26 district shall also provide on its publicly accessible website a  
27 link to the course syllabi for all of the online courses offered by



1 the district or intermediate district and a link to the statewide  
 2 catalog of online courses maintained by the Michigan ~~virtual~~  
 3 ~~university~~. **VIRTUAL UNIVERSITY.**

4 **(B) ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE**  
 5 **PRIMARY DISTRICT WITH THE PERSONAL IDENTIFICATION CODE FOR THE**  
 6 **TEACHER OF RECORD.**

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

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

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

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

22 **(B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD,**  
 23 **OR ALIGNED TO A SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM**  
 24 **FORMAT.**

25 **(C) ENSURE THAT EACH ONLINE COURSE IT PROVIDES UNDER THIS**  
 26 **SECTION GENERATES POSTSECONDARY CREDIT.**

27 **(D) BEGINNING WITH OCTOBER 1, 2016, AND BY OCTOBER 1 OF EACH**





1 YEAR THEREAFTER, PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE  
 2 NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE COMMUNITY COLLEGE  
 3 PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY  
 4 PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE  
 5 PUPIL EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE  
 6 COURSE.

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

9 (9) FOR ANY ONLINE COURSE A PUPIL ENROLLS IN UNDER THIS  
 10 SECTION, THE PUPIL'S PRIMARY DISTRICT MUST ASSIGN TO THE PUPIL A  
 11 MENTOR TO MONITOR THE PUPIL'S PROGRESS DURING THE ONLINE COURSE AND  
 12 SHALL SUPPLY THE PROVIDING DISTRICT WITH THE MENTOR'S CONTACT  
 13 INFORMATION.

14 (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses  
 15 published in the pupil's educating ~~PRIMARY~~ district's catalog of  
 16 online courses under subsection (7) or in the statewide catalog of  
 17 online courses maintained by the Michigan ~~virtual university,~~  
 18 **VIRTUAL UNIVERSITY**, the **PRIMARY** district shall use foundation  
 19 allowance or per-pupil funds calculated under section 20 to pay for  
 20 the expenses associated with the online course or courses. ~~The~~  
 21 ~~district shall pay 80% of the cost of the online course upon~~  
 22 ~~enrollment and 20% upon completion as determined by the district. A~~  
 23 ~~district is not required to pay toward the cost of an online course~~  
 24 ~~an amount that exceeds 8.33%—6.67% of the minimum foundation~~  
 25 ~~allowance for the current fiscal year as calculated under section~~  
 26 ~~20.~~

27 (11) ~~(9)~~ An online learning pupil shall have the same rights



1 and access to technology in his or her primary district's school  
 2 facilities as all other pupils enrolled in the pupil's primary  
 3 district.

4 (12) ~~(10)~~—If a pupil successfully completes an online course,  
 5 as determined by the pupil's primary district, the pupil's primary  
 6 district shall grant appropriate academic credit for completion of  
 7 the course and shall count that credit toward completion of  
 8 graduation and subject area requirements. A pupil's school record  
 9 and transcript shall identify the online course title as it appears  
 10 in the online course syllabus.

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

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

18 (15) ~~(13)~~—As used in this section:

19 (A) **"MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY**  
 20 **DISTRICT WHO MONITORS THE PUPIL'S PROGRESS, ENSURES THE PUPIL HAS**  
 21 **ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE FOR ASSISTANCE, AND**  
 22 **ENSURES ACCESS TO THE TEACHER OF RECORD. A MENTOR MAY ALSO SERVE AS**  
 23 **THE TEACHER OF RECORD IF THE MENTOR MEETS THE REQUIREMENTS UNDER**  
 24 **SUBDIVISION (G) .**

25 (B) ~~(a)~~—"Online course" means a course of study that is  
 26 capable of generating a credit or a grade, that is provided in an  
 27 interactive ~~internet-connected~~ **INTERNET-CONNECTED** learning



1 environment, in which pupils are separated from their teachers by  
 2 time or location, or both, and in which a teacher who holds a valid  
 3 Michigan teaching certificate **THAT QUALIFIES THE TEACHER TO TEACH**  
 4 **THE COURSE** is responsible for **PROVIDING INSTRUCTION**, determining  
 5 appropriate instructional methods for each pupil, diagnosing  
 6 learning needs, assessing pupil learning, prescribing intervention  
 7 strategies, reporting outcomes, and evaluating the effects of  
 8 instruction and support strategies.

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

11 (i) The state academic standards addressed in an online  
 12 course.

13 (ii) The online course content outline.

14 (iii) The online course required assessments.

15 (iv) The online course prerequisites.

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

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

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

20 (viii) The name of the institution or organization providing  
 21 the online content.

22 (ix) The name of the institution or organization providing the  
 23 online instructor.

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



1           (xi) The number of eligible nonresident pupils that will be  
2 accepted by the district or intermediate district in the online  
3 course.

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

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

9           (E) ~~(d)~~"Primary district" means the **PUPIL'S** district that  
10 enrolls the pupil and reports the pupil as a full-time equated  
11 pupil for pupil membership purposes.**OF RESIDENCE.**

12           (F) **"PROVIDING DISTRICT" MEANS THE DISTRICT, INTERMEDIATE**  
13 **DISTRICT, OR COMMUNITY COLLEGE THAT THE PRIMARY DISTRICT PAYS TO**  
14 **PROVIDE THE ONLINE COURSE.**

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

22           Sec. 22a. (1) From the appropriation in section 11, there is  
23 allocated an amount not to exceed ~~\$5,380,000,000.00 for 2014-2015~~  
24 **\$5,282,300,000.00 FOR 2015-2016** for payments to districts and  
25 qualifying public school academies to guarantee each district and  
26 qualifying public school academy an amount equal to its 1994-95  
27 total state and local per pupil revenue for school operating



1 purposes under section 11 of article IX of the state constitution  
2 of 1963. Pursuant to section 11 of article IX of the state  
3 constitution of 1963, this guarantee does not apply to a district  
4 in a year in which the district levies a millage rate for school  
5 district operating purposes less than it levied in 1994. However,  
6 subsection (2) applies to calculating the payments under this  
7 section. Funds allocated under this section that are not expended  
8 in the state fiscal year for which they were allocated, as  
9 determined by the department, may be used to supplement the  
10 allocations under sections 22b and 51c in order to fully fund those  
11 calculated allocations for the same fiscal year.

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

17 (a) Except as otherwise provided in this subsection, the state  
18 portion of a district's 1994-95 foundation allowance is an amount  
19 equal to the district's 1994-95 foundation allowance or \$6,500.00,  
20 whichever is less, minus the difference between the sum of the  
21 product of the taxable value per membership pupil of all property  
22 in the district that is nonexempt property times the district's  
23 certified mills and, for a district with certified mills exceeding  
24 12, the product of the taxable value per membership pupil of  
25 property in the district that is commercial personal property times  
26 the certified mills minus 12 mills and the quotient of the ad  
27 valorem property tax revenue of the district captured under tax



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

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 25f.

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, ~~and~~ commercial personal property, **AND PROPERTY OCCUPIED**  
23 **BY A PUBLIC SCHOOL ACADEMY** could be reduced as provided in section  
24 1211 of the revised school code, MCL 380.1211, and the number of  
25 mills of school operating taxes that could be levied on all  
26 property as provided in section 1211(2) of the revised school code,  
27 MCL 380.1211, as certified by the department of treasury for the



1 1994 tax year. For a receiving district, if school operating taxes  
2 are to be levied on behalf of a dissolved district that has been  
3 attached in whole or in part to the receiving district to satisfy  
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, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**  
20 **A 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, ~~and~~ commercial  
17 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**  
18 may be reduced as provided in section 1211 of the revised school  
19 code, MCL 380.1211, the taxable value of homestead, qualified  
20 agricultural property, qualified forest property, supportive  
21 housing property, industrial personal property, ~~and~~ commercial  
22 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**  
23 for the calendar year ending in the current state fiscal year. For  
24 a receiving district, if school operating taxes are to be levied on  
25 behalf of a dissolved district that has been attached in whole or  
26 in part to the receiving district to satisfy debt obligations of  
27 the dissolved district under section 12 of the revised school code,



1 MCL 380.12, mills do not include mills within the geographic area  
2 of the 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) From the appropriation in section 11, there is  
15 allocated an amount not to exceed ~~\$3,434,000,000.00 for 2014-2015~~  
16 **\$3,688,700,000.00 FOR 2015-2016** for discretionary nonmandated  
17 payments to districts under this section. Funds allocated under  
18 this section that are not expended in the state fiscal year for  
19 which they were allocated, as determined by the department, may be  
20 used to supplement the allocations under sections 22a and 51c in  
21 order to fully fund those calculated allocations for the same  
22 fiscal year.

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



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

3 (a) Comply with section 1280b of the revised school code, MCL  
4 380.1280b.

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

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

10 (d) Comply with section 1230g of the revised school code, MCL  
11 380.1230g.

12 (e) Comply with section 21f.

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

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

23 (6) From the allocation in subsection (1), the department  
24 shall pay up to \$1,000,000.00 in litigation costs incurred by this  
25 state associated with lawsuits filed by 1 or more districts or  
26 intermediate districts against this state. If the allocation under  
27 this section is insufficient to fully fund all payments required



1 under this section, the payments under this subsection shall be  
2 made in full before any proration of remaining payments under this  
3 section.

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

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



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

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

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



1 resolution of the litigation. In addition, this state reserves the  
2 right to terminate future federal title XIX Medicaid reimbursement  
3 payments to districts if the amount or allocation of reimbursed  
4 funds is challenged in the lawsuit. As used in this subsection,  
5 "title XIX" means title XIX of the social security act, 42 USC 1396  
6 to 1396v.

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

8 Sec. 22d. (1) From the appropriation in section 11, an amount  
9 not to exceed ~~\$2,584,600.00~~ **\$5,000,000.00** is allocated for ~~2014-~~  
10 ~~2015-2015-2016~~ for supplemental payments to rural districts under  
11 this section.

12 (2) From the allocation under subsection (1), there is  
13 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
14 \$957,300.00 for payments under this subsection to districts that  
15 meet all of the following:

16 (a) Operates grades K to 12.

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

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

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

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

23 (3) The amount of the additional funding to each eligible  
24 district under subsection (2) shall be determined under a spending  
25 plan developed as provided in this subsection and approved by the  
26 superintendent of public instruction. The spending plan shall be  
27 developed cooperatively by the intermediate superintendents of each





1 intermediate district in which an eligible district is located. The  
 2 intermediate superintendents shall review the financial situation  
 3 of each eligible district, determine the minimum essential  
 4 financial needs of each eligible district, and develop and agree on  
 5 a spending plan that distributes the available funding under  
 6 subsection (2) to the eligible districts based on those financial  
 7 needs. The intermediate superintendents shall submit the spending  
 8 plan to the superintendent of public instruction for approval. Upon  
 9 approval by the superintendent of public instruction, the amounts  
 10 specified for each eligible district under the spending plan are  
 11 allocated under subsection (2) and shall be paid to the eligible  
 12 districts in the same manner as payments under section 22b.

13 (4) Subject to subsection (6), from the allocation in  
 14 subsection (1), there is allocated for ~~2014-2015~~ **2015-2016** an  
 15 amount not to exceed ~~\$1,627,300.00~~ **\$4,042,700.00** for payments under  
 16 this subsection to districts that ~~meet all of the following:~~

17 ~~—— (a) The district has 5.0~~ **HAVE 7.3** or fewer pupils per square  
 18 mile as determined by the department.

19 ~~—— (b) The district has a total square mileage greater than 200.0~~  
 20 ~~or is 1 of 2 districts that have consolidated transportation~~  
 21 ~~services and have a combined total square mileage greater than~~  
 22 ~~200.0.~~

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

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

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



1 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed  
 2 ~~\$75,000,000.00~~ **\$30,000,000.00** to provide incentive payments to  
 3 districts that meet best practices under this section. **FUNDS**  
 4 **ALLOCATED UNDER THIS SECTION ARE INTENDED TO INCREASE THE FISCAL**  
 5 **HEALTH OF DISTRICTS STATEWIDE, TO DECREASE THE NUMBER OF DISTRICTS**  
 6 **WITH ONGOING DEFICITS, TO INCREASE THE NUMBER OF PUPILS READING AT**  
 7 **GRADE LEVEL BY THE END OF GRADE 3, AND TO INCREASE THE NUMBER OF**  
 8 **PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL**  
 9 **GRADUATION.** Payments received under this section may be used for  
 10 any purpose for which payments under sections 22a and 22b may be  
 11 used.

12 (2) The amount of the incentive payment under this section is  
 13 an amount equal to ~~\$50.00~~ **\$20.00** per-pupil. A district shall  
 14 receive an incentive payment under this section if the district  
 15 satisfies ~~at least 7~~ **BOTH** of the following requirements not later  
 16 than June 1, ~~2015~~ **2016**:

17 ~~—— (a) If a district provides medical, pharmacy, dental, vision,~~  
 18 ~~disability, long-term care, or any other type of benefit that would~~  
 19 ~~constitute a health care services benefit, to employees and their~~  
 20 ~~dependents, the district is the policyholder for each of its~~  
 21 ~~insurance policies that covers 1 or more of these benefits. A~~  
 22 ~~district that does not directly employ its staff or a district with~~  
 23 ~~a voluntary employee beneficiary association that pays no more than~~  
 24 ~~the maximum per employee contribution amount and that contributes~~  
 25 ~~no more than the maximum employer contribution percentage of total~~  
 26 ~~annual costs for the medical benefit plans as described in sections~~  
 27 ~~3 and 4 of the publicly funded health insurance contribution act,~~



1 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied~~  
2 ~~this requirement.~~

3 ~~—— (b) The district has obtained competitive bids on the~~  
4 ~~provision of pupil transportation, food service, custodial, or 1 or~~  
5 ~~more other noninstructional services for 2014-2015. In comparing~~  
6 ~~competitive bids to the current costs of providing 1 or more of~~  
7 ~~these services, a district shall exclude the unfunded accrued~~  
8 ~~liability costs for retirement and other benefits from the~~  
9 ~~district's current costs.~~

10 ~~—— (c) The district accepts applications for enrollment by~~  
11 ~~nonresident applicants under section 105 or 105c. A public school~~  
12 ~~academy is considered to have met this requirement.~~

13 ~~—— (d) The district offers online courses or blended learning~~  
14 ~~opportunities to all eligible pupils. In order to satisfy this~~  
15 ~~requirement, a district must make all eligible pupils and their~~  
16 ~~parents or guardians aware of these opportunities and must publish~~  
17 ~~an online course syllabus as described in section 21f for each~~  
18 ~~online course that the district offers. For the purposes of this~~  
19 ~~subdivision:~~

20 ~~—— (i) "Blended learning" means a hybrid instructional delivery~~  
21 ~~model where pupils are provided content, instruction, and~~  
22 ~~assessment in part at a supervised educational facility away from~~  
23 ~~home where the pupil and a teacher with a valid Michigan teaching~~  
24 ~~certificate are in the same physical location and in part through~~  
25 ~~internet-connected learning environments with some degree of pupil~~  
26 ~~control over time, location, and pace of instruction.~~

27 ~~—— (ii) "Online course" means a course of study that is capable~~



1 of generating a credit or a grade, that is provided in an  
 2 interactive internet-connected learning environment, in which  
 3 pupils are separated from their teachers by time or location, or  
 4 both, and in which a teacher with a valid Michigan teaching  
 5 certificate is responsible for determining appropriate  
 6 instructional methods for each pupil, diagnosing learning needs,  
 7 assessing pupil learning, prescribing intervention strategies,  
 8 reporting outcomes, and evaluating the effects of instruction and  
 9 support strategies.

10 **(A) MEETS THE REQUIREMENTS OF AT LEAST 2 OF THE FOLLOWING**  
 11 **FINANCIAL BEST PRACTICES:**

12 **(i)** ~~(e)~~—The district provides to parents and community members  
 13 a dashboard or report card demonstrating the district's efforts to  
 14 manage its finances responsibly. The dashboard or report card shall  
 15 include revenue and expenditure projections for the district for  
 16 fiscal year ~~2014-2015~~ **2015-2016** and fiscal year ~~2015-2016~~, **2016-**  
 17 **2017**, a listing of all debt service obligations, detailed by  
 18 project, including anticipated fiscal year ~~2014-2015~~ **2015-2016**  
 19 payment for each project, a listing of total outstanding debt, and  
 20 at least all of the following for the 3 most recent school years  
 21 for which the data are available:

22 **(A)** ~~(i)~~—Graduation and dropout rates.

23 **(B)** ~~(ii)~~—Average class size in grades kindergarten to 3.

24 **(C)** ~~(iii)~~—College readiness as measured by Michigan merit  
 25 examination test scores.

26 **(D)** ~~(iv)~~—Elementary and middle school ~~MEAP~~ **MICHIGAN STUDENT**  
 27 **TEST OF EDUCATIONAL PROGRESS (M-STEP)** scores.



1           (E) ~~(v)~~Teacher, principal, and superintendent salary  
2 information including at least minimum, average, and maximum pay  
3 levels.

4           (F) ~~(vi)~~General fund balance.

5           (G) ~~(vii)~~The total number of days of instruction provided.

6 ~~(f) The district complies with a method of compensation for~~  
7 ~~teachers and school administrators that includes job performance~~  
8 ~~and accomplishments as a significant factor in determining~~  
9 ~~compensation, as required under section 1250 of the revised school~~  
10 ~~code, MCL 380.1250.~~

11 ~~(g) The district's collective bargaining agreements,~~  
12 ~~including, but not limited to, appendices, addenda, letters of~~  
13 ~~agreement, or any other documents reflecting agreements with~~  
14 ~~collective bargaining representatives, do not contain any~~  
15 ~~provisions pertaining to, relating to, or that are otherwise~~  
16 ~~contrary to the prohibited subjects of bargaining enumerated in~~  
17 ~~section 15(3) of 1947 PA 336, MCL 423.215.~~

18 ~~(h) The district implements a comprehensive guidance and~~  
19 ~~counseling program.~~

20 ~~(i) The district offers pupils in grades K to 8 the~~  
21 ~~opportunity to complete coursework or other learning experiences~~  
22 ~~that are substantially equivalent to 1 credit in a language other~~  
23 ~~than English.~~

24           (ii) IF THE DISTRICT HAS AN ENDING GENERAL FUND BALANCE FOR  
25 THE IMMEDIATELY PRECEDING FISCAL YEAR LESS THAN OR EQUAL TO 5% OF  
26 OPERATING EXPENDITURES AS DETERMINED BY THE DEPARTMENT, THE MEMBERS  
27 OF THE DISTRICT BOARD RECEIVE DEPARTMENT-APPROVED TRAINING THAT



1 COVERS AT LEAST ALL OF THE FOLLOWING:

2 (A) THE RESPONSIBILITIES OF THE BOARD AND THE DISTRICT  
3 SUPERINTENDENT.

4 (B) THE REQUIREMENTS OF THE OPEN MEETINGS ACT, 1976 PA 267,  
5 MCL 15.261 TO 15.275.

6 (C) CONFLICTS OF INTEREST.

7 (D) SCHOOL FINANCE AND SCHOOL BUDGETING.

8 (E) CONTRACTS AND NEGOTIATIONS.

9 (F) THE PROCESS OF DATA-DRIVEN DECISION MAKING AND POLICY  
10 DEVELOPMENT.

11 (iii) THE DISTRICT MAINTAINED AN ENDING GENERAL FUND BALANCE  
12 GREATER THAN 5% OF OPERATING EXPENDITURES FOR THE IMMEDIATELY  
13 PRECEDING FISCAL YEAR AS DETERMINED BY THE DEPARTMENT.

14 (B) MEETS THE REQUIREMENTS OF AT LEAST 2 OF THE FOLLOWING  
15 ACADEMIC BEST PRACTICES:

16 (i) THE DISTRICT ADMINISTERS A DEPARTMENT-APPROVED  
17 KINDERGARTEN ENTRY ASSESSMENT THAT ASSESSES ENGLISH LANGUAGE ARTS  
18 AND MATHEMATICS SKILLS OF ALL FIRST-TIME KINDERGARTEN PUPILS  
19 ENROLLING IN THE DISTRICT. THE ASSESSMENT SHALL BE ADMINISTERED BY  
20 THE DISTRICT USING A METHOD AND TIME FRAME DETERMINED BY THE  
21 DEPARTMENT.

22 (ii) THE DISTRICT ADMINISTERS DEPARTMENT-APPROVED DIAGNOSTIC  
23 TOOLS TO MONITOR THE DEVELOPMENT OF EARLY LITERACY AND EARLY  
24 READING SKILLS OF PUPILS IN GRADES K TO 3, AND SUPPORTS RESEARCH-  
25 BASED PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION  
26 FOR THE PURPOSE OF IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO  
27 IMPROVE GRADE 3 READING PROFICIENCY. THE DIAGNOSTIC TOOLS AND



1 PROFESSIONAL DEVELOPMENT SHALL BE USED BY THE DISTRICT TO IDENTIFY  
 2 PUPILS WHO NEED ADDITIONAL SUPPORT AND TO OFFER RESEARCH-BASED  
 3 INTERVENTIONS.

4 (iii) THE DISTRICT ASSESSES THE EFFECTIVENESS OF CURRENT  
 5 COLLEGE AND CAREER ADVISING PROGRAMS WITHIN THE DISTRICT BY  
 6 REVIEWING PUPIL-TO-COUNSELOR RATIOS, THE TIME DEDICATED TO COLLEGE-  
 7 AND CAREER-READINESS COUNSELING AS OPPOSED TO NONCOUNSELING TASKS,  
 8 AND THE AMOUNT OF PROFESSIONAL DEVELOPMENT OFFERED TO COLLEGE- AND  
 9 CAREER-READINESS ADVISORS, AND, BASED ON THIS SELF-ASSESSMENT, THE  
 10 DISTRICT DEVELOPS A PLAN TO ADDRESS DEFICIENCIES ACCORDING TO  
 11 STANDARDS RECOMMENDED BY THE MICHIGAN COLLEGE ACCESS NETWORK.

12 (3) If the department determines that a district has  
 13 intentionally submitted false information in order to qualify for  
 14 an incentive payment under this section, the district forfeits an  
 15 amount equal to the amount it received under this section from its  
 16 total state school aid for ~~2015-2016~~**2016-2017**.

17 (4) If the department determines that funds allocated under  
 18 this section will remain unexpended after the initial allocation of  
 19 ~~\$50.00~~**\$20.00** per-pupil to eligible districts under subsection (2),  
 20 the remaining unexpended amount is allocated on an equal per-pupil  
 21 basis to districts that meet the requirements of subsection (2) and  
 22 that have a foundation allowance, as calculated under section 20,  
 23 in an amount that is less than the basic foundation allowance under  
 24 that section.

25 Sec. 22i. (1) From the funds appropriated in section 11, ~~there~~  
 26 ~~is allocated for 2013-2014 an amount not to exceed \$45,000,000.00~~  
 27 ~~and there is allocated for 2014-2015~~**2015-2016** an amount not to



1 exceed ~~\$41,500,000.00~~ **\$25,000,000.00** for the technology **READINESS**  
 2 infrastructure grant program for districts or intermediate  
 3 districts on behalf of their constituent districts. Funds received  
 4 under this ~~subsection~~ **SECTION** shall be used for the development or  
 5 improvement of ~~a district's~~ **DISTRICTS'** technology **HARD**  
 6 infrastructure, the shared services consolidation of technology and  
 7 data ~~,~~ and **FOR THE COORDINATION AND STRATEGIC PURCHASING OF**  
 8 hardware **AND SOFTWARE** in preparation for the ~~planned implementation~~  
 9 ~~in 2014-2015 of online assessments.~~ **DELIVERY OF ASSESSMENTS THROUGH**  
 10 **ONLINE MODELS.**

11 (2) ~~The~~ **SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE**  
 12 department shall develop a competitive application process and  
 13 method of grant distribution to eligible districts and intermediate  
 14 districts that demonstrate need for grants under subsection (1).  
 15 The department may consult with the department of technology,  
 16 management, and budget during the grant process and grant  
 17 distribution. Grants to districts shall not exceed \$2,000,000.00  
 18 per district. A grant to an intermediate district on behalf of its  
 19 constituent districts shall not exceed \$2,000,000.00 per  
 20 constituent district. To receive a grant under subsection (1), an  
 21 intermediate district shall demonstrate that a grant awarded to the  
 22 intermediate district on behalf of its constituent districts would  
 23 provide savings compared to providing grants to individual  
 24 districts. **ADDED CONSIDERATION SHALL BE GIVEN TO APPLICANTS THAT**  
 25 **PROPOSE EXTERNAL PARTNERSHIPS AND ARTICULATE PLANS FOR**  
 26 **SUSTAINABILITY BEYOND THE GRANT FUNDING.**

27 ~~(3) From the general fund money appropriated in section 11,~~





1 ~~there is allocated an amount not to exceed \$5,000,000.00 for 2013-~~  
 2 ~~2014 to be awarded through a competitive bid process to a single~~  
 3 ~~provider of whole-school technology as described in this~~  
 4 ~~subsection. The department shall issue a single request for~~  
 5 ~~proposal with application rules written and administered by the~~  
 6 ~~department, and with a focus on economic and geographic diversity.~~  
 7 ~~To be eligible to receive the grant under this section, a provider~~  
 8 ~~shall meet all of the following:~~

9 ~~—— (a) Agrees to submit evaluation criteria in a form and manner~~  
 10 ~~determined by the department.~~

11 ~~—— (b) Provides at least all of the following:~~

12 ~~—— (i) One-to-one mobile devices.~~

13 ~~—— (ii) Laptop or desktop computers for each classroom.~~

14 ~~—— (iii) On- and off-campus filtering.~~

15 ~~—— (iv) Wireless networks and peripherals.~~

16 ~~—— (v) Wireless audio equipment.~~

17 ~~—— (vi) Operating software.~~

18 ~~—— (vii) Instructional software.~~

19 ~~—— (viii) Repairs and replacements.~~

20 ~~—— (ix) Professional development.~~

21 ~~—— (x) Ongoing support.~~

22 **(3) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS**  
 23 **ALLOCATED AN AMOUNT NOT TO EXCEED \$12,000,000.00 FOR DISTRICT**  
 24 **PARTICIPATION INCENTIVES AS DESCRIBED IN THIS SUBSECTION. GRANTS**  
 25 **AWARDED UNDER THIS SUBSECTION SHALL BE DISTRIBUTED ON AN EQUAL PER**  
 26 **PUPIL BASIS, NOT TO EXCEED \$10.00 PER PUPIL. TO RECEIVE FUNDING**  
 27 **UNDER THIS SUBSECTION, A DISTRICT MUST MEET ALL OF THE FOLLOWING:**



1 (A) THE DISTRICT AGREES TO LIMIT THE SPENDING OF PARTICIPATION  
2 INCENTIVE GRANTS TOWARD TECHNOLOGY READINESS EFFORTS, INCLUDING,  
3 BUT NOT LIMITED TO, THE FOLLOWING:

4 (i) ONLINE OR DIGITAL ASSESSMENT, INCLUDING UNIVERSAL  
5 DIAGNOSTIC SCREENING TOOLS.

6 (ii) IN-BUILDING WIRELESS CONNECTIVITY.

7 (iii) NETWORK SERVICES, SUCH AS ADDITIONAL BANDWIDTH AND  
8 CONTENT FILTERING.

9 (iv) COMPUTER OR DEVICE PURCHASING.

10 (v) TECHNOLOGY READINESS FOR INSTRUCTION AND DATA  
11 COLLABORATIONS THAT SUPPORT ONLINE ASSESSMENT READINESS.

12 (B) THE DISTRICT AGREES TO BE REPRESENTED IN THE PROGRAM KNOWN  
13 AS "TRIG SPONSORED STATEWIDE 470 BIDS FOR E-RATE FUNDING" AND TO  
14 CONSIDER USING THE AWARDED VENDORS. HOWEVER, THE DISTRICT WILL NOT  
15 BE OBLIGATED TO PURCHASE FROM THAT BID OR THOSE VENDORS.

16 (C) THE DISTRICT AGREES TO PARTICIPATE IN ANY SURVEY OR DATA  
17 COLLECTION PROCESS CONSIDERED NECESSARY BY THE DEPARTMENT.

18 (D) THE DISTRICT ENSURES THAT ITS INTERMEDIATE DISTRICT ALSO  
19 AGREES TO REQUIREMENTS OF SUBDIVISIONS (A) TO (C) FOR THE DISTRICT  
20 TO RECEIVE PARTICIPATION FUNDS.

21 (4) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS  
22 ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR DEVICE  
23 PURCHASING INCENTIVES.

24 (5) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS  
25 ALLOCATED AN AMOUNT NOT TO EXCEED \$2,200,000.00 FOR DATA SYSTEMS  
26 INTEGRATION.

27 (6) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS



1 ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR E-RATE  
2 ACTIVITIES.

3 (7) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS  
4 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR ADMINISTRATION OF  
5 THE TECHNOLOGY READINESS INFRASTRUCTURE GRANT PROGRAM.

6 (8) NOT LATER THAN JANUARY 1, 2017, THE DEPARTMENT SHALL  
7 CONSOLIDATE AND PREPARE A SUMMARY FROM THE TOTAL PROJECT REPORTS  
8 FROM EACH GRANTEE UNDER THIS SECTION TO INCLUDE MEASURABLE OUTCOMES  
9 BASED ON GRANT OBJECTIVES. THE REPORT WILL INCLUDE A SUMMARY OF  
10 COMPILED DATA FROM EACH GRANTEE TO PROVIDE A MEANS TO EVALUATE THE  
11 EFFECTIVENESS OF THE GRANT PROJECT. THE REPORT SHALL BE DELIVERED  
12 TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE  
13 SCHOOL AID AND ON THE DEPARTMENT BUDGET AND TO THE HOUSE AND SENATE  
14 FISCAL AGENCIES.

15 (9) ~~(4) The funds allocated under subsection (1) are a work~~  
16 ~~project appropriation. Any unexpended funds for 2013-2014 are~~  
17 ~~carried forward into 2014-2015 and any unexpended funds for 2014-~~  
18 ~~2015 are carried forward into 2015-2016. The purpose of the work~~  
19 ~~project is to continue to implement the projects described under~~  
20 ~~this section. The estimated completion date of the work project is~~  
21 ~~September 30, 2016.~~ 2015-2016 SHALL LAPSE TO THE STATE SCHOOL AID  
22 FUND.

23 (10) FROM THE FUNDS APPROPRIATED UNDER THIS ARTICLE, THE  
24 DEPARTMENT SHALL NOT CONTRACT FOR OR PAY FOR A CONTRACT THAT  
25 CREATES INFORMATIONAL TECHNOLOGY INFRASTRUCTURE THAT IS OWNED OR  
26 OPERATED BY THIS STATE, A LOCAL UNIT OF GOVERNMENT, A COMMUNITY  
27 COLLEGE OR STATE PUBLIC UNIVERSITY, OR A DISTRICT OR INTERMEDIATE



1 DISTRICT, AND IS OPERATED IN A MANNER THAT PROVIDES INFORMATIONAL  
2 TECHNOLOGY SERVICES TO PUBLIC ENTITIES IN COMPETITION WITH  
3 BUSINESSES LOCATED IN THIS STATE.

4 (11) AS USED IN THIS SECTION:

5 (A) "HARD INFRASTRUCTURE" MEANS TECHNOLOGY HARDWARE NECESSARY  
6 TO MOVE TO AN ONLINE LEARNING AND TESTING ENVIRONMENT, INCLUDING,  
7 BUT NOT LIMITED TO, FIBER, SERVERS, WIRELESS COMPUTING NETWORKS,  
8 AND NECESSARY PERIPHERALS.

9 (B) "SHARED SERVICES CONSOLIDATION OF TECHNOLOGY AND DATA"  
10 MEANS PROJECTS THAT SUPPORT THE MOVE TO A COLLABORATIVE MULTIPLE  
11 ORGANIZATIONAL APPROACH TO MANAGING HARDWARE, SOFTWARE,  
12 PERIPHERALS, AND DATA INTEGRATION AND DISPLAY OF APPROPRIATE  
13 INFORMATION FOR PARENTS, TEACHERS, ADMINISTRATORS, AND THIS STATE.

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

19 (a) Enrolls only eligible pupils.

20 (b) Provides an advocate. An advocate may serve in that role  
21 for more than 1 pupil but no more than 50 pupils. An advocate may  
22 be employed by the district or may be provided by an education  
23 management organization that is partnering with the district.  
24 Before an individual is assigned to be an advocate for a pupil in  
25 the dropout recovery program, the district shall comply with  
26 sections 1230 and 1230a of the revised school code, MCL 380.1230  
27 and 380.1230a, with respect to that individual.



1 (c) Develops a written learning plan.

2 (d) Monitors the pupil's progress against the written learning  
3 plan.

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

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

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

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

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

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

21 (3) As used in this section:

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

27 (b) "Education management organization" means a private



1 provider that operates 1 or more other dropout recovery programs  
2 that meet the requirements of this section in partnership with 1 or  
3 more districts.

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

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

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

23 Sec. 24. (1) From the appropriation in section 11, there is  
24 allocated for ~~2014-2015~~**2015-2016** an amount not to exceed  
25 \$8,000,000.00 for payments to the educating district or  
26 intermediate district for educating pupils assigned by a court or  
27 the department of human services to reside in or to attend a



1 juvenile detention facility or child caring institution licensed by  
2 the department of human services and approved by the department to  
3 provide an on-grounds education program. The amount of the payment  
4 under this section to a district or intermediate district shall be  
5 calculated as prescribed under subsection (2).

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

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

26 (b) "Department's approved per-pupil allocation" for a  
27 district or intermediate district shall be determined by dividing



1 the total amount allocated under this section for a fiscal year by  
2 the full-time equated membership total for all pupils approved by  
3 the department to be funded under this section for that fiscal year  
4 for the district or intermediate district.

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

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

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





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

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

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

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

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

27 (2) If a pupil counted in membership for the pupil membership



1 count day transfers from a district or intermediate district to  
2 enroll in another district or intermediate district after the pupil  
3 membership count day and before the supplemental count day and, due  
4 to the pupil's enrollment and attendance status as of the pupil  
5 membership count day, the pupil was not counted in membership in  
6 the educating district or intermediate district, the educating  
7 district or intermediate district may report the enrollment and  
8 attendance information to the center through the pupil transfer  
9 process within 30 days after the transfer or within 30 days after  
10 the pupil membership count certification date, whichever is later.  
11 Pupil transfers may be submitted no earlier than the first day  
12 after the certification deadline for the pupil membership count day  
13 and before the supplemental count day. Upon receipt of the transfer  
14 information under this subsection indicating that a pupil has  
15 enrolled and is in attendance in an educating district or  
16 intermediate district as described in this subsection, the pupil  
17 transfer process shall do the following:

18 (a) Notify the district in which the pupil was previously  
19 enrolled.

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

27 (c) Aggregate the districtwide changes and notify the



1 department for use in adjusting the state aid payment system.

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

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

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



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

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

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

27 ~~(6) Not later than December 1, 2014, the center in conjunction~~



1 ~~with the department shall report to the legislature data related to~~  
 2 ~~the implementation of this section, including, but not limited to,~~  
 3 ~~the number of transfer transactions and the net change in pupil~~  
 4 ~~memberships in 2013-2014 by district and intermediate district.~~

5       **(6)** ~~(7)~~—The portion of the full-time equated pupil membership  
 6 for which a pupil is enrolled in 1 or more online courses under  
 7 section 21f shall not be counted or transferred under the pupil  
 8 transfer process under this section.

9       **(7) THE CENTER SHALL DETERMINE THE NUMBER OF PUPILS WHO DID**  
 10 **NOT RESIDE IN THIS STATE AS OF THE 2015-2016 PUPIL MEMBERSHIP COUNT**  
 11 **DAY, BUT WHO NEWLY ENROLLED IN A DISTRICT OR INTERMEDIATE DISTRICT**  
 12 **AFTER THAT PUPIL MEMBERSHIP COUNT DAY AND BEFORE THE 2015-2016**  
 13 **SUPPLEMENTAL COUNT DAY. THE CENTER SHALL FURTHER DETERMINE THE**  
 14 **NUMBER OF PUPILS WHO WERE COUNTED IN MEMBERSHIP FOR THE 2015-2016**  
 15 **PUPIL MEMBERSHIP COUNT DAY, BUT WHO LEFT THIS STATE BEFORE THE**  
 16 **2015-2016 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL PROVIDE A REPORT**  
 17 **TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID,**  
 18 **AND TO THE SENATE AND HOUSE FISCAL AGENCIES, DETAILING THE NUMBER**  
 19 **OF PUPILS TRANSFERRING IN FROM ANOTHER STATE OR TRANSFERRING OUT**  
 20 **FROM THIS STATE BETWEEN THE PUPIL MEMBERSHIP COUNT DAY AND**  
 21 **SUPPLEMENTAL COUNT DAY AS DESCRIBED IN THIS SUBSECTION. THE CENTER**  
 22 **SHALL INCLUDE IN THE REPORT A DISCUSSION OF BENEFITS AND OBSTACLES**  
 23 **TO DEVELOPING A PUPIL ENROLLMENT PROCESS FOR PUPILS WHO NEWLY**  
 24 **ENROLL IN A DISTRICT OR INTERMEDIATE DISTRICT AFTER THE PUPIL**  
 25 **MEMBERSHIP COUNT DAY AND BEFORE THE SUPPLEMENTAL COUNT DAY, AND**  
 26 **DEVELOPING A PROCESS FOR DEDUCTING PUPILS WHO WERE COUNTED ON THE**  
 27 **PUPIL MEMBERSHIP COUNT DAY AND TRANSFER OUT OF THIS STATE BEFORE**



1 **THE SUPPLEMENTAL COUNT DAY.**

2 (8) As used in this section:

3 (a) "Educating district or intermediate district" means the  
4 district or intermediate district in which a pupil enrolls after  
5 the pupil membership count day or after an adjustment was made in  
6 another district's or intermediate district's membership  
7 calculation under this section due to the pupil's enrollment and  
8 attendance.

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

12 Sec. 25f. (1) From the state school aid fund money  
13 appropriated in section 11, there is allocated an amount not to  
14 exceed ~~\$2,000,000.00 for 2014-2015~~ **\$1,500,000.00 FOR 2015-2016** for  
15 payments to strict discipline academies established under sections  
16 1311b to 1311m of the revised school code, MCL 380.1311b to  
17 380.1311m, as provided under this section and for the purposes  
18 described in subsection (5).

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

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

27 ~~———— (a) The number of pupils enrolled and in attendance at the~~



1 ~~strict discipline academy.~~

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

4 ~~—— (4) The amount of the payment to a strict discipline academy~~  
 5 ~~under this section shall be an amount equal to the difference~~  
 6 ~~between the product of 1/180 of the per-pupil payment as calculated~~  
 7 ~~under section 20 for the strict discipline academy multiplied by~~  
 8 ~~the number of days of pupil attendance reported under subsection~~  
 9 ~~(3)(b) minus the product of the per-pupil payment as calculated~~  
 10 ~~under section 20 for the strict discipline academy multiplied by~~  
 11 ~~the pupils in membership at the strict discipline academy as~~  
 12 ~~calculated under section 6 and as adjusted by section 25e.~~

13 **(3) EXCEPT FOR THE AMOUNT PAID UNDER SUBSECTION (5), THE TOTAL**  
 14 **AMOUNT ALLOCATED TO A STRICT DISCIPLINE ACADEMY UNDER THIS SECTION**  
 15 **IS AN AMOUNT EQUAL TO THE LESSER OF THE STRICT DISCIPLINE ACADEMY'S**  
 16 **ADDED COST OR THE DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION FOR**  
 17 **THE STRICT DISCIPLINE ACADEMY. FOR THE PURPOSES OF THIS SUBSECTION:**

18 **(A) "ADDED COST" MEANS 100% OF THE ADDED COST EACH FISCAL YEAR**  
 19 **FOR EDUCATING ALL PUPILS ENROLLED AND IN ATTENDANCE AT A STRICT**  
 20 **DISCIPLINE ACADEMY. ADDED COST SHALL BE COMPUTED BY DEDUCTING ALL**  
 21 **OTHER REVENUE RECEIVED UNDER THIS ARTICLE FOR PUPILS DESCRIBED IN**  
 22 **THIS SUBSECTION FROM TOTAL COSTS, AS APPROVED BY THE DEPARTMENT, IN**  
 23 **WHOLE OR IN PART, FOR EDUCATING THOSE PUPILS IN A STRICT DISCIPLINE**  
 24 **ACADEMY. COSTS REIMBURSED BY FEDERAL FUNDS ARE NOT INCLUDED.**

25 **(B) "DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION" FOR A STRICT**  
 26 **DISCIPLINE ACADEMY SHALL BE DETERMINED BY DIVIDING THE TOTAL AMOUNT**  
 27 **ALLOCATED UNDER THIS SUBSECTION FOR A FISCAL YEAR BY THE FULL-TIME**



1 EQUATED MEMBERSHIP TOTAL FOR ALL PUPILS APPROVED BY THE DEPARTMENT  
2 TO BE FUNDED UNDER THIS SUBSECTION FOR THAT FISCAL YEAR FOR THE  
3 STRICT DISCIPLINE ACADEMY.

4 (4) SPECIAL EDUCATION PUPILS FUNDED UNDER SECTION 53A SHALL  
5 NOT BE FUNDED UNDER THIS SECTION.

6 (5) If the operation of the special membership counting  
7 provisions under section 6(4)(dd) and the other membership counting  
8 provisions under section 6(4) result in a pupil being counted as  
9 more than 1.0 FTE in a fiscal year, then the payment made for the  
10 pupil under sections 22a and 22b shall not be based on more than  
11 1.0 FTE for that pupil, and that portion of the FTE that exceeds  
12 1.0 shall be paid under this ~~section~~**SUBSECTION** in an amount equal  
13 to that portion multiplied by the educating district's foundation  
14 allowance or per-pupil payment calculated under section 20.

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

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

21 Sec. 26a. From the funds appropriated in section 11, there is  
22 allocated an amount not to exceed \$26,300,000.00 for ~~2014-2015~~  
23 **2015-2016** to reimburse districts and intermediate districts  
24 pursuant to section 12 of the Michigan renaissance zone act, 1996  
25 PA 376, MCL 125.2692, for taxes levied in ~~2014-~~**2015**. The  
26 allocations shall be made not later than 60 days after the  
27 department of treasury certifies to the department and to the state





1 budget director that the department of treasury has received all  
2 necessary information to properly determine the amounts due to each  
3 eligible recipient.

4       Sec. 26b. (1) From the appropriation in section 11, there is  
5 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
6 ~~\$4,210,000.00~~ **\$4,276,800.00** for payments to districts, intermediate  
7 districts, and community college districts for the portion of the  
8 payment in lieu of taxes obligation that is attributable to  
9 districts, intermediate districts, and community college districts  
10 pursuant to section 2154 of the natural resources and environmental  
11 protection act, 1994 PA 451, MCL 324.2154.

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

16       Sec. 26c. (1) From the appropriation in section 11, there is  
17 allocated an amount not to exceed ~~\$293,100.00 for 2014-2015~~  
18 **\$610,000.00 FOR 2015-2016** to the promise zone fund created in  
19 subsection (3).

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

25       (3) The promise zone fund is created as a separate account  
26 within the state school aid fund to be used solely for the purposes  
27 of the Michigan promise zone authority act, 2008 PA 549, MCL



1 390.1661 to 390.1679. All of the following apply to the promise  
2 zone fund:

3 (a) The state treasurer shall direct the investment of the  
4 promise zone fund. The state treasurer shall credit to the promise  
5 zone fund interest and earnings from fund investments.

6 (b) Money in the promise zone fund at the close of a fiscal  
7 year shall remain in the promise zone fund and shall not lapse to  
8 the general fund.

9 (4) Subject to subsection (2), the state treasurer may make  
10 payments from the promise zone fund to eligible districts and  
11 intermediate districts pursuant to the Michigan promise zone  
12 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used  
13 for the purposes of a promise zone authority created under that  
14 act.

15 Sec. 31a. (1) From the state school aid fund money  
16 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~  
17 ~~2016~~ an amount not to exceed ~~\$317,695,500.00~~ **\$417,695,500.00** for  
18 payments to eligible districts, eligible public school academies,  
19 and the education achievement system for the purposes of ensuring  
20 that pupils are proficient in reading by the end of grade 3 and  
21 that high school graduates are career and college ready and for the  
22 purposes under subsections (6) and (7). **A DISTRICT THAT RECEIVES AN**  
23 **INCREASE IN FUNDING UNDER THIS SECTION FROM 2014-2015 TO 2015-2016**  
24 **SHALL ENSURE THAT AT LEAST 50% OF THE TOTAL AMOUNT OF THAT**  
25 **INCREASED FUNDING IS SPENT FOR THE PURPOSE OF ENSURING THAT PUPILS**  
26 **ARE PROFICIENT IN READING BY THE END OF GRADE 3.**

27 (2) For a district or public school academy, or the education



1 achievement system, to be eligible to receive funding under this  
2 section, other than funding under subsection (6) or (7), the sum of  
3 the district's or public school academy's or the education  
4 achievement system's combined state and local revenue per  
5 membership pupil in the current state fiscal year, as calculated  
6 under section 20, must be less than or equal to the basic  
7 foundation allowance under section 20 for the current state fiscal  
8 year.

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



1 school academy that began operations as a public school academy, or  
2 an achievement school that began operations as an achievement  
3 school, after the pupil membership count day of the immediately  
4 preceding school year shall receive under this section for each  
5 membership pupil in the public school academy or in the education  
6 achievement system who met the income eligibility criteria for free  
7 breakfast, lunch, or milk, as determined under the Richard B.  
8 Russell national school lunch act and as reported to the department  
9 not later than the fifth Wednesday after the pupil membership count  
10 day of the current fiscal year and adjusted not later than December  
11 31 of the current fiscal year, an amount per pupil equal to 11.5%  
12 of the public school academy's or the education achievement  
13 system's per membership pupil amount calculated under section 20  
14 for the current state fiscal year.

15 (4) Except as otherwise provided in this section, a district  
16 or public school academy, or the education achievement system,  
17 receiving funding under this section shall use that money only to  
18 provide instructional programs and direct noninstructional  
19 services, including, but not limited to, medical, mental health, or  
20 counseling services, for at-risk pupils; for school health clinics;  
21 and for the purposes of subsection (5), (6), (7), or (10). In  
22 addition, a district that is a school district of the first class  
23 or a district or public school academy in which at least 50% of the  
24 pupils in membership met the income eligibility criteria for free  
25 breakfast, lunch, or milk in the immediately preceding state fiscal  
26 year, as determined and reported as described in subsection (3), or  
27 the education achievement system if it meets this requirement, may



1 use not more than 20% of the funds it receives under this section  
2 for school security. A district, the public school academy, or the  
3 education achievement system shall not use any of that money for  
4 administrative costs. The instruction or direct noninstructional  
5 services provided under this section may be conducted before or  
6 after regular school hours or by adding extra school days to the  
7 school year.

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

17 (6) From the funds allocated under subsection (1), there is  
18 allocated for ~~2014-2015~~**2015-2016** an amount not to exceed  
19 \$3,557,300.00 to support child and adolescent health centers. These  
20 grants shall be awarded for 5 consecutive years beginning with  
21 2003-2004 in a form and manner approved jointly by the department  
22 and the department of community health. Each grant recipient shall  
23 remain in compliance with the terms of the grant award or shall  
24 forfeit the grant award for the duration of the 5-year period after  
25 the noncompliance. To continue to receive funding for a child and  
26 adolescent health center under this section a grant recipient shall  
27 ensure that the child and adolescent health center has an advisory



1 committee and that at least one-third of the members of the  
2 advisory committee are parents or legal guardians of school-aged  
3 children. A child and adolescent health center program shall  
4 recognize the role of a child's parents or legal guardian in the  
5 physical and emotional well-being of the child. Funding under this  
6 subsection shall be used to support child and adolescent health  
7 center services provided to children up to age 21. If any funds  
8 allocated under this subsection are not used for the purposes of  
9 this subsection for the fiscal year in which they are allocated,  
10 those unused funds shall be used that fiscal year to avoid or  
11 minimize any proration that would otherwise be required under  
12 subsection (14) for that fiscal year. **IN ADDITION TO THE FUNDS  
13 OTHERWISE ALLOCATED UNDER THIS SUBSECTION, FROM THE MONEY ALLOCATED  
14 IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED  
15 \$2,000,000.00 FOR 2015-2016 ONLY FOR CHILD AND ADOLESCENT HEALTH  
16 CENTERS TO INCREASE ACCESS TO NURSES AND BEHAVIORAL HEALTH SERVICES  
17 IN SCHOOLS, USING 2 EXISTING SCHOOL CLINICS AS HUBS FOR SERVICES  
18 AND USING MOBILE TEAMS TO SERVE SATELLITE SCHOOL SITES.**

19 (7) From the funds allocated under subsection (1), there is  
20 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed  
21 \$5,150,000.00 for the state portion of the hearing and vision  
22 screenings as described in section 9301 of the public health code,  
23 1978 PA 368, MCL 333.9301. A local public health department shall  
24 pay at least 50% of the total cost of the screenings. The frequency  
25 of the screenings shall be as required under R 325.13091 to R  
26 325.13096 and R 325.3271 to R 325.3276 of the Michigan  
27 administrative code. Funds shall be awarded in a form and manner



1 approved jointly by the department and the department of community  
2 health. Notwithstanding section 17b, payments to eligible entities  
3 under this subsection shall be paid on a schedule determined by the  
4 department.

5 (8) Each district or public school academy receiving funds  
6 under this section and the education achievement system shall  
7 submit to the department by July 15 of each fiscal year a report,  
8 not to exceed 10 pages, on the usage by the district or public  
9 school academy or the education achievement system of funds under  
10 this section, which report shall include a brief description of  
11 each program conducted or services performed by the district or  
12 public school academy or the education achievement system using  
13 funds under this section, the amount of funds under this section  
14 allocated to each of those programs or services, the total number  
15 of at-risk pupils served by each of those programs or services, and  
16 the data necessary for the department and the department of human  
17 services to verify matching funds for the temporary assistance for  
18 needy families program. If a district or public school academy or  
19 the education achievement system does not comply with this  
20 subsection, the department shall withhold an amount equal to the  
21 August payment due under this section until the district or public  
22 school academy or the education achievement system complies with  
23 this subsection. If the district or public school academy or the  
24 education achievement system does not comply with this subsection  
25 by the end of the state fiscal year, the withheld funds shall be  
26 forfeited to the school aid fund.

27 (9) In order to receive funds under this section, a district



1 or public school academy or the education achievement system shall  
2 allow access for the department or the department's designee to  
3 audit all records related to the program for which it receives  
4 those funds. The district or public school academy or the education  
5 achievement system shall reimburse the state for all disallowances  
6 found in the audit.

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

13 (11) If necessary, and before any proration required under  
14 section 296, the department shall prorate payments under this  
15 section by reducing the amount of the per pupil payment under this  
16 section by a dollar amount calculated by determining the amount by  
17 which the amount necessary to fully fund the requirements of this  
18 section exceeds the maximum amount allocated under this section and  
19 then dividing that amount by the total statewide number of pupils  
20 who met the income eligibility criteria for free breakfast, lunch,  
21 or milk in the immediately preceding fiscal year, as described in  
22 subsection (3).

23 (12) If a district is formed by consolidation after June 1,  
24 1995, and if 1 or more of the original districts ~~was~~**WERE** not  
25 eligible before the consolidation for an additional allowance under  
26 this section, the amount of the additional allowance under this  
27 section for the consolidated district shall be based on the number





1 of pupils described in subsection (1) enrolled in the consolidated  
 2 district who reside in the territory of an original district that  
 3 was eligible before the consolidation for an additional allowance  
 4 under this section. In addition, if a district is dissolved  
 5 pursuant to section 12 of the revised school code, MCL 380.12, the  
 6 intermediate district to which the dissolved school district was  
 7 constituent shall determine the estimated number of pupils that  
 8 meet the income eligibility criteria for free breakfast, lunch, or  
 9 milk, as described under subsection (3), enrolled in each of the  
 10 other districts within the intermediate district and provide that  
 11 estimate to the department for the purposes of distributing funds  
 12 under this section within 60 days after the school district is  
 13 declared dissolved.

14 (13) As used in this section, "at-risk pupil" means a pupil  
 15 for whom the district has documentation that the pupil meets any of  
 16 the following criteria:

17 ~~—— (a) Is a victim of child abuse or neglect.~~

18 ~~—— (b) Is a pregnant teenager or teenage parent.~~

19 ~~—— (c) Has a family history of school failure, incarceration, or~~  
 20 ~~substance abuse.~~

21 **(A)** ~~(d)~~ For pupils for whom the results of the Michigan merit  
 22 examination **GRADE 11 SUMMATIVE ASSESSMENT** have been received, is a  
 23 pupil who does not meet the other criteria under this subsection  
 24 but who did not achieve proficiency on the reading, writing,  
 25 **ENGLISH LANGUAGE ARTS**, mathematics, science, or social studies  
 26 components of the most recent Michigan merit examination for which  
 27 results for the pupil have been received. **CONTENT AREA ASSESSMENT.**



1           **(B)** ~~(e)~~—For pupils in grades K-3, is a pupil who is at risk of  
2 not meeting the district's core academic curricular objectives in  
3 English language arts or mathematics.

4           **(C)** ~~(f)~~—The pupil is enrolled in a priority or priority-  
5 successor school, as defined in the elementary and secondary  
6 education act of 2001 flexibility waiver approved by the United  
7 States ~~department of education.~~ **DEPARTMENT OF EDUCATION.**

8           **(D)** ~~(g)~~—The pupil did not achieve a score of at least  
9 proficient on 2 or more state-administered assessments for English  
10 language arts, mathematics, science, or social studies.

11           **(E)** ~~(h)~~—For high school pupils in grades not assessed by the  
12 state, the pupil did not receive a satisfactory score on 2 or more  
13 end-of-course examinations that are aligned with state standards in  
14 English language arts, mathematics, science, or social studies. For  
15 middle school pupils in grades not assessed by the state, the pupil  
16 did not receive a satisfactory score on 2 or more end-of-semester  
17 or end-of-trimester examinations that are aligned with state  
18 standards in science or social studies. For pupils in the  
19 elementary grades in grades and subjects not assessed by the state,  
20 the pupil did not receive a satisfactory score or did not have a  
21 satisfactory outcome on 2 or more interim assessments in English  
22 language arts, mathematics, science, or social studies.

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

26           (i) The pupil is eligible for free breakfast, lunch, or milk.

27           (ii) The pupil is absent more than 10% of enrolled days or 10



1 school days during the school year.

2 (iii) The pupil is homeless.

3 (iv) The pupil is a migrant.

4 (v) The pupil is an English language learner.

5 (vi) The pupil is an immigrant who has immigrated within the  
6 immediately preceding 3 years.

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

10 (14) ~~Beginning in 2014-2015, if~~ **IF** a district, public school  
11 academy, or the education achievement system does not demonstrate  
12 to the satisfaction of the department that at least 50% of at-risk  
13 pupils are reading at grade level by the end of grade 3 as measured  
14 by the state assessment and demonstrate to the satisfaction of the  
15 department improvement over 3 consecutive years in the percentage  
16 of at-risk pupils that are career- and college-ready as ~~measured by~~  
17 ~~the pupil's score on each of the individual subject areas on the~~  
18 ~~college entrance examination portion of the Michigan merit~~  
19 ~~examination~~ **DETERMINED BY PROFICIENCY ON THE ENGLISH LANGUAGE ARTS,**  
20 **MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON THE GRADE 11**  
21 **SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the revised  
22 school code, MCL 380.1279g, the district, public school academy, or  
23 education achievement system shall ensure all of the following:  
24 (a) The district, public school academy, or the education  
25 achievement system shall determine the proportion of total at-risk  
26 pupils that represents the number of pupils in grade 3 that are not  
27 reading at grade level by the end of grade 3, and the district,



1 public school academy, or the education achievement system shall  
 2 expend that same proportion multiplied by 1/2 of its total at-risk  
 3 funds under this section on tutoring and other methods of improving  
 4 grade 3 reading levels.

5 (b) The district, public school academy, or the education  
 6 achievement system shall determine the proportion of total at-risk  
 7 pupils that represent the number of pupils in grade 11 that are not  
 8 career- and college-ready as measured by the student's score on  
 9 ~~each of the individual subject areas on the college entrance~~  
 10 ~~examination portion of the Michigan merit examination~~ **THE ENGLISH**  
 11 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**  
 12 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2) (a) of the  
 13 revised school code, MCL 380.1279g, and the district, public school  
 14 academy, or the education achievement system shall expend that same  
 15 proportion multiplied by 1/2 of its total at-risk funds under this  
 16 section on tutoring and other activities to improve scores on the  
 17 college entrance examination portion of the Michigan merit  
 18 examination.

19 (15) As used in subsection (14), "total at risk pupils" means  
 20 the sum of the number of pupils in grade 3 that are not reading at  
 21 grade level by the end of third grade **AS MEASURED ON THE STATE**  
 22 **ASSESSMENT** and the number of pupils in grade 11 that are not  
 23 career- and college-ready as measured by the student's score on  
 24 ~~each of the individual subject areas on the college entrance~~  
 25 ~~examination portion of the Michigan merit examination~~ **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.

2 (16) A district or public school academy that receives funds  
3 under this section or the education achievement system may use  
4 funds received under this section to provide an anti-bullying or  
5 crisis intervention program.

6 (17) **THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF**  
7 **HEALTH AND HUMAN SERVICES TO PRIORITIZE ASSIGNING PATHWAYS TO**  
8 **POTENTIAL SUCCESS COACHES TO ELEMENTARY SCHOOLS THAT HAVE A HIGH**  
9 **PERCENTAGE OF PUPILS IN GRADES K TO 3 WHO ARE NOT READING AT GRADE**  
10 **LEVEL.**

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

15 (2) The amounts allocated from state sources under this  
16 section shall be used to pay the amount necessary to reimburse  
17 districts for 6.0127% of the necessary costs of the state mandated  
18 portion of the school lunch programs provided by those districts.  
19 The amount due to each district under this section shall be  
20 computed by the department using the methods of calculation adopted  
21 by the Michigan supreme court in the consolidated cases known as  
22 Durant v State of Michigan, Michigan supreme court docket no.  
23 104458-104492.

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



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

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

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

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

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

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

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



1 and 245.

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

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

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

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

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



1 classroom programs designed to improve the readiness and subsequent  
2 achievement of educationally disadvantaged children who meet the  
3 participant eligibility and prioritization guidelines as defined by  
4 the department. For a child to be eligible to participate in a  
5 program under this section, the child shall be at least 4, but less  
6 than 5, years of age as of the date specified for determining a  
7 child's eligibility to attend school under section 1147 of the  
8 revised school code, MCL 380.1147. **HOWEVER, IF A PROGRAM WOULD  
9 OTHERWISE HAVE TO RETURN FUNDING FOR SLOTS DUE TO INSUFFICIENT  
10 CLASS SIZE, THE PROGRAM MAY ENROLL CHILDREN WHO ARE AT LEAST 3  
11 YEARS OF AGE, AND WHO MEET THE INCOME ELIGIBILITY CRITERIA, IN  
12 ADDITION TO THE ELIGIBLE CHILDREN WHO ARE AT LEAST 4, BUT LESS THAN  
13 5, YEARS OF AGE.**

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

24 (3) In addition to the allocation under subsection (1), from  
25 the general fund money appropriated under section 11, there is  
26 allocated an amount not to exceed \$300,000.00 for ~~2014-2015-2015-~~  
27 **2016** for a competitive grant to continue a longitudinal evaluation





1 of children who have participated in great start readiness  
2 programs.

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

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

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

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

17 (d) Physical and dental health and developmental screening  
18 services for all program participants.

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

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

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

27 (h) Participation in a school readiness advisory committee



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

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

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

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

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

19 (b) Except as otherwise provided in this subdivision, ensure  
20 that at least 90% of the children participating in an eligible  
21 great start readiness program for whom the intermediate district is  
22 receiving funds under this section are children who live with  
23 families with a household income that is equal to or less than 250%  
24 of the federal poverty level. If the intermediate district  
25 determines that all eligible children are being served and that  
26 there are no children on the waiting list under section 39(1)(d)  
27 who live with families with a household income that is equal to or



1 less than 250% of the federal poverty level, the intermediate  
2 district may then enroll children who live with families with a  
3 household income that is equal to or less than 300% of the federal  
4 poverty level. The enrollment process shall consider income and  
5 risk factors, such that children determined with higher need are  
6 enrolled before children with lesser need. For purposes of this  
7 subdivision, all age-eligible children served in foster care or who  
8 are experiencing homelessness or who have individualized education  
9 plans recommending placement in an inclusive preschool setting  
10 shall be considered to live with families with household income  
11 equal to or less than 250% of the federal poverty level regardless  
12 of actual family income.

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

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



1 plan shall consist of at least 2 courses per calendar year.

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

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



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

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

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

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

21           (a) For the portion of the total grant amount for which  
22 services are provided directly by an intermediate district or  
23 consortium of intermediate districts, the intermediate district or  
24 consortium of intermediate districts may retain an amount equal to  
25 not more than 7% of that portion of the grant amount.

26           (b) For the portion of the total grant amount for which  
27 services are contracted, the intermediate district or consortium of



1 intermediate districts receiving the grant may retain an amount  
2 equal to not more than 2% of that portion of the grant amount and  
3 the subrecipients engaged by the intermediate district to provide  
4 program services may retain for administrative services an amount  
5 equal to not more than 5% of that portion of the grant amount.

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

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



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

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

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



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

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

27 (b) The intermediate district or consortium provided to each





1 licensed child care center located in the service area of the  
2 intermediate district or consortium information regarding great  
3 start readiness program requirements and a description of the  
4 application and selection process for community-based providers.

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

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

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

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

27 (b) Provide, or ensure that an organization with which the



1 department contracts provides, a community-based provider with a  
2 validated great start to quality rating within 90 days of the  
3 provider's having submitted a request and self-assessment.

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

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

21 (16) A recipient of funds under this section shall report to  
22 the department in a form and manner prescribed by the department  
23 the number of children participating in the program who meet the  
24 income eligibility criteria under subsection (5) (b) and the total  
25 number of children participating in the program. For children  
26 participating in the program who meet the income eligibility  
27 criteria specified under subsection (5) (b), a recipient shall also



1 report whether or not a parent is available to provide care based  
2 on employment status. For the purposes of this subsection,  
3 "employment status" shall be defined by the department of human  
4 services in a manner consistent with maximizing the amount of  
5 spending that may be claimed for temporary assistance for needy  
6 families maintenance of effort purposes.

7 (17) As used in this section:

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

11 (b) "Part-day program" means a program that operates at least  
12 4 days per week, 30 weeks per year, for at least 3 hours of  
13 teacher-child contact time per day but for fewer hours of teacher-  
14 child contact time per day than a school-day program.

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

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



1 a uniform basis for any child who does not meet the income  
2 eligibility requirements under this section.

3 ~~—— (19) The great start readiness reserve fund is created as a~~  
4 ~~separate account within the state school aid fund established by~~  
5 ~~section 11 of article IX of the state constitution of 1963. Money~~  
6 ~~available in the great start readiness reserve fund may not be~~  
7 ~~expended for 2014-2015 unless transferred by the legislature not~~  
8 ~~later than December 15, 2014 to the allocation under subsection (1)~~  
9 ~~for great start readiness programs. Money in the great start~~  
10 ~~readiness reserve fund shall be expended only for purposes for~~  
11 ~~which state school aid fund money may be expended. The state~~  
12 ~~treasurer shall direct the investment of the great start readiness~~  
13 ~~reserve fund. The state treasurer shall credit to the great start~~  
14 ~~readiness reserve fund interest and earnings from fund investments.~~  
15 ~~Money in the great start readiness reserve fund at the close of a~~  
16 ~~fiscal year shall remain in the great start readiness reserve fund~~  
17 ~~and shall not lapse to the unreserved school aid fund balance or~~  
18 ~~the general fund.~~

19 **(19)** ~~(20)~~ From the amount appropriated in subsection (1),  
20 there is allocated an amount not to exceed \$10,000,000.00 for  
21 reimbursement of transportation costs for children attending great  
22 start readiness programs funded under this section. To receive  
23 reimbursement under this subsection, not later than November 1,  
24 ~~2014, 2015~~, a program funded under this section that provides  
25 transportation shall submit to the intermediate district that is  
26 the fiscal agent for the program a projected transportation budget.  
27 The amount of the reimbursement for transportation under this



1 subsection shall be the lesser of the projected transportation  
 2 budget or \$150.00 multiplied by the number of slots funded for the  
 3 program under this section. If the amount allocated under this  
 4 subsection is insufficient to fully reimburse the transportation  
 5 costs for all programs that provide transportation and submit the  
 6 required information, the reimbursement shall be prorated in an  
 7 equal amount per slot funded. Payments shall be made to the  
 8 intermediate district that is the fiscal agent for each program,  
 9 and the intermediate district shall then reimburse the program  
 10 provider for transportation costs as prescribed under this  
 11 subsection.

12       Sec. 32p. (1) From the school aid fund appropriation in  
 13 section 11, there is allocated an amount not to exceed  
 14 ~~\$10,900,000.00~~ **\$15,900,000.00** to intermediate districts for ~~2014-~~  
 15 ~~2015-2015-2016~~ for the purpose of providing early childhood funding  
 16 to intermediate school districts ~~in block grants, supporting TO~~  
 17 **SUPPORT** the activities under subsection (2) **AND SUBSECTION (4)**, and  
 18 ~~providing TO PROVIDE~~ early childhood programs for children from  
 19 birth through age 8. The funding provided to each intermediate  
 20 district under this section shall be determined by the distribution  
 21 formula established by the department's office of great start to  
 22 provide equitable funding statewide. In order to receive funding  
 23 under this section, each intermediate district shall provide an  
 24 application to the office of great start not later than September  
 25 15 of the immediately preceding fiscal year indicating the  
 26 activities planned to be provided.

27       (2) Each intermediate district or consortium of intermediate



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

7 (a) Children born healthy.

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

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

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

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

19 (a) Physical health.

20 (b) Social-emotional health.

21 (c) Family supports and basic needs.

22 (d) Parent education and child advocacy.

23 (e) Early education and care.

24 **(4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), AT LEAST**  
25 **\$5,000,000.00 SHALL BE USED FOR THE PURPOSE OF PROVIDING HOME**  
26 **VISITS TO AT-RISK CHILDREN AND THEIR FAMILIES. THE HOME VISITS**  
27 **SHALL BE CONDUCTED AS PART OF A LOCALLY COORDINATED, FAMILY-**



1 CENTERED, EVIDENCE-BASED, DATA-DRIVEN HOME VISIT STRATEGIC PLAN  
 2 THAT IS APPROVED BY THE DEPARTMENT. THE GOALS OF THE HOME VISITS  
 3 FUNDED UNDER THIS SUBSECTION SHALL BE TO IMPROVE SCHOOL READINESS,  
 4 REDUCE THE NUMBER OF PUPILS RETAINED IN GRADE LEVEL, AND REDUCE THE  
 5 NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES. THE  
 6 DEPARTMENT SHALL COORDINATE THE GOALS OF THE HOME VISIT STRATEGIC  
 7 PLANS APPROVED UNDER THIS SUBSECTION WITH OTHER STATE AGENCY HOME  
 8 VISIT PROGRAMS IN A WAY THAT STRENGTHENS MICHIGAN'S HOME VISITING  
 9 INFRASTRUCTURE AND MAXIMIZES FEDERAL FUNDS AVAILABLE FOR THE  
 10 PURPOSES OF AT-RISK FAMILY HOME VISITS.

11 (5) ~~(4)~~—Not later than December 1 of each year, each  
 12 intermediate district shall provide a report to the department  
 13 detailing the activities actually provided during the immediately  
 14 preceding school year and the families and children actually  
 15 served. **AT A MINIMUM, THE REPORT SHALL INCLUDE AN EVALUATION OF THE**  
 16 **SERVICES PROVIDED WITH ADDITIONAL FUNDING UNDER SUBSECTION (4) FOR**  
 17 **HOME VISITS, USING THE GOALS IDENTIFIED IN SUBSECTION (4) AS THE**  
 18 **BASIS FOR THE EVALUATION, INCLUDING THE DEGREE TO WHICH SCHOOL**  
 19 **READINESS WAS IMPROVED, ANY CHANGE IN THE NUMBER OF PUPILS RETAINED**  
 20 **AT GRADE LEVEL, AND ANY CHANGE IN THE NUMBER OF PUPILS RECEIVING**  
 21 **SPECIAL EDUCATION SERVICES.** The department shall compile and  
 22 summarize these reports and submit its summary to the house and  
 23 senate appropriations subcommittees on school aid and to the house  
 24 and senate fiscal agencies not later than February 15 of each year.

25 (6) ~~(5)~~—An intermediate district or consortium of intermediate  
 26 districts that receives funding under this section may carry over  
 27 any unexpended funds received under this section into the next



1 fiscal year and may expend those unused funds through June 30 of  
2 the next fiscal year. A recipient of a grant shall return any  
3 unexpended grant funds to the department in the manner prescribed  
4 by the department not later than September 30 of the next fiscal  
5 year after the fiscal year in which the funds are received.

6       **SEC. 35. (1) THE FUNDS ALLOCATED UNDER SECTIONS 35A TO 35G**  
7 **SHALL BE USED FOR PROGRAMS TO ENSURE CHILDREN ARE READING AT GRADE**  
8 **LEVEL BY THE END OF GRADE 3. THE SUPERINTENDENT SHALL DESIGNATE**  
9 **STAFF OR CONTRACTED EMPLOYEES FUNDED UNDER THESE SECTIONS AS**  
10 **CRITICAL SHORTAGE. PROGRAMS FUNDED UNDER THESE SECTIONS ARE**  
11 **INTENDED TO ENSURE THAT THIS STATE WILL BE IN THE TOP 10 MOST**  
12 **IMPROVED STATES IN GRADE 4 READING PROFICIENCY BY THE 2019 NATIONAL**  
13 **ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP) AND WILL BE IN THE TOP 10**  
14 **STATES OVERALL BY 2025.**

15       **(2) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE**  
16 **IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED**  
17 **\$1,000,000.00 FOR 2015-2016 FOR IMPLEMENTATION COSTS ASSOCIATED**  
18 **WITH PROGRAMS IN SECTIONS 35A TO 35G.**

19       **(3) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (2), THERE IS**  
20 **ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 FOR THE PURPOSE OF**  
21 **PERFORMING AN EVALUATION OF THE PILOT PROGRAMS UNDER SECTION 35A IN**  
22 **A MANNER APPROVED BY THE DEPARTMENT. THE EVALUATION REPORT SHALL**  
23 **INCLUDE AT LEAST THE FOLLOWING:**

24       **(A) A DESCRIPTION OF THE COMPONENTS OF THE PILOT PROGRAMS THAT**  
25 **WERE EFFECTIVE IN HELPING PARENTS PREPARE THEIR CHILDREN FOR**  
26 **SUCCESS IN SCHOOL.**

27       **(B) A DESCRIPTION OF ANY BARRIERS THAT PARENTS AND THEIR**





1 CHILDREN ENCOUNTERED THAT PRECLUDED THEM FROM PARTICIPATING IN THE  
2 PILOT PROGRAMS.

3 (C) AN ASSESSMENT OF WHETHER THESE PILOT PROGRAMS SHOULD BE  
4 EXPANDED TO OTHER LOCATIONS IN THE STATE.

5 SEC. 35A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
6 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2015-2016 FOR  
7 THE PURPOSE OF CONDUCTING PARENT EDUCATION PILOT PROGRAMS FOR  
8 PARENTS OF CHILDREN LESS THAN 4 YEARS OF AGE SO THAT CHILDREN ARE  
9 DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE TIME OF SCHOOL  
10 ENTRY.

11 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION  
12 PROCESS AND METHOD OF GRANT DISTRIBUTION CONSISTENT WITH THE  
13 PROVISIONS OF THIS SECTION. THE AMOUNT OF A GRANT AWARD TO A PILOT  
14 PROGRAM SHALL BE AN AMOUNT EQUAL TO THE NUMBER OF RESIDENT CHILDREN  
15 YOUNGER THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR  
16 DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION  
17 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147, IN THE DISTRICT OR  
18 CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM MULTIPLIED BY \$120.00  
19 PER CHILD OR \$130,000.00, WHICHEVER IS LESS. THE DEPARTMENT SHALL  
20 ENSURE THAT GRANTS ARE AWARDED IN EACH PROSPERITY REGION OR  
21 SUBREGION.

22 (3) AN APPLICATION FOR A COMPETITIVE GRANT UNDER THIS SECTION  
23 SHALL BE SUBMITTED BY AN INTERMEDIATE DISTRICT ON BEHALF OF A  
24 DISTRICT OR CONSORTIUM OF DISTRICTS WITHIN THE INTERMEDIATE  
25 DISTRICT. THE APPLICATION SHALL BE SUBMITTED IN A FORM AND MANNER  
26 APPROVED BY THE DEPARTMENT AND SHALL CONTAIN AT LEAST THE FOLLOWING  
27 COMPONENTS:



1 (A) A DESCRIPTION OF THE PROGRAM DESIGN INCLUDING THE NAMES OF  
2 THE DISTRICT OR CONSORTIUM OF DISTRICTS THAT WILL OPERATE THE  
3 PROGRAM, THE PHYSICAL LOCATION OF THE PROGRAM, AND THE ANTICIPATED  
4 NUMBER OF FAMILIES THAT WILL BE SERVED.

5 (B) AN ASSURANCE THAT THE PROGRAM WILL BE SUPERVISED BY A  
6 TEACHER WHO HAS A VALID TEACHING CERTIFICATE WITH AN EARLY  
7 CHILDHOOD (ZA OR ZS) ENDORSEMENT, A VALID TEACHING CERTIFICATE IN  
8 CAREER EDUCATION WITH BOTH A KH AND VH ENDORSEMENT, A BACHELOR'S  
9 DEGREE IN CHILD DEVELOPMENT OR EARLY CHILD DEVELOPMENT, OR A  
10 BACHELOR'S DEGREE RELATED TO ADULT LEARNING.

11 (C) AN ESTIMATE OF THE NUMBER OF FAMILIES IN THE DISTRICT OR  
12 DISTRICTS THAT WILL OPERATE THE PILOT PROGRAM THAT HAVE AT LEAST 1  
13 CHILD LESS THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR  
14 DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION  
15 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

16 (D) A DESCRIPTION OF THE PUBLIC AWARENESS AND OUTREACH EFFORTS  
17 THAT WILL BE MADE.

18 (E) AN ASSURANCE THAT THE INTERMEDIATE DISTRICT AND THE  
19 DISTRICT OR CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM WILL  
20 PROVIDE INFORMATION IN A FORM AND MANNER AS APPROVED BY THE  
21 DEPARTMENT TO ALLOW FOR AN EVALUATION OF THE PILOT PROJECTS.

22 (F) A DESCRIPTION OF THE SLIDING FEE SCALE THAT WILL BE  
23 ESTABLISHED FOR TUITION, WITH FEES REDUCED OR WAIVED FOR THOSE  
24 UNABLE TO PAY.

25 (G) A BUDGET FOR THE PROGRAM. A PROGRAM MAY USE NOT MORE THAN  
26 5% OF A GRANT TO ADMINISTER THE PROGRAM.

27 (4) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A PROGRAM



1 SHALL PROVIDE AT LEAST 2 HOURS PER WEEK THROUGHOUT THE SCHOOL YEAR  
2 FOR PARENTS AND THEIR ELIGIBLE CHILDREN TO PARTICIPATE IN PARENT  
3 EDUCATION PROGRAMS AND MEET AT LEAST THE FOLLOWING MINIMUM  
4 REQUIREMENTS:

5 (A) REQUIRE THAT PARENTS BE PHYSICALLY PRESENT IN CLASSES WITH  
6 THEIR CHILDREN OR BE IN CONCURRENT CLASSES.

7 (B) USE RESEARCH-BASED INFORMATION TO EDUCATE PARENTS ABOUT  
8 THE PHYSICAL, COGNITIVE, SOCIAL, AND EMOTIONAL DEVELOPMENT OF  
9 CHILDREN.

10 (C) PROVIDE STRUCTURED LEARNING ACTIVITIES REQUIRING  
11 INTERACTION BETWEEN CHILDREN AND THEIR PARENTS.

12 (D) PROVIDE STRUCTURED LEARNING ACTIVITIES FOR CHILDREN THAT  
13 PROMOTE POSITIVE INTERACTION WITH THEIR PEERS.

14 (5) FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM  
15 UNDER THIS SECTION, THE CHILD SHALL BE LESS THAN 4 YEARS OF AGE AS  
16 OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO  
17 ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL  
18 380.1147.

19 SEC. 35B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
20 ALLOCATED AN AMOUNT NOT TO EXCEED \$950,000.00 FOR 2015-2016 FOR THE  
21 PURPOSES OF THIS SECTION. THIS ALLOCATION REPRESENTS THE FIRST OF 2  
22 YEARS OF FUNDING FOR THE PURPOSES OF THIS SECTION.

23 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO SUPPORT  
24 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN A DEPARTMENT-APPROVED  
25 RESEARCH-BASED TRAINING PROGRAM RELATED TO CURRENT STATE LITERACY  
26 STANDARDS FOR PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL  
27 DETERMINE THE AMOUNT OF THE GRANT AWARDS.



1 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT  
2 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN  
3 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS  
4 OF PUPILS IN GRADES K TO 3.

5 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT  
6 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED  
7 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO  
8 CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING  
9 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE  
10 WORK PROJECT IS SEPTEMBER 30, 2017.

11 SEC. 35D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
12 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,450,000.00 FOR 2015-2016 FOR  
13 GRANTS UNDER THIS SECTION. THIS ALLOCATION REPRESENTS THE FIRST OF  
14 2 YEARS OF FUNDING.

15 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO  
16 ADMINISTER DEPARTMENT-APPROVED DIAGNOSTIC TOOLS TO MONITOR THE  
17 DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS OF PUPILS IN  
18 GRADES K TO 3 AND TO SUPPORT RESEARCH-BASED PROFESSIONAL  
19 DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION FOR THE PURPOSE OF  
20 IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO IMPROVE READING  
21 PROFICIENCY AMONG PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL  
22 AWARD GRANTS TO ELIGIBLE DISTRICTS IN AN AMOUNT DETERMINED BY THE  
23 DEPARTMENT.

24 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT  
25 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN  
26 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS  
27 OF PUPILS IN GRADES K TO 3.



1 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT  
2 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED  
3 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO  
4 CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING  
5 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE  
6 WORK PROJECT IS SEPTEMBER 30, 2017.

7 SEC. 35E. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF  
9 PROVIDING EARLY LITERACY COACHES TO ASSIST TEACHERS IN DEVELOPING  
10 AND IMPLEMENTING INSTRUCTIONAL STRATEGIES FOR PUPILS IN GRADES K TO  
11 3 SO THAT PUPILS ARE READING AT GRADE LEVEL BY THE END OF GRADE 3.

12 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION  
13 PROCESS AND METHOD OF GRANT DISTRIBUTION CONSISTENT WITH THE  
14 PROVISIONS OF THIS SECTION. THE GRANT PROCESS SHALL ENSURE THAT  
15 INTERMEDIATE DISTRICTS WITH THE HIGHEST PERCENTAGE OF PUPILS IN  
16 GRADE 4 IN CONSTITUENT DISTRICTS WHO ARE NOT PROFICIENT ON THE  
17 GRADE 4 STATE READING ASSESSMENT RECEIVE EXTRA CONSIDERATION IN THE  
18 AWARDING OF GRANTS.

19 (3) IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION, A  
20 CONSORTIUM OF INTERMEDIATE DISTRICTS IN A PROSPERITY REGION OR  
21 SUBREGION SHALL SUBMIT A COMPETITIVE GRANT APPLICATION IN A FORM  
22 AND MANNER APPROVED BY THE DEPARTMENT. AN APPLICATION SHALL PROVIDE  
23 ASSURANCES THAT LITERACY COACHES FUNDED UNDER THIS SECTION ARE  
24 KNOWLEDGEABLE ABOUT AT LEAST THE FOLLOWING:

25 (A) CURRENT STATE LITERACY STANDARDS FOR PUPILS IN GRADES K TO  
26 3.

27 (B) IMPLEMENTING AN INSTRUCTIONAL DELIVERY MODEL BASED ON



1 FREQUENT USE OF FORMATIVE AND DIAGNOSTIC TOOLS, KNOWN AS A MULTI-  
2 TIERED SYSTEM OF SUPPORT, TO DETERMINE INDIVIDUAL PROGRESS FOR  
3 PUPILS IN GRADES K TO 3 SO THAT PUPILS ARE READING AT GRADE LEVEL  
4 BY THE END OF GRADE 3.

5 (C) THE USE OF DATA FROM DIAGNOSTIC TOOLS TO DETERMINE THE  
6 NECESSARY ADDITIONAL SUPPORTS AND INTERVENTIONS NEEDED BY  
7 INDIVIDUAL PUPILS IN GRADES K TO 3 IN ORDER TO BE READING AT GRADE  
8 LEVEL.

9 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT  
10 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED  
11 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO  
12 CONTINUE TO PROVIDE EARLY LITERACY COACHES AS DESCRIBED IN THIS  
13 SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS  
14 SEPTEMBER 30, 2017.

15 SEC. 35F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
16 ALLOCATED AN AMOUNT NOT TO EXCEED \$19,650,000.00 FROM THE STATE  
17 SCHOOL AID FUND MONEY AND \$350,000.00 FROM THE GENERAL FUND MONEY  
18 FOR 2015-2016 TO DISTRICTS THAT PROVIDE ADDITIONAL INSTRUCTIONAL  
19 TIME TO THOSE PUPILS IN GRADES K TO 3 WHO HAVE BEEN IDENTIFIED BY  
20 USING DEPARTMENT-APPROVED DIAGNOSTIC TOOLS AS NEEDING ADDITIONAL  
21 SUPPORTS AND INTERVENTIONS IN ORDER TO BE READING AT GRADE LEVEL BY  
22 THE END OF GRADE 3, AND FOR THE PURPOSES IDENTIFIED IN SUBSECTION  
23 (4). ADDITIONAL INSTRUCTIONAL TIME MAY BE PROVIDED BEFORE, DURING,  
24 AND AFTER REGULAR SCHOOL HOURS OR AS PART OF A YEAR-ROUND BALANCED  
25 SCHOOL CALENDAR.

26 (2) IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS  
27 SECTION, A DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE



1 DEPARTMENT THAT THE DISTRICT HAS DONE ALL OF THE FOLLOWING:

2 (A) IMPLEMENTED A MULTI-TIERED SYSTEM OF SUPPORT INSTRUCTIONAL  
3 DELIVERY MODEL.

4 (B) USED DEPARTMENT-APPROVED RESEARCH-BASED DIAGNOSTIC TOOLS  
5 TO IDENTIFY INDIVIDUAL PUPILS IN NEED OF ADDITIONAL INSTRUCTIONAL  
6 TIME.

7 (C) PROVIDED TEACHERS OF PUPILS IN GRADES K TO 3 WITH  
8 RESEARCH-BASED PROFESSIONAL DEVELOPMENT IN DIAGNOSTIC DATA  
9 INTERPRETATION.

10 (3) FUNDING ALLOCATED UNDER THIS SECTION FROM THE STATE SCHOOL  
11 AID FUND SHALL BE DISTRIBUTED TO ELIGIBLE DISTRICTS BY MULTIPLYING  
12 THE NUMBER OF FULL-TIME-EQUIVALENT PUPILS IN GRADE 1 IN THE  
13 DISTRICT BY \$190.00.

14 (4) FROM THE GENERAL FUND MONEY APPROPRIATED IN SUBSECTION  
15 (1), THE DEPARTMENT SHALL ALLOCATE NOT LESS THAN \$350,000.00 FOR  
16 2015-2016 TO THE MICHIGAN EDUCATION CORPS.

17 (5) THE MICHIGAN EDUCATION CORPS SHALL PROVIDE A REPORT BY  
18 AUGUST 1, 2016 TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES  
19 ON STATE SCHOOL AID, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE  
20 SENATE AND HOUSE CAUCUS POLICY OFFICES ON OUTCOMES AND PERFORMANCE  
21 MEASURES OF THE MICHIGAN EDUCATION CORPS, INCLUDING, BUT NOT  
22 LIMITED TO, THE DEGREE TO WHICH THE MICHIGAN EDUCATION CORPS'S  
23 REPLICATION OF THE MICHIGAN READING CORPS PROGRAM IS DEMONSTRATING  
24 SUFFICIENT EFFICACY AND IMPACT. THE REPORT MUST INCLUDE DATA  
25 PERTAINING TO AT LEAST ALL OF THE FOLLOWING:

26 (A) THE CURRENT IMPACT OF THE MICHIGAN READING CORPS ON THIS  
27 STATE IN TERMS OF NUMBERS OF CHILDREN AND PROGRAMS RECEIVING



1 SUPPORT. THIS PORTION OF THE REPORT SHALL SPECIFY THE NUMBER OF  
2 CHILDREN TUTORED, INCLUDING DOSAGE AND COMPLETION, AND THE  
3 DEMOGRAPHICS OF THOSE CHILDREN.

4 (B) WHETHER THE ASSESSMENTS AND INTERVENTIONS ARE IMPLEMENTED  
5 WITH FIDELITY. THIS PORTION OF THE REPORT SHALL INCLUDE DETAILS ON  
6 THE TOTAL NUMBER OF ASSESSMENTS AND INTERVENTIONS COMPLETED AND THE  
7 RANGE, MEDIAN, MEAN, AND STANDARD DEVIATION FOR ALL ASSESSMENTS.

8 (C) WHETHER THE LITERACY IMPROVEMENT OF CHILDREN PARTICIPATING  
9 IN THE MICHIGAN READING CORPS IS CONSISTENT WITH EXPECTATIONS. THIS  
10 PORTION OF THE REPORT SHALL DETAIL AT LEAST ALL OF THE FOLLOWING:

11 (i) GROWTH RATE BY GRADE LEVEL, IN COMPARISON TO TARGETED  
12 GROWTH RATE.

13 (ii) AVERAGE LINEAR GROWTH RATES.

14 (iii) EXIT RATES.

15 (iv) PERCENTAGE OF CHILDREN WHO EXIT WHO ALSO MEET OR EXCEED  
16 SPRING BENCHMARKS.

17 (D) THE IMPACT OF THE MICHIGAN READING CORPS ON ORGANIZATIONS  
18 AND STAKEHOLDERS, INCLUDING, BUT NOT LIMITED TO, SCHOOL  
19 ADMINISTRATORS, INTERNAL COACHES, AND AMERICORPS MEMBERS.

20 (6) IF THE DEPARTMENT DETERMINES THAT THE MICHIGAN EDUCATION  
21 CORPS HAS MISUSED THE FUNDS ALLOCATED IN SUBSECTION (4), THE  
22 MICHIGAN EDUCATION CORPS SHALL REIMBURSE THIS STATE FOR THE AMOUNT  
23 OF STATE FUNDING MISUSED.

24 (7) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT  
25 TO FULLY FUND THE PAYMENTS UNDER THIS SECTION, PAYMENTS UNDER THIS  
26 SECTION SHALL BE PRORATED ON AN EQUAL PER-PUPIL BASIS BASED ON  
27 GRADE 1 PUPILS.





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

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

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

19           (c) The number of children the applicant will be able to serve  
20 who meet the criteria of section 32d including a verification of  
21 physical facility and staff resources capacity.

22           (d) The estimated number of children who meet the criteria of  
23 section 32d who will remain unserved after the applicant and  
24 community early childhood programs have met their funded  
25 enrollments. The applicant shall maintain a waiting list of  
26 identified unserved eligible children who would be served when  
27 openings are available.



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

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

19 (4) The initial allocation for each fiscal year to each  
20 eligible applicant under section 32d shall be determined by  
21 multiplying the number of children determined by the formula under  
22 subsection (3) or the number of children the applicant indicates it  
23 will be able to serve under subsection (1)(c), whichever is less,  
24 by \$3,625.00 and shall be distributed among applicants in  
25 decreasing order of concentration of eligible children as  
26 determined by the formula under subsection (3). If the number of  
27 children an applicant indicates it will be able to serve under



1 subsection (1)(c) includes children able to be served in a school-  
2 day program, then the number able to be served in a school-day  
3 program shall be doubled for the purposes of making this  
4 calculation of the lesser of the number of children determined by  
5 the formula under subsection (3) and the number of children the  
6 applicant indicates it will be able to serve under subsection  
7 (1)(c) and determining the amount of the initial allocation to the  
8 applicant under section 32d. A district may contract with a head  
9 start agency to serve children enrolled in head start with a  
10 school-day program by blending head start funds with a part-day  
11 great start readiness program allocation. All head start and great  
12 start readiness program policies and regulations apply to the  
13 blended program.

14 (5) If funds allocated for eligible applicants ~~or to the great~~  
15 ~~start readiness reserve fund~~ under section 32d remain after the  
16 initial allocation under subsection (4), the allocation under this  
17 subsection shall be distributed to each eligible applicant under  
18 section 32d in decreasing order of concentration of eligible  
19 children as determined by the formula under subsection (3). The  
20 allocation shall be determined by multiplying the number of  
21 children **IN** each district within the applicant's service area  
22 served in the immediately preceding fiscal year or the number of  
23 children the applicant indicates it will be able to serve under  
24 subsection (1)(c), whichever is less, minus the number of children  
25 for which the applicant received funding in subsection (4) by  
26 \$3,625.00.

27 (6) If funds allocated for eligible applicants ~~or to the great~~



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

15 (7) An applicant that offers supplementary child care funded  
16 by funds other than those received under section 32d and therefore  
17 offers full-day programs as part of its early childhood development  
18 program shall receive priority in the allocation of funds under  
19 section 32d over other eligible applicants. As used in this  
20 subsection, "full-day program" means a program that provides  
21 supplementary child care that totals at least 10 hours of  
22 programming per day.

23 (8) If, taking into account the total amount to be allocated  
24 to the applicant as calculated under this section, an applicant  
25 determines that it is able to include additional eligible children  
26 in the great start readiness program without additional funds under  
27 section 32d, the applicant may include additional eligible children



1 but shall not receive additional funding under section 32d for  
2 those children.

3 Sec. 39a. (1) From the federal funds appropriated in section  
4 11, there is allocated for ~~2014-2015~~ **2015-2016** to districts,  
5 intermediate districts, and other eligible entities all available  
6 federal funding, estimated at ~~\$807,969,900.00~~ **\$779,076,400.00** for  
7 the federal programs under the no child left behind act of 2001,  
8 Public Law 107-110. These funds are allocated as follows:

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

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

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

20 (d) An amount estimated at \$10,286,500.00 for the Michigan  
21 charter school subgrant program, funded from DED-OESE, charter  
22 school funds.

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

26 (f) An amount estimated at ~~\$591,500,000.00~~ **\$565,000,000.00** to  
27 provide supplemental programs to enable educationally disadvantaged



1 children to meet challenging academic standards, funded from DED-  
2 OESE, title I, disadvantaged children funds.

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

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

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

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

19 (a) An amount estimated at \$200,000.00 for acquired  
20 immunodeficiency syndrome education grants, funded from HHS -  
21 ~~center for disease control,~~ **CENTERS FOR DISEASE CONTROL AND**  
22 **PREVENTION**, AIDS funding.

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

26 **(C) AN AMOUNT ESTIMATED AT \$4,000,000.00 TO PROVIDE MENTAL**  
27 **HEALTH, SUBSTANCE ABUSE, OR VIOLENCE PREVENTION SERVICES TO**



1 **STUDENTS, FUNDED FROM HHS-SAMHSA.**

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

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

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

18 (5) As used in this section:

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

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

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

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

27 ~~(e) "HHS-ACF" means the HHS administration for children and~~



1 families.

2 (E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL  
3 HEALTH SERVICES ADMINISTRATION.

4 Sec. 41. From the appropriation in section 11, there is  
5 allocated an amount not to exceed \$1,200,000.00 ~~each fiscal year~~  
6 ~~for 2013-2014 and for 2014-2015~~ **FOR 2015-2016** to applicant  
7 districts and intermediate districts offering programs of  
8 instruction for pupils of limited English-speaking ability under  
9 section 1153 of the revised school code, MCL 380.1153.  
10 Reimbursement shall be on a per-pupil basis and shall be based on  
11 the number of pupils of limited English-speaking ability in  
12 membership on the pupil membership count day. Funds allocated under  
13 this section shall be used solely for instruction in speaking,  
14 reading, writing, or comprehension of English. A pupil shall not be  
15 counted under this section or instructed in a program under this  
16 section for more than 3 years.

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

25 Sec. 51a. (1) From the appropriation in section 11, there is  
26 allocated an amount not to exceed ~~\$914,946,100.00 for 2014-2015~~  
27 **\$934,546,100.00 FOR 2015-2016** from state sources and all available





1 federal funding under sections 611 to 619 of part B of the  
2 individuals with disabilities education act, 20 USC 1411 to 1419,  
3 estimated at \$370,000,000.00 for ~~2014-2015,~~ **2014-2015**, plus any  
4 carryover federal funds from previous year appropriations. The  
5 allocations under this subsection are for the purpose of  
6 reimbursing districts and intermediate districts for special  
7 education programs, services, and special education personnel as  
8 prescribed in article 3 of the revised school code, MCL 380.1701 to  
9 380.1766; net tuition payments made by intermediate districts to  
10 the Michigan schools for the deaf and blind; and special education  
11 programs and services for pupils who are eligible for special  
12 education programs and services according to statute or rule. For  
13 meeting the costs of special education programs and services not  
14 reimbursed under this article, a district or intermediate district  
15 may use money in general funds or special education funds, not  
16 otherwise restricted, or contributions from districts to  
17 intermediate districts, tuition payments, gifts and contributions  
18 from individuals or other entities, or federal funds that may be  
19 available for this purpose, as determined by the intermediate  
20 district plan prepared pursuant to article 3 of the revised school  
21 code, MCL 380.1701 to 380.1766. Notwithstanding section 17b,  
22 payments of federal funds to districts, intermediate districts, and  
23 other eligible entities under this section shall be paid on a  
24 schedule determined by the department.

25 (2) From the funds allocated under subsection (1), there is  
26 allocated the amount necessary, estimated at ~~\$251,800,000.00 for~~  
27 ~~2014-2015,~~ **\$257,200,000.00 FOR 2015-2016**, for payments toward



1 reimbursing districts and intermediate districts for 28.6138% of  
2 total approved costs of special education, excluding costs  
3 reimbursed under section 53a, and 70.4165% of total approved costs  
4 of special education transportation. Allocations under this  
5 subsection shall be made as follows:

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

26 (b) After the allocations under subdivision (a), districts and  
27 intermediate districts for which the payments calculated under



1 subdivision (a) do not fulfill the specified percentages shall be  
2 paid the amount necessary to achieve the specified percentages for  
3 the district or intermediate district.

4 (3) From the funds allocated under subsection (1), there is  
5 allocated for ~~2014-2015~~**2015-2016** an amount not to exceed  
6 \$1,000,000.00 to make payments to districts and intermediate  
7 districts under this subsection. If the amount allocated to a  
8 district or intermediate district for a fiscal year under  
9 subsection (2)(b) is less than the sum of the amounts allocated to  
10 the district or intermediate district for 1996-97 under sections 52  
11 and 58, there is allocated to the district or intermediate district  
12 for the fiscal year an amount equal to that difference, adjusted by  
13 applying the same proration factor that was used in the  
14 distribution of funds under section 52 in 1996-97 as adjusted to  
15 the district's or intermediate district's necessary costs of  
16 special education used in calculations for the fiscal year. This  
17 adjustment is to reflect reductions in special education program  
18 operations or services between 1996-97 and subsequent fiscal years.  
19 Adjustments for reductions in special education program operations  
20 or services shall be made in a manner determined by the department  
21 and shall include adjustments for program or service shifts.

22 (4) If the department determines that the sum of the amounts  
23 allocated for a fiscal year to a district or intermediate district  
24 under subsection (2)(a) and (b) is not sufficient to fulfill the  
25 specified percentages in subsection (2), then the shortfall shall  
26 be paid to the district or intermediate district during the fiscal  
27 year beginning on the October 1 following the determination and



1 payments under subsection (3) shall be adjusted as necessary. If  
2 the department determines that the sum of the amounts allocated for  
3 a fiscal year to a district or intermediate district under  
4 subsection (2)(a) and (b) exceeds the sum of the amount necessary  
5 to fulfill the specified percentages in subsection (2), then the  
6 department shall deduct the amount of the excess from the  
7 district's or intermediate district's payments under this article  
8 for the fiscal year beginning on the October 1 following the  
9 determination and payments under subsection (3) shall be adjusted  
10 as necessary. However, if the amount allocated under subsection  
11 (2)(a) in itself exceeds the amount necessary to fulfill the  
12 specified percentages in subsection (2), there shall be no  
13 deduction under this subsection.

14 (5) State funds shall be allocated on a total approved cost  
15 basis. Federal funds shall be allocated under applicable federal  
16 requirements, except that an amount not to exceed \$3,500,000.00 may  
17 be allocated by the department for ~~2014-2015~~**2015-2016** to  
18 districts, intermediate districts, or other eligible entities on a  
19 competitive grant basis for programs, equipment, and services that  
20 the department determines to be designed to benefit or improve  
21 special education 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 for ~~2014-2015~~**2015-**  
24 **2016** to reimburse 100% of the net increase in necessary costs  
25 incurred by a district or intermediate district in implementing the  
26 revisions in the administrative rules for special education that  
27 became effective on July 1, 1987. As used in this subsection, "net



1 increase in necessary costs" means the necessary additional costs  
2 incurred solely because of new or revised requirements in the  
3 administrative rules minus cost savings permitted in implementing  
4 the revised rules. Net increase in necessary costs shall be  
5 determined in a manner specified by the department.

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

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



1 an on-grounds education program.

2 (b) Beginning with the 2004-2005 fiscal year, a district or  
3 intermediate district that employed special education support  
4 services staff to provide special education support services in  
5 2003-2004 or in a subsequent fiscal year and that in a fiscal year  
6 after 2003-2004 receives the same type of support services from  
7 another district or intermediate district shall report the cost of  
8 those support services for special education reimbursement purposes  
9 under this article. This subdivision does not prohibit the transfer  
10 of special education classroom teachers and special education  
11 classroom aides if the pupils counted in membership associated with  
12 those special education classroom teachers and special education  
13 classroom aides are transferred and counted in membership in the  
14 other district or intermediate district in conjunction with the  
15 transfer of those teachers and aides.

16 (c) If the department determines before bookclosing for a  
17 fiscal year that the amounts allocated for that fiscal year under  
18 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56  
19 will exceed expenditures for that fiscal year under subsections  
20 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a  
21 district or intermediate district whose reimbursement for that  
22 fiscal year would otherwise be affected by subdivision (b),  
23 subdivision (b) does not apply to the calculation of the  
24 reimbursement for that district or intermediate district and  
25 reimbursement for that district or intermediate district shall be  
26 calculated in the same manner as it was for 2003-2004. If the  
27 amount of the excess allocations under subsections (2), (3), (6),



1 and (11) and sections 53a, 54, and 56 is not sufficient to fully  
2 fund the calculation of reimbursement to those districts and  
3 intermediate districts under this subdivision, then the  
4 calculations and resulting reimbursement under this subdivision  
5 shall be prorated on an equal percentage basis. ~~This reimbursement~~  
6 ~~shall not be made after 2014-2015.~~

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

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



1 department shall direct the intermediate district to continue to  
2 report the cost associated with the specific identified special  
3 education pupil transportation service and shall adjust the costs  
4 reported by the constituent district to remove the cost associated  
5 with that specific service.

6 (8) A pupil who is enrolled in a full-time special education  
7 program conducted or administered by an intermediate district or a  
8 pupil who is enrolled in the Michigan schools for the deaf and  
9 blind shall not be included in the membership count of a district,  
10 but shall be counted in membership in the intermediate district of  
11 residence.

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

17 (10) If a district or intermediate district uses money  
18 received under this section for a purpose other than the purpose or  
19 purposes for which the money is allocated, the department may  
20 require the district or intermediate district to refund the amount  
21 of money received. Money that is refunded shall be deposited in the  
22 state treasury to the credit of the state school aid fund.

23 (11) From the funds allocated in subsection (1), there is  
24 allocated the amount necessary, estimated at ~~\$4,000,000.00 for~~  
25 ~~2014-2015,~~ **\$3,200,000.00 FOR 2015-2016**, to pay the foundation  
26 allowances for pupils described in this subsection. The allocation  
27 to a district under this subsection shall be calculated by





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

18 (a) Pupils described in section 53a.

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

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

26 (12) If it is determined that funds allocated under subsection  
27 (2) or (11) or under section 51c will not be expended, funds up to



1 the amount necessary and available may be used to supplement the  
2 allocations under subsection (2) or (11) or under section 51c in  
3 order to fully fund those allocations. After payments under  
4 subsections (2) and (11) and section 51c, the remaining  
5 expenditures from the allocation in subsection (1) shall be made in  
6 the following order:

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

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

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

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

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

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

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



1 resides or the public school academy for the purpose of providing  
2 the pupil with a free appropriate public education and the written  
3 agreement includes at least an agreement on the responsibility for  
4 the payment of the added costs of special education programs and  
5 services for the pupil.

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

11 (a) "Membership" means for a particular fiscal year the total  
12 membership for the immediately preceding fiscal year of the  
13 intermediate district and the districts constituent to the  
14 intermediate district.

15 (b) "Millage levied" means the millage levied for special  
16 education pursuant to part 30 of the revised school code, MCL  
17 380.1711 to 380.1743, including a levy for debt service  
18 obligations.

19 (c) "Taxable value" means the total taxable value of the  
20 districts constituent to an intermediate district, except that if a  
21 district has elected not to come under part 30 of the revised  
22 school code, MCL 380.1711 to 380.1743, membership and taxable value  
23 of the district shall not be included in the membership and taxable  
24 value of the intermediate district.

25 (2) From the allocation under section 51a(1), there is  
26 allocated an amount not to exceed \$37,758,100.00 for ~~2014-2015~~  
27 **2015-2016** to reimburse intermediate districts levying millages for



1 special education pursuant to part 30 of the revised school code,  
 2 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the  
 3 reimbursement shall be limited as if the funds were generated by  
 4 these millages and governed by the intermediate district plan  
 5 adopted pursuant to article 3 of the revised school code, MCL  
 6 380.1701 to 380.1766. As a condition of receiving funds under this  
 7 section, an intermediate district distributing any portion of  
 8 special education millage funds to its constituent districts shall  
 9 submit for departmental approval and implement a distribution plan.

10 (3) Reimbursement for those millages levied in ~~2013-2014-2014-~~  
 11 ~~2015~~ shall be made in ~~2014-2015-2015-2016~~ at an amount per ~~2013-~~  
 12 ~~2014-2014-2015~~ membership pupil computed by subtracting from  
 13 ~~\$172,200.00~~ **\$174,400.00** the ~~2013-2014-2014-2015~~ taxable value  
 14 behind each membership pupil and multiplying the resulting  
 15 difference by the ~~2013-2014-2014-2015~~ millage levied.

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

19 (5) The amount paid to a single intermediate district under  
 20 this section shall not be less than 75% of the amount allocated to  
 21 the intermediate district under this section for the immediately  
 22 preceding fiscal year.

23 Sec. 61a. (1) From the appropriation in section 11, there is  
 24 allocated an amount not to exceed ~~\$26,611,300.00~~ **\$40,000,000.00** for  
 25 ~~2014-2015-2015-2016~~ to reimburse on an added cost basis districts,  
 26 except for a district that served as the fiscal agent for a  
 27 vocational education consortium in the 1993-94 school year, and



1 secondary area vocational-technical education centers for  
 2 secondary-level career and technical education programs according  
 3 to rules approved by the superintendent. Applications for  
 4 participation in the programs shall be submitted in the form  
 5 prescribed by the department. The department shall determine the  
 6 added cost for each career and technical education program area.  
 7 The allocation of added cost funds shall be **PRIORITIZED** based on  
 8 the ~~type of~~ **CAPITAL AND PROGRAM EXPENDITURES NEEDED TO OPERATE THE**  
 9 career and technical education programs provided; ~~the~~ the number of  
 10 pupils enrolled; ~~THE~~ **ADVANCEMENT OF PUPILS THROUGH THE**  
 11 **INSTRUCTIONAL PROGRAM; THE EXISTENCE OF AN ARTICULATION AGREEMENT**  
 12 **WITH AT LEAST 1 POSTSECONDARY INSTITUTION THAT PROVIDES PUPILS WITH**  
 13 **OPPORTUNITIES TO EARN POSTSECONDARY CREDIT DURING THE PUPIL'S**  
 14 **PARTICIPATION IN THE CAREER AND TECHNICAL EDUCATION PROGRAM AND**  
 15 **TRANSFERS THOSE CREDITS TO THE POSTSECONDARY INSTITUTION UPON**  
 16 **COMPLETION OF THE CAREER AND TECHNICAL EDUCATION PROGRAM; THE**  
 17 **PROGRAM RANK IN STUDENT PLACEMENT, JOB OPENINGS, AND WAGES;** and the  
 18 length of the training period provided, and shall not exceed 75% of  
 19 the added cost of any program. With the approval of the department,  
 20 the board of a district maintaining a secondary career and  
 21 technical education program may offer the program for the period  
 22 from the close of the school year until September 1. The program  
 23 shall use existing facilities and shall be operated as prescribed  
 24 by rules promulgated by the superintendent.

25 (2) Except for a district that served as the fiscal agent for  
 26 a vocational education consortium in the 1993-94 school year,  
 27 districts and intermediate districts shall be reimbursed for local





1 career and technical education administration, shared time career  
 2 and technical education administration, and career education  
 3 planning district career and technical education administration.  
 4 The definition of what constitutes administration and reimbursement  
 5 shall be pursuant to guidelines adopted by the superintendent. Not  
 6 more than \$800,000.00 of the allocation in subsection (1) shall be  
 7 distributed under this subsection.

8 ~~—— (3) In addition to the funds allocated in subsection (1), from~~  
 9 ~~the appropriation in section 11, there is allocated an amount not~~  
 10 ~~to exceed \$1,000,000.00 for 2014-2015 to districts or intermediate~~  
 11 ~~districts for area career and technical education centers for the~~  
 12 ~~purpose of integrating the Michigan merit curriculum content~~  
 13 ~~standards under sections 1278a and 1278b of the revised school~~  
 14 ~~code, MCL 380.1278a and 380.1278b, into state-approved career and~~  
 15 ~~technical education instructional programs for the purpose of~~  
 16 ~~awarding academic credit. The department shall determine the~~  
 17 ~~allocation to each career and technical education center in a~~  
 18 ~~manner that provides for maximum integration of Michigan merit~~  
 19 ~~curriculum content standards statewide.~~

20 **(3) A CAREER AND TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS**  
 21 **SECTION MAY PROVIDE AN OPPORTUNITY FOR PARTICIPANTS WHO ARE**  
 22 **ELIGIBLE TO BE FUNDED UNDER SECTION 107 TO ENROLL IN THE CAREER AND**  
 23 **TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS SECTION. IN ORDER TO**  
 24 **ELIMINATE FINANCIAL DISINCENTIVES FROM EXPANDING CAREER AND**  
 25 **TECHNICAL EDUCATION ENROLLMENTS TO ADULTS, A PROGRAM THAT PROVIDES**  
 26 **SERVICES TO SECTION 107 ADULT EDUCATION PARTICIPANTS UNDER THIS**  
 27 **SUBSECTION MAY BILL BACK TO THE EDUCATION PROVIDER AND GRANTEE**



1 UNDER SECTION 107 FOR ANY BASIC EDUCATION COURSE REQUIREMENTS MET  
2 BY THE CAREER AND TECHNICAL EDUCATION PROGRAMMING, AND THEN MAY  
3 SUBMIT ANY REMAINING ADDED COSTS TO THE DEPARTMENT FOR  
4 REIMBURSEMENT AS PROVIDED UNDER THIS SECTION.

5 SEC. 61B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
6 ALLOCATED AN AMOUNT NOT TO EXCEED \$17,800,000.00 FOR 2015-2016 FOR  
7 CTE EARLY/MIDDLE COLLEGE PROGRAMS AUTHORIZED UNDER THIS SECTION.  
8 THE PURPOSE OF THESE PROGRAMS IS TO INCREASE THE NUMBER OF MICHIGAN  
9 RESIDENTS WITH HIGH-QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE  
10 THE NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH  
11 SCHOOL GRADUATION.

12 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT  
13 AS DETERMINED UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH  
14 INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT FOR STATE-APPROVED  
15 CTE EARLY/MIDDLE COLLEGE PROGRAMS IN EACH OF THE PROSPERITY REGIONS  
16 AND SUBREGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE  
17 DISTRICT SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER  
18 THIS SUBSECTION FOR ADMINISTRATIVE COSTS FOR SERVING AS THE FISCAL  
19 AGENT.

20 (3) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT  
21 MUST AGREE TO DO ALL OF THE FOLLOWING IN A FORM AND MANNER  
22 DETERMINED BY THE DEPARTMENT:

23 (A) DISTRIBUTE FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE  
24 PROGRAMS IN A PROSPERITY REGION OR SUBREGION AS DESCRIBED IN THIS  
25 SECTION.

26 (B) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT  
27 IS LOCATED IN THE PROSPERITY REGION OR SUBREGION TO DEVELOP A



1 REGIONAL STRATEGIC PLAN UNDER SUBSECTION (4) THAT ALIGNS CTE  
2 PROGRAMS AND SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY  
3 SYSTEM FOR HIGH SCHOOL STUDENTS.

4 (C) IMPLEMENT A REGIONAL PROCESS TO RANK CAREER CLUSTERS IN  
5 THE PROSPERITY REGION OR SUBREGION AS DESCRIBED UNDER SUBSECTION  
6 (4). REGIONAL PROCESSES SHALL BE APPROVED BY THE DEPARTMENT BEFORE  
7 THE RANKING OF CAREER CLUSTERS.

8 (D) REPORT CTE EARLY/MIDDLE COLLEGE PROGRAM AND STUDENT DATA  
9 AND INFORMATION AS PRESCRIBED BY THE DEPARTMENT.

10 (4) A REGIONAL STRATEGIC PLAN MUST BE APPROVED BY THE TALENT  
11 DISTRICT CAREER COUNCIL BEFORE SUBMISSION TO THE DEPARTMENT. A  
12 REGIONAL STRATEGIC PLAN SHALL INCLUDE, BUT NOT BE LIMITED TO, THE  
13 FOLLOWING:

14 (A) AN IDENTIFICATION OF REGIONAL EMPLOYER NEED BASED ON A  
15 RANKING OF ALL CAREER CLUSTERS IN THE PROSPERITY REGION OR  
16 SUBREGION RANKED BY 10-YEAR JOB OPENINGS PROJECTIONS AND MEDIAN  
17 WAGE FOR EACH STANDARD OCCUPATIONAL CODE IN EACH CAREER CLUSTER AS  
18 OBTAINED FROM THE UNITED STATES BUREAU OF LABOR STATISTICS.  
19 STANDARD OCCUPATIONAL CODES WITHIN HIGH-RANKING CLUSTERS ALSO MAY  
20 BE FURTHER RANKED BY MEDIAN WAGE. THE RANKINGS SHALL BE REVIEWED BY  
21 THE TALENT DISTRICT CAREER COUNCIL LOCATED IN THE PROSPERITY REGION  
22 OR SUBREGION AND MODIFIED IF NECESSARY TO ACCURATELY REFLECT  
23 EMPLOYER DEMAND FOR TALENT IN THE PROSPERITY REGION OR SUBREGION.  
24 THESE CAREER CLUSTER RANKINGS SHALL BE DETERMINED AND UPDATED ONCE  
25 EVERY 3 YEARS.

26 (B) AN IDENTIFICATION OF EDUCATIONAL ENTITIES IN THE  
27 PROSPERITY REGION OR SUBREGION THAT WILL PROVIDE ELIGIBLE CTE



1 EARLY/MIDDLE PROGRAMS INCLUDING DISTRICTS, INTERMEDIATE DISTRICTS,  
2 POSTSECONDARY INSTITUTIONS, AND NONCREDIT OCCUPATIONAL TRAINING  
3 PROGRAMS LEADING TO AN INDUSTRY-RECOGNIZED CREDENTIAL.

4 (C) A STRATEGY TO INFORM PARENTS AND STUDENTS OF CTE  
5 EARLY/MIDDLE COLLEGE PROGRAMS IN THE PROSPERITY REGION OR  
6 SUBREGION.

7 (D) ANY OTHER REQUIREMENTS AS DEFINED BY THE DEPARTMENT.

8 (5) AN ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM IS A 5-YEAR  
9 HIGH SCHOOL PROGRAM THAT MEETS ALL OF THE FOLLOWING:

10 (A) HAS BEEN IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER  
11 RANKINGS IN ANY OF THE 10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED  
12 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF  
13 TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT.

14 (B) HAS A COHERENT SEQUENCE OF COURSES THAT WILL ALLOW A  
15 STUDENT TO EARN A HIGH SCHOOL DIPLOMA AND ACHIEVE AT LEAST 1 OF THE  
16 FOLLOWING IN A SPECIFIC CAREER CLUSTER:

17 (i) AN ASSOCIATE DEGREE.

18 (ii) AN INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION APPROVED  
19 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF  
20 TALENT AND ECONOMIC DEVELOPMENT.

21 (iii) UP TO 60 TRANSFERABLE COLLEGE CREDITS.

22 (iv) PARTICIPATION IN A REGISTERED APPRENTICESHIP.

23 (C) IS ALIGNED WITH THE MICHIGAN MERIT CURRICULUM.

24 (D) HAS AN ARTICULATION AGREEMENT WITH AT LEAST 1  
25 POSTSECONDARY INSTITUTION THAT PROVIDES STUDENTS WITH OPPORTUNITIES  
26 TO RECEIVE POSTSECONDARY CREDITS DURING THE STUDENT'S PARTICIPATION  
27 IN THE CTE EARLY/MIDDLE COLLEGE PROGRAM AND TRANSFERS THOSE CREDITS



1 TO THE POSTSECONDARY INSTITUTION UPON COMPLETION OF THE CTE  
2 EARLY/MIDDLE COLLEGE PROGRAM.

3 (E) PROVIDES INSTRUCTION THAT IS SUPERVISED, DIRECTED, OR  
4 COORDINATED BY AN APPROPRIATELY CERTIFICATED CTE TEACHER OR, FOR  
5 CONCURRENT ENROLLMENT COURSES, A POSTSECONDARY FACULTY MEMBER.

6 (F) PROVIDES FOR HIGHLY INTEGRATED STUDENT SUPPORT SERVICES  
7 THAT INCLUDE AT LEAST THE FOLLOWING:

8 (i) TEACHERS AS ACADEMIC ADVISORS.

9 (ii) SUPERVISED COURSE SELECTION.

10 (iii) MONITORING OF STUDENT PROGRESS AND COMPLETION.

11 (iv) CAREER PLANNING SERVICES PROVIDED BY A LOCAL ONE-STOP  
12 SERVICE CENTER AS DESCRIBED IN THE MICHIGAN WORKS ONE-STOP SERVICE  
13 CENTER SYSTEM ACT, 2006 PA 491, MCL 408.111 TO 408.135, OR BY A  
14 HIGH SCHOOL COUNSELOR OR ADVISOR.

15 (G) HAS COURSES THAT ARE TAUGHT ON A COLLEGE CAMPUS, ARE  
16 COLLEGE COURSES OFFERED AT THE HIGH SCHOOL AND TAUGHT BY COLLEGE  
17 FACULTY, OR ARE COURSES TAUGHT IN COMBINATION WITH ONLINE  
18 INSTRUCTION.

19 (6) FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS SHALL  
20 BE DISTRIBUTED AS FOLLOWS:

21 (A) THE DEPARTMENT SHALL CALCULATE STATEWIDE AVERAGE CTE COSTS  
22 PER FULL-TIME EQUATED PUPIL FOR EACH CAREER CLUSTER BY DIVIDING  
23 TOTAL PRIOR YEAR STATEWIDE COSTS FOR EACH CAREER CLUSTER BY PRIOR  
24 YEAR FULL-TIME EQUATED PUPILS FOR EACH CAREER CLUSTER.

25 (B) DISTRIBUTION TO EACH ELIGIBLE CTE EARLY/MIDDLE COLLEGE  
26 PROGRAM SHALL BE THE PRODUCT OF 50% OF CTE COSTS PER FULL-TIME  
27 EQUATED PUPIL TIMES THE CURRENT YEAR FULL-TIME EQUATED PUPIL



1 ENROLLMENT OF EACH CAREER CLUSTER IN AN ELIGIBLE CTE EARLY/MIDDLE  
2 COLLEGE PROGRAM.

3 (7) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A CTE  
4 EARLY/MIDDLE COLLEGE PROGRAM SHALL FURNISH TO THE INTERMEDIATE  
5 DISTRICT THAT IS THE FISCAL AGENT IDENTIFIED IN SUBSECTION (1), IN  
6 A FORM AND MANNER DETERMINED BY THE DEPARTMENT, ALL INFORMATION  
7 NEEDED TO ADMINISTER THIS PROGRAM AND MEET FEDERAL REPORTING  
8 REQUIREMENTS; SHALL ALLOW THE DEPARTMENT OR THE DEPARTMENT'S  
9 DESIGNEE TO REVIEW ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT  
10 RECEIVES FUNDS; AND SHALL REIMBURSE THE STATE FOR ALL DISALLOWANCES  
11 FOUND IN THE REVIEW, AS DETERMINED BY THE DEPARTMENT.

12 (8) FUNDS DISTRIBUTED UNDER THIS SECTION MAY BE USED TO FUND  
13 PROGRAM EXPENDITURES THAT WOULD OTHERWISE BE PAID FOR FROM  
14 FOUNDATION ALLOWANCES. A PROGRAM PROVIDER SHALL NOT USE MORE THAN  
15 5% OF THE FUNDS ALLOCATED UNDER THIS SECTION TO THE PROGRAM FOR  
16 ADMINISTRATIVE COSTS.

17 (9) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO  
18 FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE  
19 DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL  
20 PERCENTAGE BASIS.

21 (10) IF PUPILS ENROLLED IN A CAREER CLUSTER IN AN ELIGIBLE CTE  
22 EARLY/MIDDLE COLLEGE PROGRAM QUALIFY TO BE REIMBURSED UNDER THIS  
23 SECTION, THOSE PUPILS CONTINUE TO QUALIFY FOR REIMBURSEMENT UNTIL  
24 GRADUATION, EVEN IF THE CAREER CLUSTER IS NO LONGER IDENTIFIED AS  
25 BEING IN THE HIGHEST 5 CAREER CLUSTER RANKINGS.

26 (11) AS USED IN THIS SECTION:

27 (A) "ALLOWABLE COSTS" MEANS THOSE COSTS DIRECTLY ATTRIBUTABLE



1 TO THE PROGRAM AS JOINTLY DETERMINED BY THE MICHIGAN TALENT  
2 INVESTMENT AGENCY AND THE DEPARTMENT.

3 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

4 (C) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL  
5 TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY  
6 REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT  
7 REPRESENTATIVES.

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

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

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

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



1 sections 681 to 690 of the revised school code, MCL 380.681 to  
2 380.690, shall be included in the membership and taxable value of  
3 the intermediate district if the district meets both of the  
4 following:

5 (i) The district operates the area vocational-technical  
6 education program pursuant to a contract with the intermediate  
7 district.

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

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

22 (3) Reimbursement for the millages levied in ~~2013-2014~~ **2014-**  
23 **2015** shall be made in ~~2014-2015~~ **2015-2016** at an amount per ~~2013-~~  
24 ~~2014~~ **2014-2015** membership pupil computed by subtracting from  
25 ~~\$188,100.00~~ **\$189,400.00** the ~~2013-2014~~ **2014-2015** taxable value  
26 behind each membership pupil and multiplying the resulting  
27 difference by the ~~2013-2014~~ **2014-2015** millage levied.





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

4 (5) 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. 64b. (1) From the appropriation in section 11, there is  
9 allocated an amount not to exceed \$1,750,000.00 for ~~2014-2015-2015-~~  
10 **2016** for supplemental payments to districts that support the  
11 attendance of district pupils in grades 9 to 12 under the  
12 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
13 388.524, or under the career and technical preparation act, 2000 PA  
14 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that  
15 support the attendance of district pupils in a concurrent  
16 enrollment program if the district meets the requirements under  
17 subsection (3). **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**  
18 **INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY**  
19 **UPON HIGH SCHOOL GRADUATION.**

20 (2) To be eligible for payments under this section for  
21 supporting the attendance of district pupils under the  
22 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
23 388.524, or under the career and technical preparation act, 2000 PA  
24 258, MCL 388.1901 to 388.1913, a district shall do all of the  
25 following:

26 (a) Provide information to all high school pupils on  
27 postsecondary enrollment options, including enrollment eligibility,



1 the institutions and types of courses that are eligible for  
2 participation, the decision-making process for granting academic  
3 credit, and an explanation of eligible charges that will be paid by  
4 the district.

5 (b) Enter into a written agreement with a postsecondary  
6 institution before the enrollment of district pupils.

7 (c) Agree to pay all eligible charges pursuant to section 21b.

8 (d) Award high school credit for the postsecondary course if  
9 the pupil successfully completes the course.

10 (3) To be eligible for payments under this section for pupils  
11 enrolled in a concurrent enrollment program, a district shall do  
12 all of the following:

13 (a) Provide information to all high school pupils on  
14 postsecondary enrollment options, including enrollment eligibility,  
15 the institutions and types of courses that are eligible for  
16 participation, the decision-making process for granting academic  
17 credit, and an explanation of eligible charges that will be paid by  
18 the district.

19 (b) Enter into a written agreement with a postsecondary  
20 institution establishing the concurrent enrollment program before  
21 the enrollment of district pupils in a postsecondary course through  
22 the postsecondary institution.

23 (c) Ensure that the course is taught by either a high school  
24 teacher or postsecondary faculty pursuant to standards established  
25 by the postsecondary institution with which the district has  
26 entered into a written agreement to operate the concurrent  
27 enrollment program.



1 (d) Ensure that the written agreement provides that the  
 2 postsecondary institution agrees not to charge the pupil for any  
 3 cost of the program.

4 (e) Ensure that the course is taught in the local district or  
 5 intermediate district.

6 (f) Ensure that the pupil is awarded both high school and  
 7 college credit **AT ANY COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY**  
 8 **IN THIS STATE** upon successful completion of the course as outlined  
 9 in the agreement with the postsecondary institution.

10 (4) Funds shall be awarded to eligible districts under this  
 11 section in the following manner:

12 (a) A payment of \$10.00 per credit, for up to 3 credits, for a  
 13 credit-bearing course in which a pupil enrolls during the ~~2014-2015~~  
 14 **2015-2016** school year as described under either subsection (2) or  
 15 (3).

16 (b) An additional payment of \$30.00 per-pupil per course  
 17 identified in subdivision (a), if the pupil successfully completes,  
 18 and is awarded both high school and postsecondary credit for, the  
 19 course during the ~~2014-2015~~**2015-2016** school year.

20 (5) A district requesting payment under this section shall  
 21 submit an application to the department in the form and manner  
 22 prescribed by the department. Notwithstanding section 17b, payments  
 23 under this section shall be made on a schedule determined by the  
 24 department.

25 **SEC. 67. (1) FROM THE GENERAL FUND AMOUNT APPROPRIATED IN**  
 26 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**  
 27 **\$3,600,000.00 FOR 2015-2016 FOR COLLEGE AND CAREER PREPARATION**



1 ACTIVITIES. THE PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO  
2 INFORM STUDENTS OF COLLEGE AND CAREER OPTIONS AND TO PROVIDE A WIDE  
3 ARRAY OF TOOLS AND RESOURCES INTENDED TO INCREASE THE NUMBER OF  
4 PUPILS WHO ARE ADEQUATELY PREPARED WITH THE INFORMATION NEEDED TO  
5 MAKE INFORMED DECISIONS ON COLLEGE AND CAREER. THE FUNDS  
6 APPROPRIATED UNDER THIS SECTION ARE INTENDED TO BE USED TO INCREASE  
7 THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH-QUALITY DEGREES OR  
8 CREDENTIALS. FUNDS APPROPRIATED UNDER THIS SECTION SHALL NOT BE  
9 USED TO SUPPLANT FUNDING FOR COUNSELORS ALREADY FUNDED BY  
10 DISTRICTS.

11 (2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT  
12 TO EXCEED \$3,000,000.00 SHALL BE USED FOR THE COLLEGE ACCESS  
13 PROGRAM. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF TALENT  
14 AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN  
15 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK. THESE FUNDS  
16 MAY BE USED FOR ANY OF THE FOLLOWING PURPOSES:

17 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING,  
18 AND SERVICES TO LOCAL COLLEGE ACCESS NETWORKS.

19 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED  
20 COLLEGE ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE  
21 COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN GEOGRAPHICALLY  
22 DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

23 (C) THE MICHIGAN COLLEGE ADVISING PROGRAM, A PROGRAM INTENDED  
24 TO PLACE TRAINED, RECENTLY GRADUATED COLLEGE ADVISORS IN HIGH  
25 SCHOOLS THAT SERVE SIGNIFICANT NUMBERS OF LOW-INCOME AND FIRST-  
26 GENERATION COLLEGE-GOING PUPILS. STATE FUNDS USED FOR THIS PURPOSE  
27 MAY NOT EXCEED 33% OF THE TOTAL FUNDS AVAILABLE UNDER THIS



1 SUBSECTION.

2 (D) SUBGRANTS OF UP TO \$5,000.00 TO DISTRICTS WITH  
3 COMPREHENSIVE HIGH SCHOOLS THAT ESTABLISH A COLLEGE ACCESS TEAM AND  
4 IMPLEMENT SPECIFIC STRATEGIES TO CREATE A COLLEGE-GOING CULTURE IN  
5 A HIGH SCHOOL IN A FORM AND MANNER APPROVED BY THE MICHIGAN COLLEGE  
6 ACCESS NETWORK AND THE MICHIGAN TALENT INVESTMENT AGENCY.

7 (E) THE MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE ONE-STOP  
8 PORTAL TO HELP PUPILS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

9 (F) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-  
10 INCOME AND FIRST-GENERATION COLLEGE-GOING PUPILS TO TAKE NECESSARY  
11 STEPS TOWARD COLLEGE AND TO ASSIST PUPILS AND FAMILIES IN  
12 COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL  
13 STUDENT AID.

14 (G) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE,  
15 AND TRAIN COLLEGE STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST  
16 HIGH SCHOOL PUPILS IN NAVIGATING THE POSTSECONDARY PLANNING AND  
17 ENROLLMENT PROCESS.

18 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT  
19 TO EXCEED \$600,000.00 SHALL BE USED FOR THE PURPOSES OF THIS  
20 SUBSECTION. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF  
21 TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN  
22 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK AND THE  
23 MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE ALL OF THE FOLLOWING:

24 (A) A PILOT OUTREACH PROGRAM TO PROVIDE INFORMATION TO PUPILS,  
25 PARENTS, AND EDUCATORS ON DUAL ENROLLMENT AND OTHER OPPORTUNITIES  
26 AVAILABLE TO HIGH SCHOOL PUPILS TO EARN POSTSECONDARY CREDITS,  
27 INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATIONS, AND PARTICIPATION IN



1 REGISTERED APPRENTICESHIPS AT NO COST.

2 (B) AN ONLINE CAREER PLANNING TOOL THAT MEETS ALL OF THE  
3 FOLLOWING:

4 (i) HELPS PUPILS CREATE EDUCATIONAL DEVELOPMENT PLANS BEFORE  
5 STARTING HIGH SCHOOL.

6 (ii) PROVIDES INFORMATION TO PUPILS ALLOWING THEM TO MAKE MORE  
7 INFORMED CHOICES ABOUT CAREER AND EDUCATION OPTIONS.

8 (iii) IS AVAILABLE TO PUPILS AT NO COST.

9 (4) FOR THE PURPOSES OF THIS SECTION, "COLLEGE" MEANS ANY  
10 POSTSECONDARY EDUCATIONAL OPPORTUNITY THAT LEADS TO A CAREER,  
11 INCLUDING, BUT NOT LIMITED TO, A POSTSECONDARY DEGREE, INDUSTRY-  
12 RECOGNIZED TECHNICAL CERTIFICATION, OR REGISTERED APPRENTICESHIP.

13 Sec. 74. (1) From the amount appropriated in section 11, there  
14 is allocated an amount not to exceed ~~\$3,316,500.00 for 2014-2015~~  
15 **\$3,315,700.00 FOR 2015-2016** for the purposes of this section.

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



1 department to the college or university or intermediate district  
2 providing the course of instruction.

3 (3) From the allocation in subsection (1), there is allocated  
4 for ~~2014-2015~~**2015-2016** the amount necessary to pay the reasonable  
5 costs of nonspecial education auxiliary services transportation  
6 provided pursuant to section 1323 of the revised school code, MCL  
7 380.1323. Districts funded under this subsection shall not receive  
8 funding under any other section of this article for nonspecial  
9 education auxiliary services transportation.

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



1 payment in the amount specified on the statement to the department  
 2 of state police within 45 days after receipt of the statement. The  
 3 total reimbursement of costs under this subsection shall not exceed  
 4 the amount allocated under this subsection. Notwithstanding section  
 5 17b, payments to eligible entities under this subsection shall be  
 6 paid on a schedule prescribed by the department.

7       Sec. 81. (1) Except as otherwise provided in this section,  
 8 from the appropriation in section 11, there is allocated for ~~2014-~~  
 9 ~~2015-2015-2016~~ to the intermediate districts the sum necessary, but  
 10 not to exceed ~~\$67,115,000.00~~ **\$68,108,000.00** to provide state aid to  
 11 intermediate districts under this section.

12       (2) From the allocation in subsection (1), there is allocated  
 13 for ~~2014-2015-2015-2016~~ an amount not to exceed ~~\$65,108,000.00~~  
 14 **\$68,108,000.00** for allocations to each intermediate district in an  
 15 amount equal to ~~104.8%~~ **104.6%** of the amount allocated to the  
 16 intermediate district under this subsection for ~~2013-2014.~~ ~~2014-~~  
 17 **2015**. Funding provided under this section shall be used to comply  
 18 with requirements of this article and the revised school code that  
 19 are applicable to intermediate districts, and for which funding is  
 20 not provided elsewhere in this article, and to provide technical  
 21 assistance to districts as authorized by the intermediate school  
 22 board.

23       (3) Intermediate districts receiving funds under subsection  
 24 (2) shall collaborate with the department to develop expanded  
 25 professional development opportunities for teachers to update and  
 26 expand their knowledge and skills needed to support the Michigan  
 27 merit curriculum.





1 (4) From the allocation in subsection (1), there is allocated  
2 to an intermediate district, formed by the consolidation or  
3 annexation of 2 or more intermediate districts or the attachment of  
4 a total intermediate district to another intermediate school  
5 district or the annexation of all of the constituent K-12 districts  
6 of a previously existing intermediate school district which has  
7 disorganized, an additional allotment of \$3,500.00 each fiscal year  
8 for each intermediate district included in the new intermediate  
9 district for 3 years following consolidation, annexation, or  
10 attachment. ~~From the allocation in subsection (1), there is~~  
11 ~~allocated \$7,000.00 for purposes of this subsection for 2012-2013,~~  
12 ~~for 2013-2014, and for 2014-2015, after which the payment under~~  
13 ~~this subsection will cease.~~

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

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

19 (b) Demonstrate to the satisfaction of the department that the  
20 intermediate district employs at least 1 person who is trained in  
21 rules, regulations, and district reporting procedures for the  
22 individual-level student data that serves as the basis for the  
23 calculation of the district and high school graduation and dropout  
24 rates.

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

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

5 (f) Comply with section 761 of the revised school code, MCL  
6 380.761.

7 ~~—— (6) From the allocation in subsection (1), there is allocated  
8 an amount not to exceed \$2,000,000.00 for 2014-2015 for an  
9 incentive payment to each intermediate district that meets best  
10 practices as determined by the department under this subsection.  
11 The amount of the incentive payment is an amount equal to 3.1% of  
12 the amount allocated to the intermediate district under subsection  
13 (2). An intermediate district is eligible for an incentive payment  
14 under this subsection if the intermediate district satisfies at  
15 least 5 of the following requirements not later than June 1, 2015:~~

16 ~~—— (a) The intermediate district enters into an agreement with  
17 the department to comply with all of the following:~~

18 ~~—— (i) If the intermediate district developed a service  
19 consolidation plan in 2013-2014, implement the service  
20 consolidation plan in 2014-2015 and report to the department not  
21 later than February 1, 2015 on the intermediate district's progress  
22 in implementing the service consolidation plan.~~

23 ~~—— (ii) If the intermediate district did not develop a service  
24 consolidation plan in 2012-2013 or 2013-2014, develop a service  
25 consolidation plan in 2014-2015 to reduce operating costs that is  
26 in compliance with guidelines that were developed by the department  
27 for former section 11d as that section was in effect for 2010-2011.~~



1 ~~—— (iii) Make the intermediate district's service consolidation~~  
2 ~~plan publicly available on the intermediate district's website.~~

3 ~~—— (b) The intermediate district has obtained competitive bids on~~  
4 ~~the provision of 1 or more noninstructional services for the~~  
5 ~~intermediate district or its constituent districts with a value of~~  
6 ~~at least \$50,000.00. The unfunded accrued liability costs for~~  
7 ~~retirement and other benefits shall be excluded from the~~  
8 ~~intermediate district's current costs for the purpose of comparing~~  
9 ~~competitive bids to the current costs of providing services.~~

10 ~~—— (c) The intermediate district develops a technology plan in~~  
11 ~~accordance with department policy on behalf of all constituent~~  
12 ~~districts within the intermediate district that integrates~~  
13 ~~technology into the classroom and prepares teachers to use digital~~  
14 ~~technologies as part of the instructional program of each of its~~  
15 ~~constituent districts. An intermediate district that developed a~~  
16 ~~technology plan in 2012-2013 or 2013-2014 shall continue to~~  
17 ~~implement that technology plan in 2014-2015.~~

18 ~~—— (d) The intermediate district provides to parents and~~  
19 ~~community members a dashboard or report card demonstrating the~~  
20 ~~intermediate district's efforts to manage its finances responsibly.~~  
21 ~~The dashboard or report card shall include revenue and expenditure~~  
22 ~~projections for the intermediate district for 2014-2015 and 2015-~~  
23 ~~2016, a listing of all debt service obligations, detailed by~~  
24 ~~project, including anticipated 2014-2015 payment for each project,~~  
25 ~~a listing of total outstanding debt, and at least all of the~~  
26 ~~following for the 3 most recent school years for which the data are~~  
27 ~~available:~~



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

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

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

9 ~~—— (iv) The total funds received from levying special education~~  
10 ~~and vocational education millages, and the number of special~~  
11 ~~education and vocational education pupils served with those~~  
12 ~~dollars.~~

13 ~~—— (v) The number and percentage of individualized education~~  
14 ~~programs developed for special education pupils that contain~~  
15 ~~academic goals.~~

16 ~~—— (c) The intermediate district works in a consortium with 1 or~~  
17 ~~more other intermediate districts and the center to develop local~~  
18 ~~information management system requirements and bid specifications~~  
19 ~~that result in a recommended model information system that supports~~  
20 ~~interoperability to ensure linkage and connectivity in a manner~~  
21 ~~that facilitates the efficient exchange of data among districts,~~  
22 ~~intermediate districts, and the center. At a minimum, these~~  
23 ~~specifications shall include pupil management systems for both~~  
24 ~~general and special education, learning management tools, and~~  
25 ~~business services.~~

26 ~~—— (f) If an intermediate district provides medical, pharmacy,~~  
27 ~~dental, vision, disability, long-term care, or any other type of~~



1 ~~benefit that would constitute a health care services benefit, to~~  
2 ~~employees and their dependents, the intermediate district is the~~  
3 ~~policyholder for each of its insurance policies that covers 1 or~~  
4 ~~more of these benefits. An intermediate district that does not~~  
5 ~~directly employ its staff or an intermediate district with a~~  
6 ~~voluntary employee beneficiary association that pays no more than~~  
7 ~~the maximum per employee contribution amount and that contributes~~  
8 ~~no more than the maximum employer contribution percentage of total~~  
9 ~~annual costs for the medical benefit plans as described in sections~~  
10 ~~3 and 4 of the publicly funded health insurance contribution act,~~  
11 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied~~  
12 ~~this requirement.~~

13 **(6) AN INTERMEDIATE DISTRICT SHALL USE AT LEAST A PORTION OF**  
14 **THE INCREASED FUNDING UNDER THIS SECTION FOR 2015-2016 TO EXPLORE,**  
15 **FACILITATE, AND IMPLEMENT SERVICE CONSOLIDATION AMONG AND BETWEEN**  
16 **THE INTERMEDIATE DISTRICT AND ITS CONSTITUENT DISTRICTS.**

17 Sec. 94. (1) From the general fund appropriation in section  
18 11, there is allocated to the department for ~~2014-2015~~**2015-2016** an  
19 amount not to exceed \$250,000.00 for efforts to increase the number  
20 of pupils who participate and succeed in advanced placement and  
21 international baccalaureate programs.

22 (2) From the funds allocated under this section, the  
23 department shall award funds to cover all or part of the costs of  
24 advanced placement test fees or international baccalaureate test  
25 fees for low-income pupils who take an advanced placement or an  
26 international baccalaureate test. Payments shall not exceed \$20.00  
27 per test completed.



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

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

8 (b) The tests are administered by the college board, the  
9 international baccalaureate organization, or another test provider  
10 approved by the department.

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

13 (4) The department shall establish procedures for awarding  
14 funds under this section.

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

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

21 (a) Coordinate the collection of all data required by state  
22 and federal law from districts, intermediate districts, and  
23 postsecondary institutions.

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

27 (c) Collect data in the most efficient manner possible in



1 order to reduce the administrative burden on reporting entities,  
2 including, but not limited to, electronic transcript services.

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

8 (i) Data sets that link teachers to student information,  
9 allowing districts to assess individual teacher impact on student  
10 performance and consider student growth factors in teacher and  
11 principal evaluation systems.

12 (ii) Data access or, if practical, data sets, provided for  
13 regional data warehouses that, in combination with local data, can  
14 improve teaching and learning in the classroom.

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

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

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

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

23 (2) Each state department, officer, or agency that collects  
24 information from districts, intermediate districts, or  
25 postsecondary institutions as required under state or federal law  
26 shall make arrangements with the center to ensure that the state  
27 department, officer, or agency is in compliance with subsection



1 (1). This subsection does not apply to information collected by the  
2 department of treasury under the uniform budgeting and accounting  
3 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal  
4 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond  
5 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to  
6 388.1939; or section 1351a of the revised school code, MCL  
7 380.1351a.

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

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

12 (a) Includes data at the individual student level from  
13 preschool through postsecondary education and into the workforce.

14 (b) Supports interoperability by using standard data  
15 structures, data formats, and data definitions to ensure linkage  
16 and connectivity in a manner that facilitates the exchange of data  
17 among agencies and institutions within the state and between  
18 states.

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

22 (d) Enables the matching of individual teachers with  
23 information about their certification and the institutions that  
24 prepared and recommended those teachers for state certification.

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





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

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

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

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

10 (ii) Contains student-level enrollment, demographic, and  
11 program participation information.

12 (iii) Contains student-level information about the points at  
13 which students exit, transfer in, transfer out, drop out, or  
14 complete education programs.

15 (iv) Has the capacity to communicate with higher education  
16 data systems.

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

19 (i) Contains yearly test records of individual students for  
20 assessments approved by DED-OESE for accountability purposes under  
21 section 1111(b) of the elementary and secondary education act of  
22 1965, 20 USC 6311, including information on individual students not  
23 tested, by grade and subject.

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

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

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



1 (i) Contains data that provide information regarding the  
 2 extent to which individual students transition successfully from  
 3 secondary school to postsecondary education, including, but not  
 4 limited to, all of the following:

5 (A) Enrollment in remedial coursework.

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

8 (ii) Contains data that provide other information determined  
 9 necessary to address alignment and adequate preparation for success  
 10 in postsecondary education.

11 (5) From the general fund appropriation in section 11, there  
 12 is allocated an amount not to exceed ~~\$12,022,800.00 for 2014-2015~~  
 13 **\$11,967,000.00 FOR 2015-2016** to the department of technology,  
 14 management, and budget to support the operations of the center. In  
 15 addition, from the federal funds appropriated in section 11 there  
 16 is allocated for ~~2014-2015-2015-2016~~ the amount necessary,  
 17 estimated at \$193,500.00, to support the operations of the center  
 18 and to establish a P-20 longitudinal data system ~~as provided under~~  
 19 ~~this section in compliance with the assurance provided to the~~  
 20 ~~United States department of education in order to receive state~~  
 21 ~~fiscal stabilization funds. **NECESSARY FOR STATE AND FEDERAL**~~  
 22 **REPORTING PURPOSES.** The center shall cooperate with the department  
 23 to ensure that this state is in compliance with federal law and is  
 24 maximizing opportunities for increased federal funding to improve  
 25 education in this state.

26 (6) From the funds allocated in subsection (5), ~~there is~~  
 27 ~~allocated for 2014-2015 an amount not to exceed \$850,000.00 **THE**~~



1 **CENTER MAY USE AN AMOUNT DETERMINED BY THE CENTER FOR 2015-2016** for  
2 competitive grants to support collaborative efforts on the P-20  
3 longitudinal data system. All of the following apply to grants  
4 awarded under this subsection:

5 (a) The center shall award competitive grants to eligible  
6 intermediate districts or a consortium of intermediate districts  
7 based on criteria established by the center.

8 (b) Activities funded under the grant shall support the P-20  
9 longitudinal data system portal and may include portal hosting,  
10 hardware and software acquisition, maintenance, enhancements, user  
11 support and related materials, and professional learning tools and  
12 activities aimed at improving the utility of the P-20 longitudinal  
13 data system.

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

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

23 (8) The center may bill departments as necessary in order to  
24 fulfill reporting requirements of state and federal law. The center  
25 may also enter into agreements to supply custom data, analysis, and  
26 reporting to other principal executive departments, state agencies,  
27 local units of government, and other individuals and organizations.



1 The center may receive and expend funds in addition to those  
 2 authorized in subsection (5) to cover the costs associated with  
 3 salaries, benefits, supplies, materials, and equipment necessary to  
 4 provide such data, analysis, and reporting services.

5 (9) As used in this section:

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

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

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

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

12 (2) The state treasurer may receive money or other assets from  
 13 any source for deposit into the educator evaluation reserve fund.  
 14 The state treasurer shall direct the investment of the educator  
 15 evaluation reserve fund. The state treasurer shall credit to the  
 16 educator evaluation reserve fund interest and earnings from the  
 17 educator evaluation reserve fund.

18 (3) Money in the educator evaluation reserve fund at the close  
 19 of the fiscal year shall remain in the educator evaluation reserve  
 20 fund and shall not lapse to the state school aid fund or to the  
 21 general fund. The department of treasury shall be the administrator  
 22 of the educator evaluation reserve fund for auditing purposes.

23 (4) From the appropriations in section 11, there is allocated  
 24 to the educator evaluation reserve fund for 2014-2015 an amount not  
 25 to exceed ~~\$12,100,000.00~~ **\$1,000,000.00** from the state school aid  
 26 fund and an amount not to exceed ~~\$2,700,000.00~~ **\$0.00** from the  
 27 general fund. Subject to subsections (5) and (6), the department



1 shall expend the money in the educator evaluation reserve fund for  
 2 implementing evaluation systems for public school teachers and  
 3 school administrators.

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

7 (5) ~~(6)~~ Funds in the educator evaluation reserve fund shall  
 8 not be expended unless the state budget office has approved the  
 9 department's spending plan.

10 Sec. 98. (1) From the general fund money appropriated in  
 11 section 11, there is allocated an amount not to exceed  
 12 \$7,387,500.00 for ~~2014-2015~~ **2015-2016** for the purposes described in  
 13 this section.

14 (2) The Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall  
 15 operate the Michigan ~~virtual learning research institute.~~ **VIRTUAL**  
 16 **LEARNING RESEARCH INSTITUTE**. The Michigan ~~virtual learning research~~  
 17 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall do all of the  
 18 following:

19 (a) Support and accelerate innovation in education through the  
 20 following activities:

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

23 (ii) Research, design, and recommend digital education  
 24 delivery models for use by pupils and teachers that include age-  
 25 appropriate multimedia instructional content.

26 (iii) Research, develop, and recommend annually to the  
 27 department criteria by which cyber schools and online course



1 providers should be monitored and evaluated to ensure a quality  
2 education for their pupils.

3 (iv) Based on pupil completion and performance data reported  
4 to the department or the center for educational performance and  
5 information from cyber schools and other online course providers  
6 operating in this state, analyze the effectiveness of online  
7 learning delivery models in preparing pupils to be college- and  
8 career-ready and publish a report that highlights enrollment  
9 totals, completion rates, and the overall impact on pupils. The  
10 report shall be submitted to the house and senate appropriations  
11 subcommittees on state school aid, the state budget director, the  
12 house and senate fiscal agencies, and the department not later than  
13 ~~December 1, 2015.~~ **MARCH 31, 2016.**

14 (v) Before August 31, ~~2015,~~ **2016**, provide an extensive  
15 professional development program to at least 500 educational  
16 personnel, including teachers, school administrators, and school  
17 board members, that focuses on the effective integration of digital  
18 learning into curricula and instruction. Not later than December 1,  
19 ~~2015,~~ **2016**, the Michigan ~~virtual learning research institute~~  
20 **VIRTUAL LEARNING RESEARCH INSTITUTE** shall submit a report to the  
21 house and senate appropriations subcommittees on state school aid,  
22 the state budget director, the house and senate fiscal agencies,  
23 and the department on the number and percentage of teachers, school  
24 administrators, and school board members who have received  
25 professional development services from the Michigan ~~virtual~~  
26 ~~university.~~ **VIRTUAL UNIVERSITY**. The report shall also identify  
27 barriers and other opportunities to encourage the adoption of



1 digital learning in the public education system.

2 (vi) Identify and share best practices for planning,  
3 implementing, and evaluating online and blended education delivery  
4 models with intermediate districts, districts, and public school  
5 academies to accelerate the adoption of innovative education  
6 delivery models statewide.

7 (b) Provide leadership for this state's system of digital  
8 learning education by doing the following activities:

9 (i) Develop and report policy recommendations to the governor  
10 and the legislature that accelerate the expansion of effective  
11 online learning in this state's schools.

12 (ii) Provide a clearinghouse for research reports, academic  
13 studies, evaluations, and other information related to online  
14 learning.

15 (iii) Promote and distribute the most current instructional  
16 design standards and guidelines for online teaching.

17 (iv) In collaboration with the department and interested  
18 colleges and universities in this state, support implementation and  
19 improvements related to effective digital learning instruction.

20 (v) Pursue public/private partnerships that include districts  
21 to study and implement competency-based technology-rich online  
22 learning models.

23 **(vi) CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS**  
24 **SERVING AS LIAISONS BETWEEN PUPILS, ONLINE INSTRUCTORS, PARENTS,**  
25 **AND SCHOOL STAFF AND PROVIDE MENTORS WITH RESEARCH-BASED TRAINING**  
26 **AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE PUPILS BE SUCCESSFUL**  
27 **ONLINE LEARNERS.**



1           (vii) ~~(vi)~~—Convene focus groups and conduct annual surveys of  
2 teachers, administrators, pupils, parents, and others to identify  
3 barriers and opportunities related to online learning.

4           (viii) ~~(vii)~~—Produce an annual consumer awareness report for  
5 schools and parents about effective online education providers and  
6 education delivery models, performance data, cost structures, and  
7 research trends.

8           (ix) ~~(viii)~~—Research and establish an internet-based platform  
9 that educators can use to create student-centric learning tools and  
10 resources and facilitate a user network that assists educators in  
11 using the platform. As part of this initiative, the Michigan  
12 virtual university shall work collaboratively with districts and  
13 intermediate districts to establish a plan to make available online  
14 resources that align to Michigan's K-12 curriculum standards for  
15 use by students, educators, and parents.

16           (x) ~~(ix)~~—Create and maintain a public statewide catalog of  
17 online learning courses being offered by all public schools **AND**  
18 **COMMUNITY COLLEGES** in this state. The Michigan ~~virtual learning~~  
19 ~~research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall  
20 identify and develop a list of nationally recognized best practices  
21 for online learning and use this list to support reviews of online  
22 course vendors, courses, and instructional practices. The Michigan  
23 ~~virtual learning research institute~~ **VIRTUAL LEARNING RESEARCH**  
24 **INSTITUTE** shall also provide a mechanism for intermediate districts  
25 to use the identified best practices to review content offered by  
26 constituent districts. The Michigan ~~virtual learning research~~  
27 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall review the





1 online course offerings of the Michigan ~~virtual university~~, **VIRTUAL**  
 2 **UNIVERSITY**, and make the results from these reviews available to  
 3 the public as part of the statewide catalog. The Michigan ~~virtual~~  
 4 ~~learning research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE**  
 5 shall ensure that the statewide catalog is made available to the  
 6 public on the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**  
 7 website and shall allow the ability to link it to each district's  
 8 website as provided for in section 21f. ~~Beginning in 2014-2015, the~~  
 9 **THE** statewide catalog shall also contain all of the following:

10 (A) The number of enrollments in each online course in the  
 11 immediately preceding school year.

12 (B) The number of enrollments that earned 60% or more of the  
 13 total course points for each online course in the immediately  
 14 preceding school year.

15 (C) The completion rate for each online course.

16 **(xi)** ~~(x)~~ Collaborate with key stakeholders to examine the need  
 17 and process for incorporating **DEVELOP PROTOTYPE AND PILOT**  
 18 registration, payment services, and transcript functionality to the  
 19 statewide catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE NEW**  
 20 **FEATURES**.

21 **(xii)** ~~(xi)~~ Collaborate with key stakeholders to examine  
 22 district level accountability and teacher effectiveness issues  
 23 related to online learning under section 21f and make findings and  
 24 recommendations publicly available.

25 (3) ~~In order for the Michigan virtual university to receive~~  
 26 ~~any funds allocated under this section, the~~ **TO FURTHER ENHANCE ITS**  
 27 **EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE MICHIGAN VIRTUAL**



1 UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS  
2 A STATEWIDE LABORATORY AND QUALITY MODEL OF INSTRUCTION BY  
3 IMPLEMENTING ONLINE AND BLENDED LEARNING SOLUTIONS FOR MICHIGAN  
4 SCHOOLS IN ACCORDANCE WITH THE FOLLOWING PARAMETERS:

5 (A) THE Michigan ~~virtual school~~ VIRTUAL SCHOOL must maintain  
6 its accreditation status from recognized national and international  
7 accrediting entities.

8 (B) THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN  
9 \$1,000,000.00 OF THE AMOUNT ALLOCATED UNDER THIS SECTION TO  
10 SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE COURSES.

11 (C) IN PROVIDING EDUCATORS RESPONSIBLE FOR THE TEACHING OF  
12 ONLINE COURSES AS PROVIDED FOR IN THIS SECTION, THE MICHIGAN  
13 VIRTUAL SCHOOL SHALL FOLLOW THE REQUIREMENTS TO REQUEST AND ASSESS,  
14 AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE, A CRIMINAL  
15 HISTORY CHECK AND CRIMINAL RECORDS CHECK UNDER SECTIONS 1230 AND  
16 1230A OF THE REVISED SCHOOL CODE, MCL 380.1230 AND 380.1230A, IN  
17 THE SAME MANNER AS IF THE MICHIGAN VIRTUAL SCHOOL WERE A DISTRICT.

18 (4) If the course offerings are included in the statewide  
19 catalog of online courses under subsection (2) (b) (ix), the Michigan  
20 ~~virtual school~~ VIRTUAL SCHOOL operated by the Michigan ~~virtual~~  
21 ~~university~~ VIRTUAL UNIVERSITY may offer online course offerings,  
22 including, but not limited to, all of the following:

23 (a) Information technology courses.

24 (b) College level equivalent courses, as defined in section  
25 1471 of the revised school code, MCL 380.1471.

26 (c) Courses and dual enrollment opportunities.

27 (d) Programs and services for at-risk pupils.



1 (e) General education development test preparation courses for  
2 adjudicated youth.

3 (f) Special interest courses.

4 (g) Professional development programs for teachers, school  
5 administrators, other school employees, and school board members.

6 (5) If a home-schooled or nonpublic school student is a  
7 resident of a district that subscribes to services provided by the  
8 Michigan ~~virtual school~~, **VIRTUAL SCHOOL**, the student may use the  
9 services provided by the Michigan ~~virtual school~~ **VIRTUAL SCHOOL** to  
10 the district without charge to the student beyond what is charged  
11 to a district pupil using the same services.

12 (6) Not later than December 1 of each fiscal year, the  
13 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall provide a  
14 report to the house and senate appropriations subcommittees on  
15 state school aid, the state budget director, the house and senate  
16 fiscal agencies, and the department that includes at least all of  
17 the following information related to the Michigan ~~virtual school~~  
18 **VIRTUAL SCHOOL** for the preceding state fiscal year:

19 (a) A list of the districts served by the Michigan ~~virtual~~  
20 ~~school~~ **VIRTUAL SCHOOL**.

21 (b) A list of online course titles available to districts.

22 (c) The total number of online course enrollments and  
23 information on registrations and completions by course.

24 (d) The overall course completion rate percentage.

25 (7) The governor may appoint an advisory group for the  
26 Michigan ~~virtual learning research institute~~ **VIRTUAL LEARNING**  
27 **RESEARCH INSTITUTE** established under subsection (2). The members of



1 the advisory group shall serve at the pleasure of the governor and  
2 shall serve without compensation. The purpose of the advisory group  
3 is to make recommendations to the governor, the legislature, and  
4 the president and board of the Michigan ~~virtual university~~ **VIRTUAL**  
5 **UNIVERSITY** that will accelerate innovation in this state's  
6 education system in a manner that will prepare elementary and  
7 secondary students to be career and college ready and that will  
8 promote the goal of increasing the percentage of citizens of this  
9 state with high-quality degrees and credentials to at least 60% by  
10 2025.

11 (8) Not later than November 1, ~~2014,~~ **2015**, the Michigan  
12 ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the house and  
13 senate appropriations subcommittees on state school aid, the state  
14 budget director, and the house and senate fiscal agencies a  
15 detailed budget for the ~~2014-2015~~ **2015-2016** fiscal year that  
16 includes a breakdown on its projected costs to deliver online  
17 educational services to districts and a summary of the anticipated  
18 fees to be paid by districts for those services. ~~Beginning in 2013-~~  
19 ~~2014, not~~ **NOT** later than ~~February 1,~~ **MARCH 1 EACH YEAR**, the  
20 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the  
21 house and senate appropriations subcommittees on state school aid,  
22 the state budget director, and the house and senate fiscal agencies  
23 a breakdown on its actual costs to deliver online educational  
24 services to districts and a summary of the actual fees paid by  
25 districts for those services based on audited financial statements  
26 for the immediately preceding fiscal year.

27 (9) As used in this section:



1 (a) "Blended learning" means a hybrid instructional delivery  
2 model where pupils are provided content, instruction, and  
3 assessment, in part at a supervised educational facility away from  
4 home where the pupil and a teacher with a valid Michigan teaching  
5 certificate are in the same physical location and in part through  
6 ~~internet-connected~~**INTERNET-CONNECTED** learning environments with  
7 some degree of pupil control over time, location, and pace of  
8 instruction.

9 (b) "Cyber school" means a full-time instructional program of  
10 online courses for pupils that may or may not require attendance at  
11 a physical school location.

12 (c) "Digital learning" means instruction delivered via a web-  
13 based educational delivery system that uses various information  
14 technologies to provide a structured learning environment,  
15 including online and blended learning instructional methods.

16 (d) "Online course" means a course of study that is capable of  
17 generating a credit or a grade, that is provided in an interactive  
18 internet-connected learning environment, in which pupils are  
19 separated from their teachers by time or location, or both, and in  
20 which a teacher who holds a valid Michigan teaching certificate is  
21 responsible for **PROVIDING INSTRUCTION**, determining appropriate  
22 instructional methods for each pupil, diagnosing learning needs,  
23 assessing pupil learning, prescribing intervention strategies,  
24 reporting outcomes, and evaluating the effects of instruction and  
25 support strategies.

26 Sec. 99. (1) From the funds appropriated in section 11, there  
27 is allocated for ~~2014-2015~~**2015-2016** an amount not to exceed



1 ~~\$2,750,000.00~~ **\$3,750,000.00** from the state school aid fund and an  
2 amount not to exceed \$475,000.00 from the general fund to support  
3 the activities and programs of mathematics and science centers and  
4 for other purposes as described in this section. In addition, from  
5 the federal funds appropriated in section 11, there is allocated  
6 for ~~2014-2015~~ **2015-2016** an amount estimated at \$5,249,300.00 from  
7 DED-OESE, title II, mathematics and science partnership grants.

8 (2) Within a service area designated locally, approved by the  
9 department, and consistent with the comprehensive master plan for  
10 mathematics and science centers developed by the department and  
11 approved by the state board, an established mathematics and science  
12 center shall provide 2 or more of the following 6 basic services,  
13 as described in the master plan, to constituent districts and  
14 communities: leadership, pupil services, curriculum support,  
15 community involvement, professional development, and resource  
16 clearinghouse services.

17 (3) The department shall not award a state grant under this  
18 section to more than 1 mathematics and science center located in a  
19 designated region as prescribed in the 2007 master plan unless each  
20 of the grants serves a distinct target population or provides a  
21 service that does not duplicate another program in the designated  
22 region.

23 (4) As part of the technical assistance process, the  
24 department shall provide minimum standard guidelines that may be  
25 used by the mathematics and science center for providing fair  
26 access for qualified pupils and professional staff as prescribed in  
27 this section.



1 (5) Allocations under this section to support the activities  
2 and programs of mathematics and science centers shall be continuing  
3 support grants to all 33 established mathematics and science  
4 centers. Each established mathematics and science center that was  
5 funded in the immediately preceding fiscal year shall receive state  
6 funding in an amount equal to 100% of the amount it was allocated  
7 under this subsection for the immediately preceding fiscal year. If  
8 a center declines state funding or a center closes, the remaining  
9 money available under this section shall be distributed to the  
10 remaining centers, as determined by the department.

11 (6) From the funds allocated in subsection (1), there is  
12 allocated for ~~2014-2015~~**2015-2016** an amount not to exceed  
13 \$750,000.00 in a form and manner determined by the department to  
14 those centers able to provide curriculum and professional  
15 development support to assist districts in implementing the  
16 Michigan merit curriculum components for mathematics and science.  
17 Funding under this subsection is in addition to funding allocated  
18 under subsection (5).

19 (7) From the general fund money allocated in subsection (1),  
20 there is allocated for ~~2014-2015~~**2015-2016** an amount not to exceed  
21 \$100,000.00 to the Michigan STEM partnership, to be used to  
22 administer the grant process under this subsection. From the  
23 general fund money allocated in subsection (1), there is allocated  
24 for ~~2014-2015~~**2015-2016** an amount not to exceed \$375,000.00 to the  
25 Michigan STEM partnership to be used for a competitive grant  
26 process to award competitive grants to organizations conducting  
27 student-focused, project-based programs and competitions, either in



1 the classroom or extracurricular, in science, technology,  
2 engineering, and mathematics subjects such as, but not limited to,  
3 robotics, coding, and design-build-test projects, from pre-  
4 kindergarten through college level. Funding under this subsection  
5 is in addition to funding allocated under subsection (5) and shall  
6 be used for connecting mathematics and science centers for science,  
7 technology, engineering, and mathematics purposes and to support  
8 the goals of the Michigan STEM partnership. A program receiving  
9 funds under section 99h may not receive funds under this  
10 subsection.

11 (8) In order to receive state or federal funds under this  
12 section, a grant recipient shall allow access for the department or  
13 the department's designee to audit all records related to the  
14 program for which it receives such funds. The grant recipient shall  
15 reimburse the state for all disallowances found in the audit.

16 (9) Not later than September 30, 2018, the department shall  
17 reevaluate and update the comprehensive master plan described in  
18 subsection (1).

19 (10) The department shall give preference in awarding the  
20 federal grants allocated in subsection (1) to eligible existing  
21 mathematics and science centers.

22 (11) In order to receive state funds under this section, a  
23 grant recipient shall provide at least a 10% local match from local  
24 public or private resources for the funds received under this  
25 section.

26 (12) Not later than July 1 of each year, a mathematics and  
27 science center that receives funds under this section shall report





1 to the department in a form and manner prescribed by the department  
2 on the following performance measures:

3 (a) Statistical change in pre- and post-assessment scores for  
4 students who enrolled in mathematics and science activities  
5 provided to districts by the mathematics and science center.

6 (b) Statistical change in pre- and post-assessment scores for  
7 teachers who enrolled in professional development activities  
8 provided by the mathematics and science center.

9 (13) As used in this section:

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

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

14 **SEC. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**  
15 **ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00**  
16 **FOR 2015-2016 FOR THE PURPOSE OF CIVIC EDUCATION AS DESCRIBED IN**  
17 **THIS SECTION. THE DEPARTMENT SHALL ESTABLISH A COMPETITIVE GRANT**  
18 **PROCESS THAT AWARDS FUNDING TO NOT MORE THAN 1 PROVIDER FOR THE**  
19 **DELIVERY OF PROGRAMS THAT EXEMPLIFY BEST PRACTICES IN CIVIC**  
20 **EDUCATION. THE PROGRAMS SHALL TEACH UPPER ELEMENTARY, MIDDLE, AND**  
21 **HIGH SCHOOL PUPILS HOW TO PARTICIPATE RESPONSIBLY IN LOCAL AND**  
22 **STATE GOVERNMENT, AND SHALL PROVIDE UPPER ELEMENTARY, MIDDLE, AND**  
23 **HIGH SCHOOL PUPILS WITH AN INNOVATIVE COURSE OF INSTRUCTION ON THE**  
24 **HISTORY AND PRINCIPLES OF UNITED STATES CONSTITUTIONAL DEMOCRACY.**  
25 **THE GRANTEE ALSO SHALL PROVIDE SUPPORT TO ALL SCHOOLS IN THIS STATE**  
26 **BEYOND THOSE TARGETED FOR INTENSIVE PROGRAMMING FUNDED UNDER THIS**  
27 **SECTION THROUGH ITS WEBSITE, CONDUCT PRESENTATIONS AT STATEWIDE**



1 **CONFERENCES, AND CONDUCT PRESENTATIONS AT DISTRICTS AND**  
2 **INTERMEDIATE DISTRICTS.**

3 Sec. 99h. (1) From the appropriation in section 11, there is  
4 allocated an amount not to exceed \$2,000,000.00 for ~~2014-2015-2015-~~  
5 **2016** for competitive grants to districts that provide pupils in  
6 grades 7 to 12 with expanded opportunities to improve mathematics,  
7 science, and technology skills by participating in events hosted by  
8 a science and technology development program known as FIRST (for  
9 inspiration and recognition of science and technology) robotics.

10 (2) A district applying for a FIRST tech challenge or FIRST  
11 robotics competition program grant shall submit an application in a  
12 form and manner determined by the department. To be eligible for a  
13 grant, a district shall demonstrate in its application that the  
14 district has established a partnership for the purposes of the  
15 FIRST program with at least 1 sponsor, business entity, higher  
16 education institution, or technical school, shall submit a spending  
17 plan, and shall pay at least 25% of the cost of the FIRST robotics  
18 program.

19 (3) The department shall distribute the grant funding under  
20 this section for the following purposes:

21 (a) Grants to districts to pay for stipends of \$1,500.00 for 1  
22 coach per team, distributed as follows:

23 (i) Not more than 500 stipends for coaches of high school  
24 teams, including existing teams.

25 (ii) Not more than 100 stipends for coaches of middle school  
26 or junior high teams, including existing teams.

27 (iii) If the requests for stipends exceed the numbers of



1 stipends allowed under subparagraphs (i) and (ii), and if there is  
2 funding remaining unspent under subdivisions (b) and (c), the  
3 department shall use that remaining unspent funding for grants to  
4 districts to pay for additional stipends in a manner that expands  
5 the geographical distribution of teams.

6 (b) Grants to districts for event registrations, materials,  
7 travel costs, and other expenses associated with the preparation  
8 for and attendance at FIRST tech challenge and FIRST robotics  
9 competitions. Each grant recipient shall provide a local match from  
10 other private or local funds for the funds received under this  
11 subdivision equal to at least 50% of the costs of participating in  
12 an event. The department shall set maximum grant amounts under this  
13 subdivision in a manner that maximizes the number of teams that  
14 will be able to receive funding.

15 (c) Grants to districts for awards to teams that advance to  
16 the state and world championship competitions. The department shall  
17 determine an equal amount per team for those teams that advance to  
18 the state championship and a second equal award amount to those  
19 teams that advance to the world championship.

20 (4) The funds allocated under this section are a work project  
21 appropriation, and any unexpended funds for ~~2014-2015-2015-2016~~ are  
22 carried forward into ~~2015-2016-2016-2017~~. The purpose of the work  
23 project is to continue to implement the projects described under  
24 subsection (1). The estimated completion date of the work project  
25 is September 30, ~~2017-2018~~.

26 Sec. 102. (1) A district or intermediate district receiving  
27 money under this article shall not adopt or operate under a deficit



1 budget, and a district or intermediate district shall not incur an  
 2 operating deficit in a fund during a school fiscal year. ~~A-IF A~~  
 3 district or intermediate district ~~that~~ has an existing deficit fund  
 4 balance, ~~that~~ incurs a deficit fund balance in the most recently  
 5 completed school fiscal year, or ~~that~~ adopts a current year budget  
 6 that projects a deficit fund balance, ~~shall not be allotted or paid~~  
 7 ~~a further sum under this article~~ **THE DISTRICT OR INTERMEDIATE**  
 8 **DISTRICT SHALL IMMEDIATELY NOTIFY THE SUPERINTENDENT AND STATE**  
 9 **TREASURER AND WITHIN 30 DAYS OF THAT NOTIFICATION SUBMIT TO THE**  
 10 **SUPERINTENDENT AND THE STATE TREASURER A PREPLAN FINANCIAL REPORT**  
 11 **IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY.**  
 12 **THE DEPARTMENT MAY WITHHOLD SOME OR ALL OF THE MONEY PAYABLE TO THE**  
 13 **DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE AS THE**  
 14 **SUPERINTENDENT DETERMINES NECESSARY TO INCENTIVIZE THE DISTRICT OR**  
 15 **INTERMEDIATE DISTRICT TO ELIMINATE THE DEFICIT** until the district  
 16 or intermediate district submits to the department for approval a  
 17 budget for the current school fiscal year and ~~a plan to eliminate~~  
 18 ~~the district's or intermediate district's deficit not later than~~  
 19 ~~the end of the second school fiscal year after the deficit was~~  
 20 ~~incurred or the budget projecting a deficit was adopted. Withheld~~  
 21 ~~state aid payments~~ **A DEFICIT ELIMINATION PLAN IN THE FORM AND**  
 22 **MANNER PRESCRIBED BY THE DEPARTMENT OR THE DEFICIT ELIMINATION PLAN**  
 23 **IS APPROVED BY THE DEPARTMENT. THE DEPARTMENT MAY REQUIRE A DEFICIT**  
 24 **ELIMINATION PLAN TO INCLUDE AN ACADEMIC PLAN FOR THE DISTRICT OR**  
 25 **INTERMEDIATE DISTRICT. MONEY WITHHELD UNDER THIS SECTION** shall be  
 26 released after the department approves the deficit elimination  
 27 plan. ~~and ensures that the budget for the current school fiscal~~



1 ~~year is balanced.~~ After the department approves a district's or  
 2 intermediate district's deficit elimination plan, the district or  
 3 intermediate district shall post the deficit elimination plan on  
 4 the district's or intermediate district's website.

5 (2) Not later than March 1 of each year, the department shall  
 6 prepare a report of deficits incurred or projected by districts and  
 7 intermediate districts in the immediately preceding fiscal year and  
 8 the progress made in reducing those deficits and submit the report  
 9 to the standing committees of the legislature responsible for K-12  
 10 education legislation, the appropriations subcommittees of the  
 11 legislature responsible for K-12 ~~education~~ **SCHOOL AID**  
 12 appropriations, the house and senate fiscal agencies, the state  
 13 treasurer, and the state budget director. The department also shall  
 14 submit quarterly interim reports concerning the progress made by  
 15 districts and intermediate districts in reducing those deficits **TO**  
 16 **THE STANDING COMMITTEES OF THE LEGISLATURE RESPONSIBLE FOR K-12**  
 17 **EDUCATION LEGISLATION, THE APPROPRIATIONS SUBCOMMITTEES OF THE**  
 18 **LEGISLATURE RESPONSIBLE FOR K-12 SCHOOL AID APPROPRIATIONS, THE**  
 19 **HOUSE AND SENATE FISCAL AGENCIES, THE STATE TREASURER, AND THE**  
 20 **STATE BUDGET DIRECTOR.** On a quarterly basis, the superintendent of  
 21 public instruction shall publicly present those reports to the  
 22 appropriations subcommittees of the legislature responsible for K-  
 23 12 education appropriations.

24 ~~— (3) The amount of the permissible deficit for each school~~  
 25 ~~fiscal year shall not exceed the amount of state aid reduced by an~~  
 26 ~~executive order during that school fiscal year.~~

27 (3) ~~(4)~~—A district or intermediate district that has an



1 existing deficit fund balance, that incurs a deficit fund balance  
 2 in the most recently completed school fiscal year, or that adopts a  
 3 current year budget that projects a deficit fund balance shall  
 4 submit to the department **AND THE STATE TREASURER** a monthly  
 5 monitoring report on revenue and expenditures in a form and manner  
 6 prescribed by the department and shall post these reports on its  
 7 website.

8 **(4)** ~~(5)~~ If a district or intermediate district is ~~not able to~~  
 9 ~~comply with the provisions of this section, the district or~~  
 10 ~~intermediate district shall submit to the department a plan to~~  
 11 ~~eliminate its deficit. Upon approval of the plan submitted,~~  
 12 **REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN UNDER THIS SECTION,**  
 13 **AND THE DEFICIT ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT,** the  
 14 superintendent ~~of public instruction~~ may continue allotment and  
 15 payment of funds under this article. ~~, extend~~ **WHEN APPROVING A**  
 16 **DEFICIT ELIMINATION PLAN, THE SUPERINTENDENT MAY ESTABLISH** the  
 17 period of time in which a district or intermediate district has to  
 18 eliminate its deficit, and set special conditions that the district  
 19 or intermediate district must meet ~~during the period of the~~  
 20 ~~extension.~~ **WHILE THE DEFICIT ELIMINATION IS IN EFFECT.** After the  
 21 department approves a district's or intermediate district's deficit  
 22 elimination plan under this subsection, the district or  
 23 intermediate district shall post the deficit elimination plan on  
 24 the district's or intermediate district's website. **THE REQUIREMENTS**  
 25 **OF THIS SECTION RELATING TO A DEFICIT ELIMINATION PLAN DO NOT APPLY**  
 26 **TO A DISTRICT OR INTERMEDIATE DISTRICT IF THE DISTRICT OR**  
 27 **INTERMEDIATE DISTRICT IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT**



1 ELIMINATION PLAN UNDER SUBSECTION (5) .

2 (5) IF THE STATE TREASURER DETERMINES THAT FINANCIAL STRESS IS  
3 EVIDENT, THE STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE  
4 DISTRICT TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN IN ORDER TO  
5 ENSURE THAT THE DEFICIT DOES NOT BECOME UNMANAGEABLE AND TRIGGER  
6 ACTION UNDER THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA  
7 436, MCL 141.1541 TO 141.1575. AN ENHANCED DEFICIT ELIMINATION PLAN  
8 SHALL PROVIDE FOR THE RESOLUTION OF THE DETERIORATING FINANCIAL  
9 CIRCUMSTANCES, PERSISTENTLY DECLINING ENROLLMENT, OR OTHER  
10 INDICATORS OF RECURRING OPERATING DEFICITS OR RECURRING FINANCIAL  
11 STRESS AND IS SUBJECT TO APPROVAL BY THE STATE TREASURER. AS A  
12 CONDITION OF APPROVING AN ENHANCED DEFICIT ELIMINATION PLAN, THE  
13 STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE DISTRICT  
14 REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER THIS  
15 SECTION TO ENTER INTO A FINANCIAL RECOVERY AGREEMENT WITH THE STATE  
16 TREASURER. A FINANCIAL RECOVERY AGREEMENT MAY PROVIDE FOR, BUT IS  
17 NOT LIMITED TO, ALL OF THE FOLLOWING:

18 (A) ASSISTANCE AND GUIDANCE FROM THE DEPARTMENT OF TREASURY  
19 AND OTHER STATE DEPARTMENTS AND AGENCIES .

20 (B) AN ACADEMIC PLAN FOR THE DISTRICT .

21 (C) THE APPOINTMENT OF A LOCAL AUDITOR OR INSPECTOR, OR BOTH .

22 (D) REMEDIAL MEASURES OR OTHER ACTION UNDER THIS ARTICLE OR  
23 THE REVISED SCHOOL CODE NECESSARY TO ADDRESS THE FINANCIAL  
24 CIRCUMSTANCES OF THE DISTRICT OR INTERMEDIATE DISTRICT .

25 (E) THE REQUIRED RETENTION BY THE DISTRICT OR INTERMEDIATE  
26 DISTRICT OF A CONSULTANT OR 1 OR MORE OTHER EXPERTS FOR THE PURPOSE  
27 OF ASSISTING THE DISTRICT OR INTERMEDIATE DISTRICT TO ACHIEVE THE



1 GOALS AND OBJECTIVES OF THE FINANCIAL RECOVERY AGREEMENT.

2 (6) BEFORE A DISTRICT OR INTERMEDIATE DISTRICT SUBMITS AN  
3 ENHANCED DEFICIT ELIMINATION PLAN TO THE STATE TREASURER UNDER  
4 SUBSECTION (5), THE BOARD OF THE DISTRICT OR INTERMEDIATE DISTRICT  
5 SHALL APPROVE THE PLAN. IF A DISTRICT OR INTERMEDIATE DISTRICT IS  
6 REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER  
7 SUBSECTION (5), SOME OR ALL OF THE MONEY PAYABLE TO THE DISTRICT OR  
8 INTERMEDIATE DISTRICT UNDER THIS ARTICLE MAY BE WITHHELD AND  
9 RELEASED IN THE SAME MANNER AS PROVIDED UNDER SUBSECTION (1). WHEN  
10 APPROVING AN ENHANCED DEFICIT ELIMINATION PLAN, THE STATE TREASURER  
11 MAY ESTABLISH THE PERIOD OF TIME WITHIN WHICH A DISTRICT OR  
12 INTERMEDIATE DISTRICT MUST ELIMINATE ITS DEFICIT AND MAY SET  
13 SPECIAL CONDITIONS THAT THE DISTRICT OR INTERMEDIATE DISTRICT MUST  
14 MEET WHILE THE DEFICIT ELIMINATION PLAN IS IN EFFECT.

15 (7) AFTER THE STATE TREASURER APPROVES AN ENHANCED DEFICIT  
16 ELIMINATION PLAN FOR A DISTRICT OR INTERMEDIATE DISTRICT, THE  
17 DISTRICT OR INTERMEDIATE DISTRICT SHALL POST THE ENHANCED DEFICIT  
18 ELIMINATION PLAN ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S  
19 WEBSITE.

20 (8) IF A DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED TO  
21 SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5),  
22 THE DISTRICT OR INTERMEDIATE DISTRICT SHALL SUBMIT TO THE  
23 SUPERINTENDENT AND THE STATE TREASURER AN ENHANCED MONTHLY  
24 MONITORING REPORT ON REVENUE, EXPENDITURES, CASH FLOW, DEBT, OTHER  
25 LIABILITIES, ASSETS, BUDGET AMENDMENTS, PUPIL MEMBERSHIP, AND OTHER  
26 DATA RELATING TO THE FINANCES OF THE DISTRICT OR INTERMEDIATE  
27 DISTRICT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF





1 TREASURY AND SHALL POST THESE REPORTS ON ITS WEBSITE.

2 (9) AN ALLOCATION TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER  
3 THIS ARTICLE IS CONTINGENT UPON THE DISTRICT'S OR INTERMEDIATE  
4 DISTRICT'S COMPLIANCE WITH THIS SECTION.

5 (10) A DISTRICT OR INTERMEDIATE DISTRICT REQUIRED TO SUBMIT A  
6 DEFICIT ELIMINATION PLAN OR ENHANCED DEFICIT ELIMINATION PLAN SHALL  
7 ENSURE THAT THE ACADEMIC PLAN INCLUDES ATTEMPTS TO EXHAUST ALL  
8 RESOURCES UNDER SECTIONS 35A TO 35G.

9 (11) ~~(6) For the purposes of~~ AS USED IN this section: 7

10 "deficit

11 (A) "DEFICIT ELIMINATION PLAN" MEANS A PLAN REQUIRED UNDER  
12 THIS SECTION FOR THE ELIMINATION OF A DEFICIT THAT SETS FORTH  
13 ACTIONS TO BE TAKEN TO ELIMINATE THE DEFICIT WITHIN THE TIME PERIOD  
14 PRESCRIBED BY THE DEPARTMENT.

15 (B) "DEFICIT fund balance" means that term as defined in the  
16 Michigan public school accounting manual published by the  
17 department.

18 (C) "ENHANCED DEFICIT ELIMINATION PLAN" MEANS MEASURES  
19 REQUIRED BY THE STATE TREASURER UNDER THIS SECTION TO ADDRESS THE  
20 FINANCIAL CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT AND  
21 RESOLVE ANY DEFICIT WITHIN THE TIME PERIOD PRESCRIBED BY THE STATE  
22 TREASURER.

23 (D) "PREPLAN FINANCIAL REPORT" MEANS A REPORT ON THE FINANCIAL  
24 CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT, REQUIRED  
25 UNDER THIS SECTION AND SUBMITTED IN A FORM AND MANNER PRESCRIBED BY  
26 THE STATE TREASURER, WHICH MAY INCLUDE, BUT IS NOT LIMITED TO,  
27 FINANCIAL DATA AND OTHER INFORMATION ON LIABILITIES, PAYMENTS,



1 ENROLLMENT, BORROWING, AND OTHER CRITERIA RELATING TO THE FINANCIAL  
2 CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT.

3 SEC. 102A. (1) BEFORE JULY 7 OF EACH YEAR, EACH DISTRICT  
4 RECEIVING MONEY UNDER THIS ARTICLE SHALL TRANSMIT TO THE CENTER THE  
5 BUDGETARY ASSUMPTIONS USED BY THE DISTRICT WHEN ADOPTING ITS ANNUAL  
6 BUDGET PURSUANT TO THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968  
7 PA 2, MCL 141.421 TO 141.440A. THE SUBMISSION OF THE BUDGETARY  
8 ASSUMPTIONS UNDER THIS SECTION SHALL BE IN THE FORM PRESCRIBED BY  
9 THE CENTER AND SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

10 (A) THE PROJECTED FOUNDATION ALLOWANCE USED BY THE DISTRICT  
11 WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL  
12 YEAR.

13 (B) THE DISTRICT'S PROJECTED MEMBERSHIP USED BY THE DISTRICT  
14 WHEN ADOPTING ITS BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

15 (C) THE DISTRICT'S EXPENDITURES PER-PUPIL FOR THE IMMEDIATELY  
16 PRECEDING SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING THE DISTRICT'S  
17 TOTAL GENERAL FUND OPERATING EXPENDITURES DURING THAT SCHOOL FISCAL  
18 YEAR BY THE DISTRICT'S MEMBERSHIP REPORTED BY THE DEPARTMENT IN THE  
19 MOST RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF MAY.

20 (D) THE DISTRICT'S PROJECTED EXPENDITURES PER-PUPIL FOR THE  
21 CURRENT SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING THE TOTAL  
22 GENERAL FUND OPERATING EXPENDITURES AUTHORIZED BY THE DISTRICT'S  
23 GOVERNING BODY WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT  
24 SCHOOL FISCAL YEAR BY THE DISTRICT'S PROJECTED MEMBERSHIP USED WHEN  
25 ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

26 (2) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS  
27 CONTINGENT UPON THE DISTRICT'S COMPLIANCE WITH THIS SECTION.



1           SEC. 102B. (1) IF A DISTRICT DETERMINES THAT CONDITIONS OF  
2 FISCAL STRESS, A DEFICIT, OR CONDITIONS INDICATING A FINANCIAL  
3 EMERGENCY HAVE ARISEN OR MAY ARISE FOR THE DISTRICT, THE DISTRICT  
4 SHALL NOTIFY THE SUPERINTENDENT AND REQUEST TECHNICAL ASSISTANCE IN  
5 ADDRESSING THE FISCAL STRESS, DEFICIT, OR FINANCIAL EMERGENCY. THE  
6 SUPERINTENDENT SHALL NOTIFY THE STATE TREASURER OF ANY REQUEST FOR  
7 TECHNICAL ASSISTANCE UNDER THIS SUBSECTION.

8           (2) AFTER RECEIVING A REQUEST FOR TECHNICAL ASSISTANCE UNDER  
9 SUBSECTION (1), THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF  
10 TREASURY REGARDING THE PROVISION OF TECHNICAL ASSISTANCE TO THE  
11 DISTRICT. SUBJECT TO AVAILABLE RESOURCES, THE DEPARTMENT AND THE  
12 DEPARTMENT OF TREASURY SHALL REVIEW THE FINANCIAL CONDITION AND THE  
13 BUDGET OF THE DISTRICT AND PROVIDE THE DISTRICT WITH TECHNICAL  
14 ASSISTANCE, INCLUDING, BUT NOT LIMITED TO, DATA ANALYSIS TOOLS,  
15 WITH THE OBJECTIVE OF ASSISTING THE DISTRICT IN AVOIDING OR  
16 REMEDYING CONDITIONS OF FISCAL STRESS, A DEFICIT, OR A FINANCIAL  
17 EMERGENCY BEFORE FURTHER STATE INTERVENTION.

18           (3) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS  
19 CONTINGENT UPON THE DISTRICT'S COMPLIANCE WITH THIS SECTION.

20           (4) AS USED IN THIS SECTION:

21           (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2)  
22 OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL  
23 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO INCLUDES 1 OR BOTH  
24 OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE  
25 DISTRICT:

26           (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR  
27 INTERMEDIATE DISTRICT IS NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT



1 THE END OF THE CURRENT SCHOOL FISCAL YEAR.

2 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE  
3 DISTRICT OTHER THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR  
4 PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE TOTAL GENERAL  
5 FUND BALANCE.

6 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE  
7 CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL  
8 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,  
9 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR  
10 NEXT SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO  
11 PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH  
12 THIS ARTICLE, THE REVISED SCHOOL CODE, AND ALL APPLICABLE RULES.

13 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

14 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-  
15 TERM FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

16 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION  
17 4(1)(A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,  
18 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A  
19 DISTRICT.

20 SEC. 102C. (1) THE SUPERINTENDENT OR THE STATE TREASURER MAY  
21 REQUIRE A DISTRICT TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS  
22 UNDER THIS SECTION IF EITHER DETERMINES THAT FINANCIAL STRESS MAY  
23 EXIST WITHIN THE DISTRICT, THAT A DEFICIT IS PROJECTED TO ARISE  
24 WITHIN THE DISTRICT DURING THE CURRENT SCHOOL FISCAL YEAR OR THE  
25 FOLLOWING 2 SCHOOL FISCAL YEARS, OR THAT THE DISTRICT MAY BE UNABLE  
26 TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING ITS  
27 OBLIGATIONS OR ABILITY TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A



1 MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL CODE,  
2 AND APPLICABLE RULES BASED UPON 1 OR MORE OF THE FOLLOWING:

3 (A) THE DISTRICT HAS FAILED TO PAY A REQUIRED OBLIGATION ONCE  
4 OR MORE IN A SCHOOL FISCAL YEAR.

5 (B) THE DISTRICT HAS EXPENDED OR DISTRIBUTED TAX REVENUE IN A  
6 MANNER PROHIBITED BY LAW.

7 (C) THE DISTRICT'S PUPIL ENROLLMENT HAS DECLINED BY 5% OR MORE  
8 IN A SINGLE SCHOOL FISCAL YEAR OR BY 15% OR MORE OVER A PERIOD OF 3  
9 OR MORE FISCAL YEARS AND THE DISTRICT FAILED TO REDUCE EXPENDITURES  
10 IN A MANNER THAT ADDRESSED THE ENROLLMENT DECLINE.

11 (D) THE SCHOOL DISTRICT'S EXPENDITURES PER-PUPIL HAVE  
12 INCREASED BY 5% OR MORE IN THE MOST RECENT SCHOOL FISCAL YEAR AS  
13 COMPARED TO THE IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR. AS USED  
14 IN THIS SUBDIVISION, "EXPENDITURES PER-PUPIL" MEANS THE QUOTIENT OF  
15 DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES FOR A SCHOOL  
16 FISCAL YEAR BY THE FINAL AUDITED NUMBER OF PUPILS IN MEMBERSHIP FOR  
17 THE STATE FISCAL YEAR IN WHICH THAT SCHOOL FISCAL YEAR ENDED.

18 (E) THE DISTRICT'S ACTUAL ENROLLMENT OR FOUNDATION ALLOWANCE  
19 FOR A SCHOOL FISCAL YEAR WAS 97% OR LESS OF THE DISTRICT'S  
20 BUDGETARY ASSUMPTIONS REPORTED UNDER SECTION 102A FOR THE SCHOOL  
21 FISCAL YEAR AND THE DISTRICT FAILED TO ADOPT AN AMENDED BUDGET  
22 REFLECTING THE ACTUAL ENROLLMENT AND FOUNDATION ALLOWANCE FOR THE  
23 SCHOOL FISCAL YEAR BY NOVEMBER 15 OF THE SCHOOL FISCAL YEAR.

24 (F) THE DISTRICT HAS APPLIED FOR A LOAN UNDER THE EMERGENCY  
25 MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942.

26 (2) IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL  
27 REPORTS UNDER SUBSECTION (1), THE DISTRICT SHALL DO ALL OF THE



1 FOLLOWING:

2 (A) SUBMIT A PERIODIC FINANCIAL STATUS REPORT IN THE FORM AND  
3 MANNER AND ON THE PERIODIC BASIS PRESCRIBED BY THE DEPARTMENT OF  
4 TREASURY AFTER CONSULTATION WITH THE DEPARTMENT.

5 (B) TRANSMIT A COPY OF EACH PERIODIC FINANCIAL STATUS REPORT  
6 REQUIRED UNDER THIS SECTION TO THE MEMBERS OF ITS GOVERNING BODY  
7 FOR APPROVAL PRIOR TO SUBMISSION OF THE REPORT TO THE DEPARTMENT OF  
8 TREASURY AND THE DEPARTMENT.

9 (C) PROVIDE THE DEPARTMENT OF TREASURY OR THE DEPARTMENT WITH  
10 OTHER FINANCIAL DATA OR INFORMATION RELATING TO THE FINANCIAL  
11 CONDITIONS OF THE DISTRICT AS REQUESTED BY THE DEPARTMENT OF  
12 TREASURY OR THE DEPARTMENT.

13 (D) ALLOW THE DEPARTMENT OF TREASURY OR THE DEPARTMENT TO  
14 EXAMINE FINANCIAL RECORDS AND BOOKS OF ACCOUNT OF THE DISTRICT.

15 (E) PROMPTLY AND FULLY PROVIDE THE ASSISTANCE AND INFORMATION  
16 NECESSARY AND PROPERLY REQUESTED BY THE DEPARTMENT OF TREASURY OR  
17 THE DEPARTMENT IN THE EXERCISE OF THE DEPARTMENT OF TREASURY'S OR  
18 THE DEPARTMENT'S DUTIES UNDER THIS SECTION.

19 (3) IF A DISTRICT FAILS TO SUBMIT A PERIODIC FINANCIAL STATUS  
20 REPORT REQUIRED UNDER THIS SECTION, OR IF THE STATE TREASURER  
21 DETERMINES OR IS NOTIFIED BY THE SUPERINTENDENT THAT INFORMATION  
22 INCLUDED ON A PERIODIC FINANCIAL STATUS REPORT INDICATES THAT  
23 FINANCIAL STRESS EXISTS WITHIN A DISTRICT THAT HAS A DEFICIT, OR  
24 THAT A DEFICIT IS PROJECTED TO OCCUR WITHIN A DISTRICT IN THE  
25 CURRENT SCHOOL FISCAL YEAR OR THE NEXT SCHOOL FISCAL YEAR AND THAT  
26 THE DISTRICT LACKS THE CAPACITY TO ADDRESS WITHOUT STATE  
27 ASSISTANCE, THE STATE TREASURER MAY REQUIRE THE DISTRICT TO SUBMIT



1 AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 102.

2 (4) A DISTRICT IS NOT REQUIRED TO SUBMIT PERIODIC FINANCIAL  
3 STATUS REPORTS UNDER THIS SECTION IF THE DISTRICT IS REQUIRED TO  
4 SUBMIT A DEFICIT ELIMINATION PLAN OR AN ENHANCED DEFICIT  
5 ELIMINATION PLAN UNDER SECTION 102, OR IF A FINANCIAL EMERGENCY HAS  
6 BEEN DECLARED FOR THE DISTRICT UNDER THE LOCAL FINANCIAL STABILITY  
7 AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575. IF A  
8 DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS  
9 UNDER THIS SECTION AND A LOAN IS ISSUED TO THE SCHOOL DISTRICT  
10 UNDER THE EMERGENCY LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942,  
11 THE STATE TREASURER SHALL REQUIRE THE SCHOOL DISTRICT TO SUBMIT  
12 PERIODIC FINANCIAL REPORTS UNDER THIS SECTION FOR AT LEAST 4 YEARS  
13 AFTER THE DATE OF ISSUANCE OF THE LOAN.

14 (5) A DISTRICT IS NO LONGER REQUIRED TO SUBMIT PERIODIC  
15 FINANCIAL STATUS REPORTS UNDER THIS SECTION IF THE STATE TREASURER,  
16 AFTER CONSULTATION WITH THE SUPERINTENDENT, DETERMINES THAT THE  
17 PERIODIC FINANCIAL STATUS REPORTS SUBMITTED BY THE DISTRICT  
18 INDICATE THAT POTENTIAL FINANCIAL STRESS DOES NOT EXIST WITHIN THE  
19 DISTRICT, THAT A DEFICIT IS NOT PROJECTED TO ARISE WITHIN THE  
20 DISTRICT WITHIN THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2  
21 SCHOOL FISCAL YEARS, AND THAT THE DISTRICT WILL BE ABLE TO MEET ITS  
22 FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING THE DISTRICT'S ABILITY  
23 TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES  
24 WITH THIS ARTICLE, THE REVISED SCHOOL CODE, AND APPLICABLE RULES.

25 (6) IF THE STATE TREASURER MAKES A DETERMINATION UNDER  
26 SUBSECTION (5) THAT THE CONDITIONS UNDER THAT SUBSECTION APPLY TO A  
27 DISTRICT, THE STATE TREASURER SHALL NOTIFY THE DISTRICT. THE



1 SUPERINTENDENT MAY NOTIFY THE STATE TREASURER THAT THE  
2 SUPERINTENDENT HAS DETERMINED THAT CONDITIONS UNDER SUBSECTION (5)  
3 APPLY TO A DISTRICT.

4 (7) AS USED IN THIS SECTION:

5 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2)  
6 OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL  
7 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO INCLUDES 1 OR BOTH  
8 OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE  
9 DISTRICT:

10 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR  
11 INTERMEDIATE DISTRICT IS NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT  
12 THE END OF THE CURRENT SCHOOL FISCAL YEAR.

13 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE  
14 DISTRICT OTHER THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR  
15 PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE TOTAL GENERAL  
16 FUND BALANCE.

17 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE  
18 CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL  
19 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,  
20 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR  
21 NEXT SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO  
22 PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH  
23 THIS ARTICLE, THE REVISED SCHOOL CODE, AND ALL APPLICABLE RULES.

24 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

25 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-  
26 TERM FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

27 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION





1 4(1) (A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,  
2 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A  
3 DISTRICT.

4 SEC. 102D. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11,  
5 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2015-  
6 2016 FOR REIMBURSEMENTS TO DISTRICTS FOR THE LICENSING OF SCHOOL  
7 DATA ANALYTICAL TOOLS AS DESCRIBED UNDER THIS SECTION. THE  
8 REIMBURSEMENT IS FOR DISTRICTS THAT CHOOSE TO USE A SCHOOL DATA  
9 ANALYTICAL TOOL TO ASSIST THE DISTRICT AND THAT ENTER INTO A  
10 LICENSING AGREEMENT FOR A SCHOOL DATA ANALYTICAL TOOL WITH 1 OF THE  
11 VENDORS APPROVED BY THE DEPARTMENT UNDER SUBSECTION (2).

12 (2) NOT LATER THAN OCTOBER 15, 2015, THE DEPARTMENT SHALL  
13 REVIEW VENDORS FOR SCHOOL DATA ANALYTICAL TOOLS AND PROVIDE  
14 DISTRICTS WITH A LIST OF UP TO 4 APPROVED VENDORS THAT DISTRICTS  
15 MAY USE TO BE ELIGIBLE FOR A REIMBURSEMENT PAID UNDER THIS SECTION.  
16 FOR A VENDOR TO BE APPROVED UNDER THIS SECTION, THE DEPARTMENT MUST  
17 DETERMINE THAT THE SCHOOL DATA ANALYTICAL TOOL SUPPLIED BY THE  
18 VENDOR MEETS AT LEAST ALL OF THE FOLLOWING:

19 (A) ANALYZES FINANCIAL DATA.

20 (B) ANALYZES ACADEMIC DATA.

21 (C) PROVIDES EARLY WARNING INDICATORS OF FINANCIAL STRESS.

22 (D) HAS THE CAPABILITY TO PROVIDE PEER DISTRICT COMPARISONS OF  
23 BOTH FINANCIAL AND ACADEMIC DATA.

24 (E) HAS THE CAPABILITY TO PROVIDE FINANCIAL PROJECTIONS FOR AT  
25 LEAST 3 SUBSEQUENT FISCAL YEARS.

26 (3) FUNDS ALLOCATED UNDER THIS SECTION SHALL BE PAID TO  
27 DISTRICTS AS A REIMBURSEMENT FOR ALREADY HAVING A LICENSING



1 AGREEMENT OR FOR ENTERING INTO A LICENSING AGREEMENT NOT LATER THAN  
2 DECEMBER 1, 2015 WITH A VENDOR APPROVED UNDER SUBSECTION (2) TO  
3 IMPLEMENT A SCHOOL DATA ANALYTICAL TOOL. REIMBURSEMENT UNDER THIS  
4 SECTION SHALL BE MADE ON AN EQUAL PER-PUPIL BASIS.

5 (4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION  
6 SHALL BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

7 Sec. 104. (1) In order to receive state aid under this  
8 article, a district shall comply with sections 1249, 1278a, 1278b,  
9 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,  
10 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970  
11 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from  
12 the state school aid fund money appropriated in section 11, there  
13 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
14 ~~\$41,394,400.00~~ **\$43,994,400.00** for payments on behalf of districts  
15 for costs associated with complying with those provisions of law.  
16 In addition, from the federal funds appropriated in section 11,  
17 there is allocated for ~~2014-2015-2015-2016~~ an amount estimated at  
18 \$6,250,000.00, funded from DED-OESE, title VI, state assessment  
19 funds, and from DED-OSERS, section 504 of part B of the individuals  
20 with disabilities education act, Public Law 94-142, plus any  
21 carryover federal funds from previous year appropriations, for the  
22 purposes of complying with the federal no child left behind act of  
23 2001, Public Law 107-110.

24 (2) The results of each test administered as part of the  
25 Michigan ~~educational assessment program,~~ **STUDENT TEST OF**  
26 **EDUCATIONAL PROGRESS (M-STEP)**, including tests administered to high  
27 school students, shall include an item analysis that lists all



1 items that are counted for individual pupil scores and the  
2 percentage of pupils choosing each possible response.

3 (3) All federal funds allocated under this section shall be  
4 distributed in accordance with federal law and with flexibility  
5 provisions outlined in Public Law 107-116, and in the education  
6 flexibility partnership act of 1999, Public Law 106-25.

7 (4) Notwithstanding section 17b, payments on behalf of  
8 districts, intermediate districts, and other eligible entities  
9 under this section shall be paid on a schedule determined by the  
10 department.

11 (5) From the allocation in subsection (1), there is allocated  
12 an amount not to exceed \$8,500,000.00 for the following purposes:

13 (a) Converting existing student assessments to online  
14 assessments.

15 (b) Providing paper and pencil test versions to districts not  
16 prepared to implement online assessments.

17 (c) Expanding writing assessments to additional grade levels.

18 (d) Providing an increased number of constructed response test  
19 questions so that pupils can demonstrate higher-order skills such  
20 as problem solving and communicating reasoning.

21 (6) From the allocation in subsection (1), there is allocated  
22 an amount not to exceed \$3,200,000.00 for the development or  
23 selection of an online reporting tool to provide student-level  
24 assessment data in a secure environment to educators, parents, and  
25 pupils immediately after assessments are scored. The department and  
26 the center shall ensure that any data collected by the online  
27 reporting tool do not provide individually identifiable student



1 data to the federal government.

2 (7) From the allocation in subsection (1), there is allocated  
3 an amount not to exceed ~~\$3,000,000.00~~ **\$5,600,000.00** for the purpose  
4 of implementing a summative assessment system pursuant to section  
5 104c.

6 (8) As used in this section:

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

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

11 (c) "DED-OSERS" means the DED ~~office of special education and~~  
12 ~~rehabilitative services.~~ **OFFICE OF SPECIAL EDUCATION AND**  
13 **REHABILITATIVE SERVICES.**

14 Sec. 104b. (1) In order to receive state aid under this  
15 article, a district shall comply with this section and shall  
16 administer the Michigan merit examination to pupils in grade 11,  
17 and to pupils in grade 12 who did not take the complete Michigan  
18 merit examination in grade 11, as provided in this section. **THE**  
19 **MICHIGAN MERIT EXAMINATION CONSISTS OF A COLLEGE ENTRANCE TEST,**  
20 **WORK SKILLS TEST, AND THE SUMMATIVE ASSESSMENT KNOWN AS THE**  
21 **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP).**

22 (2) For the purposes of this section, the department of  
23 technology, management, and budget shall contract with 1 or more  
24 providers to develop, supply, and score the Michigan merit  
25 examination. The Michigan merit examination shall consist of all of  
26 the following:

27 (a) Assessment instruments that measure English language arts,



1 mathematics, reading, and science, and **THAT** are used by colleges  
2 and universities in this state for entrance or placement purposes.  
3 This ~~shall~~**MAY** include 1 or more writing components.

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~~**DEPARTMENT OF**  
16 **EDUCATION** to use the Michigan merit examination for the purposes of  
17 the no child left behind act of 2001, Public Law 107-110.

18 (3) In addition to all other requirements of this section, all  
19 of the following apply to the Michigan merit examination:

20 (a) The department of technology, management, and budget and  
21 the superintendent shall ensure that any contractor used for  
22 scoring the Michigan merit examination supplies an individual  
23 report for each pupil that will identify for the pupil's parents  
24 and teachers whether the pupil met expectations or failed to meet  
25 expectations for each standard, to allow the pupil's parents and  
26 teachers to assess and remedy problems before the pupil moves to  
27 the next grade.



1 (b) The department of technology, management, and budget and  
 2 the superintendent shall ensure that any contractor used for  
 3 scoring, developing, or processing the Michigan merit examination  
 4 meets quality management standards commonly used in the assessment  
 5 industry, including at least meeting level 2 of the capability  
 6 maturity model developed by the software engineering institute of  
 7 Carnegie Mellon university for the first year the Michigan merit  
 8 examination is offered to all grade 11 pupils and at least meeting  
 9 level 3 of the capability maturity model for subsequent years.

10 (c) The department of technology, management, and budget and  
 11 the superintendent shall ensure that any contract for scoring,  
 12 administering, or developing the Michigan merit examination  
 13 includes specific deadlines for all steps of the assessment  
 14 process, including, but not limited to, deadlines for the correct  
 15 testing materials to be supplied to schools and for the correct  
 16 results to be returned to schools, and includes penalties for  
 17 noncompliance with these deadlines.

18 (d) The superintendent shall ensure that the Michigan merit  
 19 examination meets all of the following:

20 (i) Is designed to test pupils on ~~grade level content~~  
 21 ~~expectations or course content expectations, as appropriate, THIS~~  
 22 **STATE'S CONTENT STANDARDS** in all subjects tested.

23 (ii) Complies with requirements of the no child left behind  
 24 act of 2001, Public Law 107-110.

25 (iii) Is consistent with the code of fair testing practices in  
 26 education prepared by the ~~joint committee on testing practices of~~  
 27 ~~the American psychological association. JOINT COMMITTEE ON TESTING~~



1 **PRACTICES OF 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, including scaling and merging of  
19 test items for the different subject area components. The  
20 superintendent shall design and distribute to districts,  
21 intermediate districts, and nonpublic schools a simple and concise  
22 document that describes the scoring for each subject area and  
23 indicates the scaled score ranges for each subject area.

24 (6) The Michigan merit examination shall be administered in  
25 each district during the last 12 weeks of the district's school  
26 year. The superintendent shall ensure that the Michigan merit  
27 examination is scored and the scores are returned to pupils, their



1 parents or legal guardians, and districts not later than the  
2 beginning of the pupil's first semester of grade 12. The returned  
3 scores shall indicate at least the pupil's scaled score for each  
4 subject area component and the range of scaled scores for each  
5 subject area. In reporting the scores to pupils, parents, and  
6 schools, the superintendent shall provide standards-specific,  
7 meaningful, and timely feedback on the pupil's performance on the  
8 Michigan merit examination.

9 (7) A district shall administer the complete Michigan merit  
10 examination to a pupil only once and shall not administer the  
11 complete Michigan merit examination to the same pupil more than  
12 once. If a pupil does not take the complete Michigan merit  
13 examination in grade 11, the district shall administer the complete  
14 Michigan merit examination to the pupil in grade 12. If a pupil  
15 chooses to retake the college entrance examination component of the  
16 Michigan merit examination, as described in subsection (2)(a), the  
17 pupil may do so through the provider of the college entrance  
18 examination component and the cost of the retake is the  
19 responsibility of the pupil unless all of the following are met:

20 (a) The pupil has taken the complete Michigan merit  
21 examination.

22 (b) The pupil did not qualify for a Michigan promise grant  
23 under section 6 of the Michigan promise grant act, 2006 PA 479, MCL  
24 390.1626, based on the pupil's performance on the complete Michigan  
25 merit examination.

26 (c) The pupil meets the income eligibility criteria for free  
27 breakfast, lunch, or milk, as determined under the Richard B.





1 Russell national school lunch act, 42 USC 1751 to 1769i.

2 (d) The pupil has applied to the provider of the college  
3 entrance examination component for a scholarship or fee waiver to  
4 cover the cost of the retake and that application has been denied.

5 (e) After taking the complete Michigan merit examination, the  
6 pupil has not already received a free retake of the college  
7 entrance examination component paid for either by this state or  
8 through a scholarship or fee waiver by the provider.

9 (8) The superintendent shall ensure that the length of the  
10 Michigan merit examination and the combined total time necessary to  
11 administer all of the components of the Michigan merit examination  
12 are the shortest possible that will still maintain the degree of  
13 reliability and validity of the Michigan merit examination results  
14 determined necessary by the superintendent. The superintendent  
15 shall ensure that the maximum total combined length of time that  
16 schools are required to set aside for pupils to answer all test  
17 questions on the Michigan merit examination does not exceed 8 hours  
18 if the superintendent determines that sufficient alignment to  
19 applicable Michigan merit curriculum content standards can be  
20 achieved within that time limit.

21 (9) A district shall provide accommodations to a pupil with  
22 disabilities for the Michigan merit examination, as provided under  
23 section 504 of title V of the rehabilitation act of 1973, 29 USC  
24 794; subtitle A of title II of the Americans with disabilities act  
25 of 1990, 42 USC 12131 to 12134; the individuals with disabilities  
26 education act amendments of 1997, Public Law 105-17; and the  
27 implementing regulations for those statutes. The provider or



1 providers of the Michigan merit examination and the superintendent  
2 shall mutually agree upon the accommodations to be provided under  
3 this subsection.

4 (10) To the greatest extent possible, the Michigan merit  
5 examination shall be based on ~~grade level content expectations or~~  
6 ~~course content expectations, as appropriate. Not later than July 1,~~  
7 ~~2008, the department shall identify specific grade level content~~  
8 ~~expectations to be taught before and after the middle of grade 11,~~  
9 ~~so that teachers will know what content will be covered within the~~  
10 ~~Michigan merit examination.~~**THIS STATE'S CONTENT STANDARDS. THE**  
11 **DEPARTMENT MAY AUGMENT THE COLLEGE ENTRANCE AND WORK SKILLS**  
12 **COMPONENTS OF THE MICHIGAN MERIT EXAM TO DEVELOP THE ASSESSMENT,**  
13 **DEPENDING ON THE ALIGNMENT OF THOSE COMPONENTS TO THIS STATE'S**  
14 **CONTENT STANDARDS. IF THESE COMPONENTS DO NOT ALIGN TO THESE**  
15 **STANDARDS, THE DEPARTMENT SHALL PRODUCE ADDITIONAL COMPONENTS AS**  
16 **REQUIRED BY LAW, WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR**  
17 **ASSESSMENTS.**

18 (11) A child who is a student in a nonpublic school or home  
19 school may take the Michigan merit examination under this section.  
20 To take the Michigan merit examination, a child who is a student in  
21 a home school shall contact the district in which the child  
22 resides, and that district shall administer the Michigan merit  
23 examination, or the child may take the Michigan merit examination  
24 at a nonpublic school if allowed by the nonpublic school. Upon  
25 request from a nonpublic school, the superintendent shall direct  
26 the provider or providers to supply the Michigan merit examination  
27 to the nonpublic school and the nonpublic school may administer the



1 Michigan merit examination. If a district administers the Michigan  
2 merit examination under this subsection to a child who is not  
3 enrolled in the district, the scores for that child are not  
4 considered for any purpose to be scores of a pupil of the district.

5 (12) In contracting under subsection (2), the department of  
6 **TECHNOLOGY**, management, and budget shall consider a contractor that  
7 provides electronically-scored essays with the ability to score  
8 constructed response feedback in multiple languages and provide  
9 ongoing instruction and feedback.

10 (13) The purpose of the Michigan merit examination is to  
11 assess pupil performance in mathematics, science, social studies,  
12 and English language arts for the purpose of improving academic  
13 achievement and establishing a statewide standard of competency.  
14 The assessment under this section provides a common measure of data  
15 that will contribute to the improvement of Michigan schools'  
16 curriculum and instruction by encouraging alignment with Michigan's  
17 curriculum framework standards and promotes pupil participation in  
18 higher level mathematics, science, social studies, and English  
19 language arts courses. These standards are based upon the  
20 expectations of what pupils should learn through high school and  
21 are aligned with national standards.

22 (14) For a pupil enrolled in a middle college program, other  
23 than a middle college operated as a shared educational entity or a  
24 specialized shared educational entity, if the pupil receives at  
25 least 50% of his or her instruction at the high school while in  
26 grade 11, the Michigan merit examination shall be administered to  
27 the pupil at the high school at which the pupil receives high



1 school instruction, and the department shall include the pupil's  
2 scores on the Michigan merit examination in the scores for that  
3 high school for all purposes for which a school's or district's  
4 results are reported. The department shall allow the middle college  
5 program to use a 5-year graduation rate for determining adequate  
6 yearly progress. As used in this subsection, "middle college" means  
7 a program consisting of a series of courses and other requirements  
8 and conditions, including an early college or other program created  
9 under a memorandum of understanding, that allows a pupil to  
10 graduate from high school with both a high school diploma and a  
11 certificate or degree from a community college or state public  
12 university.

13 (15) As used in this section:

14 (a) "English language arts" means reading and writing.

15 (b) "Social studies" means United States history, world  
16 history, world geography, economics, and American government.

17 Sec. 104c. (1) In order to receive state aid under this  
18 article, a district shall administer the state assessments  
19 described in this section.

20 (2) For the purposes of this section, the department shall  
21 develop for use in the spring of ~~2014-2015 new Michigan education~~  
22 ~~assessment program (MEAP)~~ **2015-2016 THE MICHIGAN STUDENT TEST OF**  
23 **EDUCATIONAL PROGRESS (M-STEP)** assessments in English language arts  
24 and mathematics. These assessments shall be aligned to state  
25 standards.

26 (3) For the purposes of this section, the department shall  
27 implement ~~beginning in the 2015-2016 school year~~ a summative



1 assessment system that is proven to be valid and reliable for  
2 administration to pupils as provided under this subsection. The  
3 summative assessment system shall meet all of the following  
4 requirements:

5 (a) The summative assessment system shall measure student  
6 proficiency on the current state standards, shall measure student  
7 growth for consecutive grade levels in which students are assessed  
8 in the same subject area in both grade levels, and shall be capable  
9 of measuring individual student performance.

10 (b) The summative assessments for English language arts and  
11 mathematics shall be administered to all public school pupils in  
12 grades 3 to ~~10~~, **11**, including those pupils as required by the  
13 federal individuals with disabilities education act, Public Law  
14 108-446, and by title I of the federal elementary and secondary  
15 education act.

16 (c) The summative assessments for science shall be  
17 administered to all public school pupils in at least grades 4 and  
18 7, including those pupils as required by the federal individuals  
19 with disabilities education act, Public Law 108-446, and by title I  
20 of the federal elementary and secondary education act.

21 (d) The summative assessments for social studies shall be  
22 administered to all public school pupils in at least grades 5 and  
23 8, including those pupils as required by the federal individuals  
24 with disabilities education act, Public Law 108-446, and by title I  
25 of the federal elementary and secondary education act.

26 (e) The content of the summative assessments shall be aligned  
27 to state standards.



1 (f) The pool of questions for the summative assessments shall  
2 be subject to a transparent review process for quality, bias, and  
3 sensitive issues involving educator review and comment. The  
4 department shall post samples from tests or retired tests featuring  
5 questions from this pool for review by the public.

6 (g) The summative assessment system shall ensure that  
7 students, parents, and teachers are provided with reports that  
8 convey individual student proficiency and growth on the assessment  
9 and that convey individual student domain-level performance in each  
10 subject area, including representative questions, and individual  
11 student performance in meeting state standards.

12 (h) The summative assessment system shall be capable of  
13 providing, and the department shall ensure that students, parents,  
14 teachers, administrators, and community members are provided with,  
15 reports that convey aggregate student proficiency and growth data  
16 by teacher, grade, school, and district.

17 (i) The summative assessment system shall ensure the  
18 capability of reporting the available data to support educator  
19 evaluations.

20 (j) The summative assessment system shall ensure that the  
21 reports provided to districts containing individual student data  
22 are available within 60 days after completion of the assessments.

23 ~~\_\_\_\_\_ (k) The assessments shall be capable of being implemented~~  
24 ~~statewide in a fully operational manner no later than the 2015-2016~~  
25 ~~school year.~~

26 **(K)** ~~(l)~~ The summative assessment system shall ensure that  
27 access to individually identifiable student data meets all of the



1 following:

2 (i) Is in compliance with 20 USC 1232g, commonly referred to  
3 as the family educational rights and privacy act of 1974.

4 (ii) Except as may be provided for in an agreement with a  
5 vendor to provide assessment services, as necessary to support  
6 educator evaluations pursuant to subdivision (i), or for research  
7 or program evaluation purposes, is available only to the student;  
8 to the student's parent or legal guardian; and to a school  
9 administrator or teacher, to the extent that he or she has a  
10 legitimate educational interest.

11 (I) ~~(m)~~—The summative assessment system shall ensure that the  
12 assessments are pilot tested before statewide implementation.

13 (M) ~~(n)~~—The summative assessment system shall ensure that  
14 assessments are designed so that the maximum total combined length  
15 of time that schools are required to set aside for a pupil to  
16 answer all test questions on all assessments that are part of the  
17 system for the pupil's grade level does not exceed that maximum  
18 total combined length of time for the previous statewide assessment  
19 system or 9 hours, whichever is less. This subdivision does not  
20 limit the amount of time a district may allow a pupil to complete a  
21 test.

22 (N) ~~(o)~~—The total cost of executing the summative assessment  
23 system statewide each year, including, but not limited to, the cost  
24 of contracts for administration, scoring, and reporting, shall not  
25 exceed an amount equal to 2 times the cost of executing the  
26 previous statewide assessment after adjustment for inflation.

27 (4) ~~To begin the process required under subsection (3), not~~



1 ~~later than September 1, 2014, the department shall issue a request~~  
 2 ~~for proposals for the summative assessment system described in that~~  
 3 ~~subsection.~~ **BEGINNING IN THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT**  
 4 **SHALL FIELD TEST ADDITIONAL COMPONENTS IN THE ASSESSMENT SYSTEM**  
 5 **UNDER THIS SUBSECTION FOR FULL IMPLEMENTATION IN THE 2016-2017**  
 6 **SCHOOL YEAR. THE ADDITIONAL COMPONENTS ARE NECESSARY TO DETERMINE A**  
 7 **PUPIL'S PROFICIENCY LEVEL BEFORE GRADE 3. THE ADDITIONAL COMPONENTS**  
 8 **ARE AS FOLLOWS:**

9           **(A) ASSESSMENTS ADMINISTERED IN THE FALL AND SPRING OF EACH**  
 10 **YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF**  
 11 **GRADES 1 AND 2.**

12           **(B) THE KINDERGARTEN ENTRY ASSESSMENT (KEA), TO BE**  
 13 **ADMINISTERED IN THE FALL OF THE KINDERGARTEN YEAR. THE KEA SHALL**  
 14 **INCLUDE THE SAME COMPONENTS AS UNDER SUBDIVISION (A) AND ALSO MAY**  
 15 **INCLUDE OBSERVATIONAL COMPONENTS THAT MEASURE COGNITIVE, SOCIAL-**  
 16 **EMOTIONAL, AND PHYSICAL SKILLS.**

17           (5) This section does not prohibit districts from adopting  
 18 interim assessments.

19 ~~—— (6) The department shall seek a waiver or amendment to an~~  
 20 ~~existing waiver for federal approval of the assessment framework~~  
 21 ~~under this section and shall notify the United States department of~~  
 22 ~~education about the provisions of this section and take necessary~~  
 23 ~~steps to assure the United States department of education that this~~  
 24 ~~state is on track to develop and implement a summative assessment~~  
 25 ~~system as required by federal law.~~

26           **(6) (7) As used in this section, "English language arts" means**  
 27 **that term as defined in section 104b.**





1           SEC. 104D. (1) FROM THE STATE SCHOOL AID FUND MONEY  
2 APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2015-2016 AN  
3 AMOUNT NOT TO EXCEED \$5,000,000.00 FOR PROVIDING REIMBURSEMENT TO  
4 DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST FOR EACH STUDENT  
5 ENROLLED IN THE DISTRICT. IN ORDER TO RECEIVE FUNDING UNDER THIS  
6 SECTION, THE COMPUTER-ADAPTIVE TEST SHALL PROVIDE AT LEAST THE  
7 FOLLOWING:

8           (A) INTERNET-DELIVERED, STANDARDS-BASED ASSESSMENT USING A  
9 COMPUTER-ADAPTIVE MODEL TO TARGET THE INSTRUCTIONAL LEVEL OF EACH  
10 PUPIL.

11           (B) UNLIMITED TESTING OPPORTUNITIES THROUGHOUT THE 2015-2016  
12 SCHOOL YEAR.

13           (C) VALID AND RELIABLE DIAGNOSTIC ASSESSMENT DATA.

14           (D) ADJUSTMENT OF TESTING DIFFICULTY BASED ON PREVIOUS ANSWERS  
15 TO TEST QUESTIONS.

16           (E) IMMEDIATE FEEDBACK TO PUPILS AND TEACHERS.

17           (2) REIMBURSEMENT UNDER THIS SECTION SHALL BE MADE TO ELIGIBLE  
18 DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST DESCRIBED IN  
19 SUBSECTION (1) BY OCTOBER 15, 2015 AND SHALL BE MADE ON AN EQUAL  
20 PER-PUPIL BASIS ACCORDING TO THE AVAILABLE FUNDING.

21           (3) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION, A  
22 DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT  
23 THAT A QUALIFYING COMPUTER-ADAPTIVE TEST WAS PURCHASED BY THE  
24 DISTRICT BY OCTOBER 15, 2015.

25           Sec. 107. (1) From the appropriation in section 11, there is  
26 allocated an amount not to exceed ~~\$22,000,000.00~~ **\$29,000,000.00** for  
27 ~~2014-2015~~ **2015-2016** for adult education programs authorized under



1 this section. ~~Funds~~ **EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTIONS**  
 2 **(16) AND (18), FUNDS** allocated under this section are restricted  
 3 for adult education programs as authorized under this section only.  
 4 A recipient of funds under this section shall not use those funds  
 5 for any other purpose.

6 (2) To be eligible for funding under this section, ~~a program~~  
 7 **AN ELIGIBLE ADULT EDUCATION PROVIDER** shall employ certificated  
 8 teachers and qualified administrative staff and shall offer  
 9 continuing education opportunities for teachers to allow them to  
 10 maintain certification.

11 (3) To be eligible to be a participant funded under this  
 12 section, ~~a person~~ **AN INDIVIDUAL** shall be enrolled in an adult basic  
 13 education program, an adult English as a second language program, a  
 14 general educational development (G.E.D.) test preparation program,  
 15 a job- or employment-related program, or a high school completion  
 16 program, that meets the requirements of this section, and for which  
 17 instruction is provided, and shall meet either of the following, as  
 18 applicable:

19 (a) If the individual has obtained a high school diploma or a  
 20 general educational development (G.E.D.) certificate, the  
 21 individual meets 1 of the following:

22 ~~— (i) Is less than 20 years of age on September 1 of the school~~  
 23 ~~year and is enrolled in the Michigan career and technical~~  
 24 ~~institute.~~

25 **(i) (ii)** Is less than 20 years of age on September 1 of the  
 26 school year, is not attending an institution of higher education,  
 27 and is enrolled in a job- or employment-related program through a



1 referral by an employer or by a Michigan workforce agency.

2       (ii) ~~(iii)~~—Is enrolled in an English as a second language  
3 program.

4       (iii) ~~(iv)~~—Is enrolled in a high school completion program.

5       (iv) IS 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR, IS  
6 ENROLLED IN AN ADULT BASIC EDUCATION PROGRAM, AND IS DETERMINED BY  
7 A DEPARTMENT-APPROVED ASSESSMENT, IN A FORM AND MANNER PRESCRIBED  
8 BY THE DEPARTMENT, TO BE BELOW GRADE 9 LEVEL IN READING OR  
9 MATHEMATICS, OR BOTH.

10       (b) If the individual has not obtained a high school diploma  
11 or G.E.D. certificate, the individual meets 1 of the following:

12       (i) Is at least 20 years of age on September 1 of the school  
13 year.

14       (ii) Is at least 16 years of age on September 1 of the school  
15 year, has been permanently expelled from school under section  
16 1311(2) or 1311a of the revised school code, MCL 380.1311 and  
17 380.1311a, and has no appropriate alternative education program  
18 available through his or her district of residence.

19       (4) BY APRIL 1 OF EACH FISCAL YEAR, THE INTERMEDIATE DISTRICTS  
20 WITHIN A PROSPERITY REGION OR SUBREGION SHALL DETERMINE WHICH  
21 INTERMEDIATE DISTRICT WILL SERVE AS THE PROSPERITY REGION'S OR  
22 SUBREGION'S FISCAL AGENT FOR THE NEXT FISCAL YEAR AND SHALL NOTIFY  
23 THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.  
24 THE DEPARTMENT SHALL APPROVE OR DISAPPROVE OF THE PROSPERITY  
25 REGION'S OR SUBREGION'S SELECTED FISCAL AGENT. From the funds  
26 allocated under subsection (1), an amount as determined under this  
27 subsection shall be allocated to each intermediate district serving



1 as a fiscal agent for adult education programs in each of the ~~10~~  
2 prosperity regions **OR SUBREGIONS** identified by the department. An  
3 intermediate district shall not use more than 5% of the funds  
4 allocated under this subsection for administration costs for  
5 serving as the fiscal agent. ~~The department shall ensure that the~~  
6 ~~funds allocated under this subsection for 2014-2015 will provide~~  
7 ~~services in 2014-2015 to at least the same number of individuals as~~  
8 ~~the number of individuals who were enrolled in programs funded~~  
9 ~~under this section in 2013-2014. For **BEGINNING IN** 2014-2015, 67% of~~  
10 the allocation provided to each intermediate district serving as a  
11 fiscal agent shall be based on the proportion of total funding  
12 formerly received by the adult education providers in that  
13 prosperity region **OR SUBREGION** in 2013-2014, and 33% shall be  
14 allocated based on the factors in subdivisions (a), (b), and (c).  
15 ~~For 2015-2016, 33% of the allocation provided to each intermediate~~  
16 ~~district serving as a fiscal agent shall be based upon the~~  
17 ~~proportion of total funding formerly received by the adult~~  
18 ~~education providers in that prosperity region in 2013-2014 and 67%~~  
19 ~~of the allocation shall be based upon the factors in subdivisions~~  
20 ~~(a), (b), and (c). For 2016-2017, 100% of the allocation provided~~  
21 ~~to each intermediate district serving as a fiscal agent shall be~~  
22 ~~based on the factors in subdivisions (a), (b), and (c). The funding~~  
23 factors for this section are as follows:

24 (a) Sixty percent of this portion of the funding shall be  
25 distributed based upon the proportion of the state population of  
26 individuals between the ages of 18 and 24 that are not high school  
27 graduates that resides in each of the prosperity regions **OR**



1 **SUBREGIONS**, as reported by the most recent 5-year estimates from  
 2 the American community survey (ACS) from the United States ~~census~~  
 3 ~~bureau~~. **CENSUS BUREAU**.

4 (b) Thirty-five percent of this portion of the funding shall  
 5 be distributed based upon the proportion of the state population of  
 6 individuals age 25 or older who are not high school graduates that  
 7 resides in each of the prosperity regions **OR SUBREGIONS**, as  
 8 reported by the most recent 5-year estimates from the American  
 9 community survey (ACS) from the United States ~~census bureau~~. **CENSUS**  
 10 **BUREAU**.

11 (c) Five percent of this portion of the funding shall be  
 12 distributed based upon the proportion of the state population of  
 13 individuals age 18 or older who lack basic English language  
 14 proficiency that resides in each of the prosperity regions **OR**  
 15 **SUBREGIONS**, as reported by the most recent 5-year estimates from  
 16 the American community survey (ACS) from the United States ~~census~~  
 17 ~~bureau~~. **CENSUS BUREAU**.

18 (5) To be an eligible fiscal agent, an intermediate district  
 19 must agree to do the following in a form and manner determined by  
 20 the department:

21 (a) Distribute funds to adult education programs in a  
 22 prosperity region **OR SUBREGION** as described in this section.

23 (b) Collaborate with ~~education advisory groups~~ **THE TALENT**  
 24 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the  
 25 workforce development boards located in the prosperity region **OR**  
 26 **SUBREGION, OR ITS SUCCESSOR**, to develop a regional strategy that  
 27 aligns adult education programs and services into an efficient and



1 effective delivery system for adult education learners, **WITH**  
 2 **SPECIAL CONSIDERATION FOR PROVIDING CONTEXTUALIZED LEARNING AND**  
 3 **CAREER PATHWAYS.**

4 (c) Collaborate with ~~education advisory groups~~ **THE TALENT**  
 5 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the  
 6 workforce development boards located in the prosperity region **OR**  
 7 **SUBREGION, OR ITS SUCCESSOR,** to create a local process and criteria  
 8 that will identify eligible adult education providers to receive  
 9 funds allocated under this section based on location, demand for  
 10 services, **PAST PERFORMANCE, QUALITY INDICATORS AS IDENTIFIED BY THE**  
 11 **DEPARTMENT,** and cost to provide instructional services. ~~All~~ **THE**  
 12 **FISCAL AGENT SHALL DETERMINE ALL** local processes, criteria, and  
 13 provider determinations. **HOWEVER, THE LOCAL PROCESSES, CRITERIA,**  
 14 **AND PROVIDER SERVICES** must be approved by the department before  
 15 funds may be distributed to the fiscal agent.

16 **(D) PROVIDE OVERSIGHT TO ITS ADULT EDUCATION PROVIDERS**  
 17 **THROUGHOUT THE PROGRAM YEAR TO ENSURE COMPLIANCE WITH THE**  
 18 **REQUIREMENTS OF THIS SECTION.**

19 **(E)** ~~(d)~~ Report adult education program and participant data  
 20 and information as prescribed by the department.

21 (6) The amount allocated under this section per full-time  
 22 equated participant shall not exceed \$2,850.00 for a 450-hour  
 23 program. The amount shall be proportionately reduced for a program  
 24 offering less than 450 hours of instruction.

25 (7) An adult basic education program or an adult English as a  
 26 second language program operated on a year-round or school year  
 27 basis may be funded under this section, subject to all of the



1 following:

2 (a) The program enrolls adults who are determined by a  
3 department-approved assessment, in a form and manner prescribed by  
4 the department, to be below ninth grade level in reading or  
5 mathematics, or both, or to lack basic English proficiency.

6 (b) The program tests individuals for eligibility under  
7 subdivision (a) before enrollment and upon completion of the  
8 program in compliance with the state-approved assessment policy.

9 (c) A participant in an adult basic education program is  
10 eligible for reimbursement until 1 of the following occurs:

11 (i) The participant's reading and mathematics proficiency are  
12 assessed at or above the ninth grade level.

13 (ii) The participant fails to show progress on 2 successive  
14 assessments after having completed at least 450 hours of  
15 instruction.

16 (d) A funding recipient enrolling a participant in an English  
17 as a second language program is eligible for funding according to  
18 subsection (11) until the participant meets 1 of the following:

19 (i) The participant is assessed as having attained basic  
20 English proficiency as determined by a department-approved  
21 assessment.

22 (ii) The participant fails to show progress on 2 successive  
23 department-approved assessments after having completed at least 450  
24 hours of instruction. The department shall provide information to a  
25 funding recipient regarding appropriate assessment instruments for  
26 this program.

27 (8) A general educational development (G.E.D.) test



1 preparation program operated on a year-round or school year basis  
2 may be funded under this section, subject to all of the following:

3 (a) The program enrolls adults who do not have a high school  
4 diploma.

5 (b) The program shall administer a pre-test approved by the  
6 department before enrolling an individual to determine the  
7 individual's literacy levels, shall administer a G.E.D. practice  
8 test to determine the individual's potential for success on the  
9 G.E.D. test, and shall administer a post-test upon completion of  
10 the program in compliance with the state-approved assessment  
11 policy.

12 (c) A funding recipient shall receive funding according to  
13 subsection (11) for a participant, and a participant may be  
14 enrolled in the program until 1 of the following occurs:

15 (i) The participant obtains the G.E.D.

16 (ii) The participant fails to show progress on 2 successive  
17 department-approved assessments used to determine readiness to take  
18 the G.E.D. test after having completed at least 450 hours of  
19 instruction.

20 (9) A high school completion program operated on a year-round  
21 or school year basis may be funded under this section, subject to  
22 all of the following:

23 (a) The program enrolls adults who do not have a high school  
24 diploma.

25 (b) The program tests participants described in subdivision  
26 (a) before enrollment and upon completion of the program in  
27 compliance with the state-approved assessment policy.





1 (c) A funding recipient shall receive funding according to  
2 subsection (11) for a participant in a course offered under this  
3 subsection until 1 of the following occurs:

4 (i) The participant passes the course and earns a high school  
5 diploma.

6 (ii) The participant fails to earn credit in 2 successive  
7 semesters or terms in which the participant is enrolled after  
8 having completed at least 900 hours of instruction.

9 (10) A job- or employment-related adult education program  
10 operated on a year-round or school year basis may be funded under  
11 this section, subject to all of the following:

12 (a) The program enrolls adults referred by their employer who  
13 are less than 20 years of age, have a high school diploma, are  
14 determined to be in need of remedial mathematics or communication  
15 arts skills, and are not attending an institution of higher  
16 education.

17 (b) The program tests participants described in subdivision  
18 (a) before enrollment and upon completion of the program in  
19 compliance with the department-approved assessment policy.

20 (c) An individual may be enrolled in this program and the  
21 grant recipient shall receive funding according to subsection (11)  
22 until 1 of the following occurs:

23 (i) The individual achieves the requisite skills as determined  
24 by department-approved assessment instruments.

25 (ii) The individual fails to show progress on 2 successive  
26 assessments after having completed at least 450 hours of  
27 instruction.



1 (11) A funding recipient shall receive payments under this  
2 section in accordance with the following:

3 (a) ~~Seventy-five~~ **NINETY** percent for enrollment of eligible  
4 participants.

5 (b) ~~Twenty-five~~ **TEN** percent for participant completion of the  
6 adult basic education objectives by achieving an educational gain  
7 as determined by the national reporting system levels; for  
8 achieving basic English proficiency, **AS DETERMINED BY THE**  
9 **DEPARTMENT**; for obtaining a G.E.D. or passage of 1 or more  
10 individual G.E.D. tests; for attainment of a high school diploma or  
11 passage of a course required for a participant to attain a high  
12 school diploma; for enrollment in a postsecondary institution, or  
13 for entry into or retention of employment, as applicable.

14 (12) A person who is not eligible to be a participant funded  
15 under this section may receive adult education services upon the  
16 payment of tuition. In addition, a person who is not eligible to be  
17 served in a program under this section due to the program  
18 limitations specified in subsection (7), (8), (9), or (10) may  
19 continue to receive adult education services in that program upon  
20 the payment of tuition. The tuition level shall be determined by  
21 the local or intermediate district conducting the program.

22 (13) An individual who is an inmate in a state correctional  
23 facility shall not be counted as a participant under this section.

24 (14) A funding recipient shall not commingle money received  
25 under this section or from another source for adult education  
26 purposes with any other funds and shall establish a separate ledger  
27 account for funds received under this section. This subsection does



1 not prohibit a district from using general funds of the district to  
2 support an adult education or community education program.

3 (15) A funding recipient receiving funds under this section  
4 may establish a sliding scale of tuition rates based upon a  
5 participant's family income. A funding recipient may charge a  
6 participant tuition to receive adult education services under this  
7 section from that sliding scale of tuition rates on a uniform  
8 basis. The amount of tuition charged per participant shall not  
9 exceed the actual operating cost per participant minus any funds  
10 received under this section per participant. A funding recipient  
11 may not charge a participant tuition under this section if the  
12 participant's income is at or below 200% of the federal poverty  
13 guidelines published by the United States ~~department of health and~~  
14 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

15 (16) In order to receive funds under this section, a funding  
16 recipient shall furnish to the department, in a form and manner  
17 determined by the department, all information needed to administer  
18 this program and meet federal reporting requirements; shall allow  
19 the department or the department's designee to review all records  
20 related to the program for which it receives funds; and shall  
21 reimburse the state for all disallowances found in the review, as  
22 determined by the department. **IN ADDITION, A FUNDING RECIPIENT**  
23 **SHALL AGREE TO PAY TO A CAREER AND TECHNICAL EDUCATION PROGRAM**  
24 **UNDER SECTION 61A THE AMOUNT OF FUNDING RECEIVED UNDER THIS SECTION**  
25 **IN THE PROPORTION OF CAREER AND TECHNICAL EDUCATION COURSEWORK USED**  
26 **TO SATISFY ADULT BASIC EDUCATION PROGRAMMING, AS BILLED TO THE**  
27 **FUNDING RECIPIENT UNDER SECTION 61A.**



1 (17) All intermediate district participant audits of adult  
2 education programs shall be performed pursuant to the adult  
3 education participant auditing and accounting manuals published by  
4 the department.

5 (18) FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT  
6 NOT TO EXCEED \$500,000.00 SHALL BE ALLOCATED FOR 2015-2016 TO NOT  
7 MORE THAN 1 PILOT PROGRAM THAT IS LOCATED IN A PROSPERITY REGION  
8 WITH 2 OR MORE SUBREGIONS AND THAT CONNECTS ADULT EDUCATION  
9 PARTICIPANTS DIRECTLY WITH EMPLOYERS BY LINKING ADULT EDUCATION,  
10 CAREER AND TECHNICAL SKILLS, AND WORKFORCE DEVELOPMENT. TO BE  
11 ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PILOT PROGRAM SHALL  
12 PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE  
13 COUNTY, THE AREA CAREER/TECHNICAL CENTER, AND LOCAL EMPLOYERS, AND  
14 SHALL MEET THE ADDITIONAL CRITERIA IN SUBSECTIONS (19) AND (20).  
15 FUNDING UNDER THIS SUBSECTION FOR 2015-2016 IS FOR THE FIRST OF 3  
16 YEARS OF FUNDING.

17 (19) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL  
18 REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN WORKS! TO  
19 IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST PREPARED TO  
20 SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS IDENTIFIED UNDER  
21 THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT EDUCATION  
22 PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA  
23 CAREER/TECHNICAL CENTER.

24 (20) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL HAVE  
25 ON STAFF AN ADULT EDUCATION NAVIGATOR WHO WILL SERVE AS A  
26 CASEWORKER FOR EACH PARTICIPANT IDENTIFIED UNDER SUBSECTION (19).  
27 THE NAVIGATOR SHALL WORK WITH ADULT EDUCATION STAFF AND POTENTIAL



1 EMPLOYERS TO DESIGN AN EDUCATIONAL PROGRAM BEST SUITED TO THE  
2 PERSONAL AND EMPLOYMENT NEEDS OF THE PARTICIPANT, AND SHALL WORK  
3 WITH HUMAN SERVICE AGENCIES OR OTHER ENTITIES TO ADDRESS ANY  
4 BARRIER IN THE WAY OF PARTICIPANT ACCESS.

5 (21) NOT LATER THAN DECEMBER 1, 2016, THE PILOT PROGRAM FUNDED  
6 UNDER SUBSECTION (18) SHALL PROVIDE TO THE SENATE AND HOUSE  
7 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND TO THE SENATE AND  
8 HOUSE FISCAL AGENCIES A REPORT DETAILING NUMBER OF PARTICIPANTS,  
9 GRADUATION RATES, AND A MEASURE OF TRANSITIONING TO EMPLOYMENT.

10 (22) THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS FOR A  
11 PILOT PROGRAM TO BE FUNDED UNDER SUBSECTION (18) AND SHALL AWARD  
12 FUNDING NOT LATER THAN NOVEMBER 1, 2015. FUNDING ALLOCATED UNDER  
13 SUBSECTION (18) MAY BE PAID ON A SCHEDULE OTHER THAN THAT SPECIFIED  
14 UNDER SECTION 17B.

15 (23) ~~(18)~~—As used in this section:

16 (A) "CAREER PATHWAY" MEANS A COMBINATION OF RIGOROUS AND HIGH-  
17 QUALITY EDUCATION, TRAINING, AND OTHER SERVICES THAT COMPLY WITH  
18 ALL OF THE FOLLOWING:

19 (i) ALIGNS WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY  
20 OF THIS STATE OR IN THE REGIONAL ECONOMY INVOLVED.

21 (ii) PREPARES AN INDIVIDUAL TO BE SUCCESSFUL IN ANY OF A FULL  
22 RANGE OF SECONDARY OR POSTSECONDARY EDUCATION OPTIONS, INCLUDING  
23 APPRENTICESHIPS REGISTERED UNDER THE ACT OF AUGUST 16, 1937  
24 (COMMONLY KNOWN AS THE "NATIONAL APPRENTICESHIP ACT"), 29 USC 50 ET  
25 SEQ.

26 (iii) INCLUDES COUNSELING TO SUPPORT AN INDIVIDUAL IN  
27 ACHIEVING THE INDIVIDUAL'S EDUCATION AND CAREER GOALS.



1 (iv) INCLUDES, AS APPROPRIATE, EDUCATION OFFERED CONCURRENTLY  
 2 WITH AND IN THE SAME CONTEXT AS WORKFORCE PREPARATION ACTIVITIES  
 3 AND TRAINING FOR A SPECIFIC OCCUPATION OR OCCUPATIONAL CLUSTER.

4 (v) ORGANIZES EDUCATION, TRAINING, AND OTHER SERVICES TO MEET  
 5 THE PARTICULAR NEEDS OF AN INDIVIDUAL IN A MANNER THAT ACCELERATES  
 6 THE EDUCATIONAL AND CAREER ADVANCEMENT OF THE INDIVIDUAL TO THE  
 7 EXTENT PRACTICABLE.

8 (vi) ENABLES AN INDIVIDUAL TO ATTAIN A SECONDARY SCHOOL  
 9 DIPLOMA OR ITS RECOGNIZED EQUIVALENT, AND AT LEAST 1 RECOGNIZED  
 10 POSTSECONDARY CREDENTIAL.

11 (vii) HELPS AN INDIVIDUAL ENTER OR ADVANCE WITHIN A SPECIFIC  
 12 OCCUPATION OR OCCUPATIONAL CLUSTER.

13 (B) ~~(a)~~—"Department" means the Michigan strategic fund.

14 (C) ~~(b)~~—"Eligible adult education provider" means a district,  
 15 intermediate district, a consortium of districts, a consortium of  
 16 intermediate districts, or a consortium of districts and  
 17 intermediate districts that is identified as part of the local  
 18 process described in subsection (5) (c) and approved by the  
 19 department.

20 (D) ~~(e)~~—"Participant" means the sum of the number of full-time  
 21 equated individuals enrolled in and attending a department-approved  
 22 adult education program under this section, using quarterly  
 23 participant count days on the schedule described in section  
 24 6(7) (b).

25 Sec. 147. (1) The allocation for ~~2014-2015~~ **2015-2016** for the  
 26 public school employees' retirement system pursuant to the public  
 27 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301



1 to 38.1408, shall be made using the individual projected benefit  
2 entry age normal cost method of valuation and risk assumptions  
3 adopted by the public school employees retirement board and the  
4 department of technology, management, and budget.

5 (2) The annual level percentage of payroll contribution rates  
6 for the ~~2014-2015-2015-2016~~ fiscal year, as determined by the  
7 retirement system, are estimated as follows:

8 (a) For public school employees who first worked for a public  
9 school reporting unit before July 1, 2010 and who are enrolled in  
10 the health premium subsidy, the annual level percentage of payroll  
11 contribution rate is estimated at ~~33.41%~~, **36.31%**, with 25.78% paid  
12 directly by the employer.

13 (b) For public school employees who first worked for a public  
14 school reporting unit on or after July 1, 2010 and who are enrolled  
15 in the health premium subsidy, the annual level percentage of  
16 payroll contribution rate is estimated at ~~32.33%~~, **35.09%**, with  
17 ~~24.70%~~ **24.56%** paid directly by the employer.

18 (c) For public school employees who first worked for a public  
19 school reporting unit on or after July 1, 2010 and who participate  
20 in the personal healthcare fund, the annual level percentage of  
21 payroll contribution rate is estimated at ~~31.82%~~, **34.66%**, with  
22 ~~24.19%~~ **24.13%** paid directly by the employer.

23 (d) For public school employees who first worked for a public  
24 school reporting unit on or after September 4, 2012, who elect  
25 defined contribution, and who participate in the personal  
26 healthcare fund, the annual level percentage of payroll  
27 contribution rate is estimated at ~~28.59%~~, **31.49%**, with 20.96% paid



1 directly by the employer.

2 (e) For public school employees who first worked for a public  
3 school reporting unit before July 1, 2010, who elect defined  
4 contribution, and who are enrolled in the health premium subsidy,  
5 the annual level percentage of payroll contribution rate is  
6 estimated at ~~29.10%~~, **31.92%**, with ~~21.47%~~ **21.39%** paid directly by  
7 the employer.

8 (f) For public school employees who first worked for a public  
9 school reporting unit before July 1, 2010, who elect defined  
10 contribution, and who participate in the personal healthcare fund,  
11 the annual level percentage of payroll contribution rate is  
12 estimated at ~~28.59%~~, **31.49%**, with 20.96% paid directly by the  
13 employer.

14 (g) For public school employees who first worked for a public  
15 school reporting unit before July 1, 2010 and who participate in  
16 the personal healthcare fund, the annual level percentage of  
17 payroll contribution rate is estimated at ~~32.90%~~, **35.88%**, with  
18 ~~25.27%~~ **25.35%** paid directly by the employer.

19 (3) In addition to the employer payments described in  
20 subsection (2), the employer shall pay the applicable contributions  
21 to the Tier 2 plan, as determined by the public school employees  
22 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

23 (4) The contribution rates in subsection (2) reflect an  
24 amortization period of ~~24~~ **23** years for ~~2014-2015~~. **2015-2016**. The  
25 public school employees' retirement system board shall notify each  
26 district and intermediate district by February 28 of each fiscal  
27 year of the estimated contribution rate for the next fiscal year.





1           Sec. 147a. From the appropriation in section 11, there is  
 2 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
 3 \$100,000,000.00 for payments to participating districts. A district  
 4 that receives money under this section shall use that money solely  
 5 for the purpose of offsetting a portion of the retirement  
 6 contributions owed by the district for the fiscal year in which it  
 7 is received. The amount allocated to each participating district  
 8 under this section shall be based on each participating district's  
 9 percentage of the total statewide payroll for all participating  
 10 districts for the immediately preceding fiscal year. As used in  
 11 this section, "participating district" means a district that is a  
 12 reporting unit of the Michigan public school employees' retirement  
 13 system under the public school employees retirement act of 1979,  
 14 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to  
 15 the Michigan public school employees' retirement system for the  
 16 applicable fiscal year.

17           Sec. 147c. (1) From the appropriation in section 11, there is  
 18 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
 19 ~~\$658,400,000.00~~ **\$892,900,000.00** from the state school aid fund ,  
 20 ~~and there is appropriated for 2014-2015 an amount not to exceed~~  
 21 ~~\$18,000,000.00 from the MPSEERS retirement obligation reform reserve~~  
 22 ~~fund,~~ for payments to districts and intermediate districts that are  
 23 participating entities of the Michigan public school employees'  
 24 retirement system. In addition, from the general fund money  
 25 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~  
 26 **2016** an amount not to exceed ~~\$500,000.00~~ **\$600,000.00** for payments  
 27 to district libraries that are participating entities of the



1 Michigan public school employees' retirement system.

2 (2) For ~~2014-2015~~, **2015-2016**, the amounts allocated under  
3 subsection (1) are estimated to provide an average MPSEERS rate cap  
4 per pupil amount of ~~\$449.00~~ **\$601.00** and are estimated to provide a  
5 rate cap per pupil for districts ranging between \$4.00 and  
6 ~~\$2,056.00~~ **\$2,300.00**.

7 (3) Payments made under this section for ~~2014-2015~~ **2015-2016**  
8 shall be equal to the difference between the unfunded actuarial  
9 accrued liability contribution rate as calculated pursuant to  
10 section 41 of the public school employees retirement act of 1979,  
11 1980 PA 300, MCL 38.1341, as calculated without taking into account  
12 the maximum employer rate of 20.96% included in section 41 of the  
13 public school employees retirement act of 1979, 1980 PA 300, MCL  
14 38.1341, and the maximum employer rate of 20.96% included in  
15 section 41 of the public school employees retirement act of 1979,  
16 1980 PA 300, MCL 38.1341.

17 (4) The amount allocated to each participating entity under  
18 this section shall be based on each participating entity's  
19 proportion of the total covered payroll for the immediately  
20 preceding fiscal year for the same type of participating entities.  
21 A participating entity that receives funds under this section shall  
22 use the funds solely for the purpose of retirement contributions as  
23 specified in subsection (5).

24 (5) Each participating entity receiving funds under this  
25 section shall forward an amount equal to the amount allocated under  
26 subsection (4) to the retirement system in a form, manner, and time  
27 frame determined by the retirement system.



1 (6) Funds allocated under this section should be considered  
2 when comparing a district's growth in total state aid funding from  
3 1 fiscal year to the next.

4 (7) Not later than ~~October 20, 2014,~~ **DECEMBER 20, 2015,** the  
5 department shall publish and post on its website an estimated  
6 MPSERS rate cap per pupil for each district.

7 (8) As used in this section:

8 (a) "MPSERS rate cap per pupil" means an amount equal to the  
9 quotient of the district's payment under this section divided by  
10 the district's pupils in membership.

11 (b) "Participating entity" means a district, intermediate  
12 district, or district library 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) "Retirement board" means the board that administers the  
19 retirement system under the public school employees retirement act  
20 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

21 (d) "Retirement system" means the Michigan public school  
22 employees' retirement system under the public school employees  
23 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

24 Sec. 152a. (1) As required by the court in the consolidated  
25 cases known as Adair v State of Michigan, Michigan supreme court  
26 docket nos. 137424 and 137453, from the state school aid fund money  
27 appropriated in section 11 there is allocated for ~~2014-2015~~ **2015-**



1 **2016** an amount not to exceed \$38,000,500.00 to be used solely for  
 2 the purpose of paying necessary costs related to the state-mandated  
 3 collection, maintenance, and reporting of data to this state.

4 (2) From the allocation in subsection (1), the department  
 5 shall make payments to districts and intermediate districts in an  
 6 equal amount per-pupil based on the total number of pupils in  
 7 membership in each district and intermediate district. The  
 8 department shall not make any adjustment to these payments after  
 9 the final installment payment under section 17b is made.

10 Sec. 163. (1) Except as provided in the revised school code,  
 11 the board of a district or intermediate district shall not permit  
 12 any of the following:

13 (a) A noncertificated ~~teacher~~ **EDUCATOR** to teach in an  
 14 elementary or secondary school or in an adult basic education or  
 15 high school completion program.

16 (b) A noncertificated ~~counselor~~ **EDUCATOR** to provide counseling  
 17 services to pupils in an elementary or secondary school or in an  
 18 adult basic education or high school completion program.

19 **(C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL**  
 20 **PROGRAMS IN AN ELEMENTARY OR SECONDARY SCHOOL, OR IN AN ADULT BASIC**  
 21 **EDUCATION OR HIGH SCHOOL COMPLETION PROGRAM, UNLESS THAT EDUCATOR**  
 22 **IS FULFILLING APPLICABLE CONTINUING EDUCATION REQUIREMENTS.**

23 (2) Except as provided in the revised school code, a district  
 24 or intermediate district employing ~~teachers or counselors~~ **EDUCATORS**  
 25 not legally certificated **OR LICENSED** shall have deducted the sum  
 26 equal to the amount paid the ~~teachers or counselors~~ **EDUCATORS** for  
 27 the period of noncertificated, **UNLICENSED**, or illegal employment.



1 Each intermediate superintendent shall notify the department of the  
 2 name of the noncertificated ~~teacher or counselor,~~ **OR UNLICENSED**  
 3 **EDUCATOR**, and the district employing that individual and the amount  
 4 of salary the noncertificated ~~teacher or counselor~~ **OR UNLICENSED**  
 5 **EDUCATOR** was paid within a constituent district.

6 (3) If a school official is notified by the department that he  
 7 or she is employing a nonapproved, noncertificated, ~~teacher or~~  
 8 ~~counselor~~ **OR UNLICENSED EDUCATOR** in violation of this section and  
 9 knowingly continues to employ that ~~teacher or counselor,~~ **EDUCATOR**,  
 10 the school official is guilty of a misdemeanor, punishable by a  
 11 fine of \$1,500.00 for each incidence. This penalty is in addition  
 12 to all other financial penalties otherwise specified in this  
 13 article.

14 Enacting section 1. (1) In accordance with section 30 of  
 15 article IX of the state constitution of 1963, total state spending  
 16 on school aid in article I under 2014 PA 196, 2015 PA 5, and this  
 17 amendatory act from state sources for fiscal year 2014-2015 is  
 18 estimated at \$11,864,997,400.00 and state appropriations for school  
 19 aid to be paid to local units of government for fiscal year 2014-  
 20 2015 are estimated at \$11,706,349,600.00.

21 (2) In accordance with section 30 of article IX of the state  
 22 constitution of 1963, total state spending on school aid in this  
 23 amendatory act from state sources for fiscal year 2015-2016 is  
 24 estimated at \$12,192,794,700.00 and state appropriations for school  
 25 aid to be paid to local units of government for fiscal year 2015-  
 26 2016 are estimated at \$12,032,527,700.00.

27 Enacting section 2. Sections 12, 22c, 22g, 22j, 31b, 32r, 64c,



1 64d, 74a, 99b, and 147d of the state school aid act of 1979, 1979  
2 PA 94, MCL 388.1612, 388.1622c, 388.1622g, 388.1622j, 388.1631b,  
3 388.1632r, 388.1664c, 388.1664d, 388.1674a, 388.1699b, and  
4 388.1747d, are repealed effective October 1, 2015.

5 Enacting section 3. (1) Except as otherwise provided in  
6 subsection (2), this amendatory act takes effect October 1, 2015.

7 (2) Sections 11, 18a, and 95a of the state school aid act of  
8 1979, 1979 PA 94, MCL 388.1611, 388.1618a, and 388.1695a, as  
9 amended by this amendatory act, take effect upon enactment of this  
10 amendatory act.

