

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 4089, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11 and 17b (MCL 388.1611 and 388.1617b), section 11 as amended by 2015 PA 5 and section 17b as amended by 2007 PA 137.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

(attached)

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 18a, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 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, 99h, 101, 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, 388.1622g, 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, 388.1699h, 388.1701, 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, 22g, 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, 99h, 101, 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, and section 23a as added by 2012 PA 465, and by adding sections 25g, 31c, 31h, 35, 35a, 55, 61b, 65, 67, 77, 99c, 99s, 102d, and 104d; and to repeal acts and parts of acts.

Tim Kelly

Goeff Hansen

Phil Potvin

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Sarah Roberts

Hoon-Yung Hopgood

Conferees for the House

Conferees for the Senate

**SUBSTITUTE FOR
HOUSE BILL NO. 4089**

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, 22g, 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, 99h, 101, 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, 388.1622g, 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, 388.1699h, 388.1701, 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, 22g, 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, 99h, 101, 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, and section 23a as added by 2012 PA 465, and by adding sections 25g, 31c, 31h, 35, 35a, 55, 61b, 65, 67, 77, 99c, 99s, 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
13 pupils residing in the operating district. In addition, special

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

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

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

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

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

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

1 membership.

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

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

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

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

24 (f) A pupil enrolled in a career and technical education
25 program supported by a millage levied over an area larger than a
26 single district or in an area vocational-technical education
27 program established pursuant to section 690 of the revised school

1 code, MCL 380.690, shall be counted only in the pupil's district of
2 residence.

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

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

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

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

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

1 day for the current school year.

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

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

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

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

27 (ii) A pupil who is determined by the department to meet all

1 of the following may be counted in membership:

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

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

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

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

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

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

1 (n) If a pupil counted in membership in a public school
2 academy or the education achievement system is also educated by a
3 district or intermediate district as part of a cooperative
4 education program, the pupil shall be counted in membership only in
5 the public school academy or the education achievement system
6 unless a written agreement signed by all parties designates the
7 party or parties in which the pupil shall be counted in membership,
8 and the instructional time scheduled for the pupil in the district
9 or intermediate district shall be included in the full-time equated
10 membership determination under subdivision (q) **AND SECTION 101**.
11 However, for pupils receiving instruction in both a public school
12 academy or the education achievement system and in a district or
13 intermediate district but not as a part of a cooperative education
14 program, the following apply:

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

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

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

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

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

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

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

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

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

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

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

1 certificated teacher.

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

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

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

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

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

27 (x) If a district's membership for a particular fiscal year,

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

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

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

22 (y) Full-time equated memberships for special education pupils
23 who are not enrolled in kindergarten but are enrolled in a
24 classroom program under R 340.1754 of the Michigan administrative
25 code shall be determined by dividing the number of class hours
26 scheduled and provided per year by 450. Full-time equated
27 memberships for special education pupils who are not enrolled in

1 kindergarten but are receiving early childhood special education
2 services under R 340.1755 or R 340.1862 of the Michigan
3 administrative code shall be determined by dividing the number of
4 hours of service scheduled and provided per year per-pupil by 180.

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

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

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

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

1 district or the education achievement system.

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

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

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

1 after it is determined that the pupil does not meet that definition
2 of satisfactory monthly progress.

3 (EE) A PUPIL PARTICIPATING IN AN ONLINE COURSE UNDER SECTION
4 21F SHALL BE COUNTED IN MEMBERSHIP IN THE DISTRICT ENROLLING THE
5 PUPIL.

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

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

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

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

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

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

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

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

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

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

1 school premises.

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

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

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

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

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

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

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

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

24 (j) A pupil who is the child of a person who works at the
25 district or who is the child of a person who worked at the district
26 as of the time the pupil first enrolled in the district but who no
27 longer works at the district due to a workforce reduction. As used

1 in this subdivision, "child" includes an adopted child, stepchild,
2 or legal ward.

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

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

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

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

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

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

24 However, if a district educates pupils who reside in another
25 district and if the primary instructional site for those pupils is
26 established by the educating district after 2009-2010 and is
27 located within the boundaries of that other district, the educating

1 district must have the approval of that other district to count
2 those pupils in membership.

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

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

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

13 (i) Fourth Wednesday in July.

14 (ii) First Wednesday in October.

15 (iii) Second Wednesday in February.

16 (iv) Fourth Wednesday in April.

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

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

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

25 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
26 380.1852.

27 (11) "School district of the first class", "first class school

1 district", and "district of the first class" mean, for the purposes
2 of this article only, a district that had at least 40,000 pupils in
3 membership for the immediately preceding fiscal year.

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

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

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

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

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

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

26 (18) "Taxable value" means the taxable value of property as
27 determined under section 27a of the general property tax act, 1893

1 PA 206, MCL 211.27a.

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

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

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

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

1 then the district code the department shall use to make payments
2 under this article to the newly authorized public school academy
3 shall be a 5-digit number that has the county code in which the
4 public school academy is located as its first 2 digits, 9 as its
5 third digit, 0 as its fourth digit, and 1 as its fifth digit. If
6 the number of public school academies in a county grows to exceed
7 100, the third digit in this 5-digit number shall then be 7 for the
8 public school academies in excess of 100.

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

18 Sec. 11. (1) For the fiscal year ending September 30, 2015,
19 there is appropriated for the public schools of this state and
20 certain other state purposes relating to education the sum of
21 ~~\$11,827,097,400.00~~ **\$11,814,097,400.00** from the state school aid
22 fund, the sum of \$18,000,000.00 from the MPSERS retirement
23 obligation reform reserve fund created under section 147b, and the
24 sum of \$33,700,000.00 from the general fund. **FOR THE FISCAL YEAR**
25 **ENDING SEPTEMBER 30, 2016, THERE IS APPROPRIATED FOR THE PUBLIC**
26 **SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO**
27 **EDUCATION THE SUM OF \$12,074,660,100.00 FROM THE STATE SCHOOL AID**

1 **FUND AND THE SUM OF \$45,900,000.00 FROM THE GENERAL FUND.** In
2 addition, all other available federal funds are appropriated **EACH**
3 **FISCAL YEAR** for the fiscal ~~year~~**YEARS** ending September 30, 2015 **AND**
4 **SEPTEMBER 30, 2016.**

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

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

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

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

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

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

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

26 (3) Money available in the school aid stabilization fund may
27 not be expended without a specific appropriation from the school

1 aid stabilization fund. Money in the school aid stabilization fund
2 shall be expended only for purposes for which state school aid fund
3 money may be expended.

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

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

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

25 (7) For ~~2014-2015~~, ~~2015-2016~~, in addition to the
26 appropriations in section 11, there is appropriated from the school
27 aid stabilization fund to the state school aid fund the amount

1 necessary to fully fund the allocations under this article.

2 Sec. 11j. From the appropriation in section 11, there is
3 allocated an amount not to exceed ~~\$126,000,000.00 for 2014-2015~~
4 **\$126,500,000.00 FOR 2015-2016** for payments to the school loan bond
5 redemption fund in the department of treasury on behalf of
6 districts and intermediate districts. Notwithstanding section 296
7 or any other provision of this act, funds allocated under this
8 section are not subject to proration and shall be paid in full.

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

16 Sec. 11m. From the appropriation in section 11, there is
17 allocated for 2014-2015 an amount not to exceed ~~\$3,000,000.00~~ **\$0.00**
18 **AND THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED**
19 **\$2,000,000.00** for fiscal year cash-flow borrowing costs solely
20 related to the state school aid fund established by section 11 of
21 article IX of the state constitution of 1963.

22 Sec. 11r. (1) From the appropriation in section 11, there is
23 allocated **FOR 2014-2015** an amount not to exceed \$4,000,000.00 to be
24 deposited into the distressed districts emergency grant fund
25 created under this section for the purpose of funding grants under
26 this section.

27 (2) The distressed districts emergency grant fund is created

1 as a separate account within the state school aid fund. The state
2 treasurer may receive money or other assets from any source for
3 deposit into the distressed districts emergency grant fund. The
4 state treasurer shall direct the investment of the distressed
5 districts emergency grant fund and shall credit to the distressed
6 districts emergency grant fund interest and earnings from the fund.

7 (3) Subject to subsection (4), **AND EXCEPT AS OTHERWISE**
8 **PROVIDED UNDER SUBSECTION (8)**, a district is eligible to receive a
9 grant from the distressed districts emergency grant fund if either
10 of the following applies:

11 (a) The district has adopted a resolution authorizing the
12 voluntary dissolution of the district approved by the state
13 treasurer under section 12 of the revised school code, MCL 380.12,
14 but the dissolution has not yet taken effect under that section.

15 (b) The district is a receiving district under section 12 of
16 the revised school code, MCL 380.12, and the district enrolls
17 pupils who were previously enrolled in a district that was
18 dissolved under section 12 of the revised school code, MCL 380.12,
19 in the immediately preceding school year.

20 (4) A district receiving funds under section 20g is not
21 eligible to receive funds under this section.

22 (5) The amount of a grant under this section shall be
23 determined by the state treasurer after consultation with the
24 superintendent of public instruction, but shall not exceed the
25 estimated amount of remaining district costs in excess of available
26 revenues, including, but not limited to, payroll, benefits,
27 retirement system contributions, pupil transportation, food

1 services, special education, building security, and other costs
2 necessary to allow the district to operate schools directly and
3 provide public education services until the end of the current
4 school fiscal year. For a district that meets the eligibility
5 criteria under subsection (3)(b), the amount of the grant shall be
6 determined in the same manner as transition costs under section
7 20g.

8 (6) Before disbursing funds under this section, the state
9 treasurer shall notify the house and senate appropriations
10 subcommittees on school aid and the house and senate fiscal
11 agencies. The notification shall include, but not be limited to,
12 the district receiving funds under this section, the amount of the
13 funds awarded under this section, an explanation of the district
14 conditions that necessitate funding under this section, and the
15 intended use of funds disbursed under this section.

16 (7) Money in the distressed districts emergency grant fund at
17 the close of a fiscal year shall remain in the distressed districts
18 emergency grant fund and shall not lapse to the state school aid
19 fund or to the general fund.

20 (8) **FOR 2014-2015 ONLY, FOR A DISTRICT THAT IS A STRICT**
21 **DISCIPLINE ACADEMY ESTABLISHED UNDER SECTIONS 1311B TO 1311M OF THE**
22 **REVISED SCHOOL CODE, MCL 380.1311B TO 380.1311M, THAT SERVES AT**
23 **LEAST 340 PUPILS AS REPORTED ON THE LINE LABELED "STATE AID**
24 **MEMBERSHIP" IN THE MAY 2015 STATE AID FINANCIAL STATUS REPORT, AND**
25 **THAT SERVICES A PROGRAM THAT PROVIDED PUPIL ACCOUNTING INFORMATION**
26 **TO THE DEPARTMENT FOR THE OCTOBER 2013 DATA COLLECTION ON THE**
27 **DEPARTMENT FORM ENTITLED "ANNUAL SURVEY OF CHILDREN IN LOCAL**

1 INSTITUTIONS FOR NEGLECTED OR DELINQUENT CHILDREN OR IN
2 CORRECTIONAL INSTITUTIONS (TITLE I OF P.L. 107-110)", BUT FOR WHICH
3 THE INFORMATION WAS NOT CORRECTLY COMPILED BY THE DEPARTMENT, THE
4 DEPARTMENT SHALL AWARD A GRANT TO THAT DISTRICT UNDER THIS
5 SUBSECTION FROM THE FUNDING ALLOCATED UNDER SUBSECTION (1) TO
6 COMPENSATE THE DISTRICT FOR THE LOSS IN FEDERAL FUNDING THAT
7 OCCURRED AS A RESULT OF THE DEPARTMENT'S INCORRECT COMPILATION. THE
8 AMOUNT OF THE GRANT UNDER THIS SUBSECTION FOR THIS PURPOSE SHALL BE
9 \$178,000.00 FOR THE AMOUNT LOST FOR THE 2014-2015 SCHOOL YEAR.

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

1 education or special education transportation payments, from the
2 proceeds of a loan to the district under the emergency municipal
3 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
4 of millage levied or pledged under section 1211 of the revised
5 school code, MCL 380.1211.

6 (2) If the result of an audit conducted by or for the
7 department affects the current fiscal year membership, affected
8 payments shall be adjusted in the current fiscal year. A deduction
9 due to an adjustment made as a result of an audit conducted by or
10 for the department, or as a result of information obtained by the
11 department from the district, an intermediate district, the
12 department of treasury, or the office of auditor general, shall be
13 deducted from the district's apportionments when the adjustment is
14 finalized. At the request of the district and upon the district
15 presenting evidence satisfactory to the department of the hardship,
16 the department may grant up to an additional 4 years for the
17 adjustment and may advance payments to the district otherwise
18 authorized under this article if the district would otherwise
19 experience a significant hardship in satisfying its financial
20 obligations. **FOR A DISTRICT THAT IS A STRICT DISCIPLINE ACADEMY**
21 **ESTABLISHED UNDER SECTIONS 1311B TO 1311M OF THE REVISED SCHOOL**
22 **CODE, MCL 380.1311B TO 380.1311M, AND THAT CLAIMED A HARDSHIP IN**
23 **2014-2015 BECAUSE OF AN OVERPAYMENT CAUSED BY A MISCALCULATION OF**
24 **ITS PUPIL MEMBERSHIP FOR 2013-2014, THE DEPARTMENT SHALL CONSIDER**
25 **THE AMOUNT OF REPAYMENT MADE BY THE DISTRICT AS OF THE EFFECTIVE**
26 **DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE TO CONSTITUTE**
27 **FULL REPAYMENT AND THE DISTRICT IS NOT REQUIRED TO CONTINUE MAKING**

1 **REPAYMENT FOR THE OVERPAYMENT THAT OCCURRED IN 2013-2014.**

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

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

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

1 (6) In addition to funds appropriated in section 11 for all
2 programs and services, there is appropriated for ~~2014-2015-2015-~~
3 **2016** for obligations in excess of applicable appropriations an
4 amount equal to the collection of overpayments, but not to exceed
5 amounts available from overpayments.

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

22 **(2) A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AN ANNUAL**
23 **BUDGET IN A MANNER THAT COMPLIES WITH THE UNIFORM BUDGETING AND**
24 **ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.** Within 15 days
25 after a board adopts its annual operating budget for the following
26 school fiscal year, or after a board adopts a subsequent revision
27 to that budget, the district shall make all of the following

1 available through a link on its website ~~home page,~~ **HOME PAGE**, or may
2 make the information available through a link on its intermediate
3 district's website ~~home page,~~ **HOME PAGE**, in a form and manner
4 prescribed by the department:

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

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

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

13 (A) Salaries and wages.

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

17 (C) Retirement benefit costs.

18 (D) All other personnel costs.

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

21 (A) Instruction.

22 (B) Support services.

23 (C) Business and administration.

24 (D) Operations and maintenance.

25 (c) Links to all of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (e) All of the following shall be done not later than ~~November~~
2 ~~15, 2014 for reporting 2013-2014 data during 2014-2015, and not~~
3 ~~later than November 1~~ **EACH YEAR** for reporting the prior fiscal year
4 data: ~~for all subsequent fiscal years.~~

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

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

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

13 (f) The annual financial audit reports and pupil accounting
14 procedures reports shall be available to the public in compliance
15 with the freedom of information act, 1976 PA 442, MCL 15.231 to
16 15.246.

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

24 (5) By ~~November 15, 2014 for 2014-2015 and by November 1 for~~
25 ~~all subsequent fiscal years,~~ **EACH YEAR,** each district and
26 intermediate district shall submit to the center, in a manner
27 prescribed by the center, annual comprehensive financial data

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

18 (6) By September 30 of each year, each district and
19 intermediate district shall file with the department the special
20 education actual cost report, known as "SE-4096", on a form and in
21 the manner prescribed by the department.

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

26 (8) The department shall review its pupil accounting and pupil
27 auditing manuals at least annually and shall periodically update

1 those manuals to reflect changes in this article.

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

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

17 **(11) IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY**
18 **WITH SUBSECTION (2), THE DEPARTMENT MAY WITHHOLD UP TO 10% OF THE**
19 **STATE SCHOOL AID OTHERWISE PAYABLE TO THE DISTRICT OR INTERMEDIATE**
20 **DISTRICT UNDER THIS ARTICLE, BEGINNING WITH THE NEXT PAYMENT DUE TO**
21 **THE DISTRICT OR INTERMEDIATE DISTRICT, UNTIL THE DISTRICT OR**
22 **INTERMEDIATE DISTRICT COMPLIES WITH SUBSECTION (2). IF THE DISTRICT**
23 **OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION (2) BY THE**
24 **END OF THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT**
25 **FORFEITS THE AMOUNT WITHHELD.**

26 (12) ~~(11)~~ Not later than November 1, ~~2014,~~ **2015**, if a district
27 or intermediate district offers online learning under section 21f,

1 the district or intermediate district shall submit to the
2 department a report that details the per-pupil costs of operating
3 the online learning by vendor type. The report shall include at
4 least all of the following information concerning the operation of
5 online learning for the school fiscal year ending June 30,
6 ~~2014+2015~~:

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

9 (b) The total number of students enrolled in the online
10 learning and the total number of membership pupils enrolled in the
11 online learning.

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

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

16 (e) The number of participating students who had previously
17 dropped out of school.

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

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

27 (h) The name of each online education provider contracted by

1 the district and the state in which each online education provider
2 is headquartered.

3 (13) ~~(12)~~ Not later than March 31, ~~2015,~~ **2016**, the department
4 shall submit to the house and senate appropriations subcommittees
5 on state school aid, the state budget director, and the house and
6 senate fiscal agencies a report summarizing the per pupil costs by
7 vendor type of online courses available under section 21f.

8 (14) ~~(13)~~ As used in subsections ~~(11) and (12),~~ **(12) AND (13)**,
9 "vendor type" means the following:

10 (a) Online courses provided by the Michigan virtual
11 university.

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

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

17 (d) Online courses created and offered by a district or
18 intermediate district.

19 Sec. 18a. Grant funds awarded and allotted to a district,
20 intermediate district, or other entity, unless otherwise specified
21 in this ~~act,~~ **ARTICLE**, shall be expended by the grant recipient
22 before the end of the ~~school~~ fiscal year immediately following the
23 fiscal year in which the funds are received. If a grant recipient
24 does not expend the funds received under this ~~act~~ **ARTICLE** before
25 the end of the fiscal year in which the funds are received, the
26 grant recipient shall submit a report to the department not later
27 than November 1 after the fiscal year in which the funds are

1 received indicating whether it expects to expend those funds during
2 the fiscal year in which the report is submitted. A recipient of a
3 grant shall return any unexpended grant funds to the department in
4 the manner prescribed by the department not later than September 30
5 after the fiscal year in which the funds are received.

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

8 (a) The basic foundation allowance is ~~\$8,099.00.~~ **\$8,169.00.**

9 (b) The minimum foundation allowance is ~~\$7,126.00.~~ **\$7,391.00.**

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

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

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

1 allowance and [(the difference between the basic foundation
2 allowance for the current state fiscal year and basic foundation
3 allowance for the immediately preceding state fiscal year minus
4 ~~\$10.00~~—**\$23.00**) times (the difference between the district's
5 foundation allowance for the immediately preceding state fiscal
6 year and the minimum foundation allowance for the immediately
7 preceding state fiscal year) divided by the difference between the
8 basic foundation allowance for the current state fiscal year and
9 the minimum foundation allowance for the immediately preceding
10 state fiscal year]. However, the foundation allowance for a
11 district that had less than the basic foundation allowance for the
12 immediately preceding state fiscal year shall not exceed the basic
13 foundation allowance for the current state fiscal year. For the
14 purposes of this subdivision, for ~~2014-2015~~, **2015-2016**, the minimum
15 foundation allowance for the immediately preceding state fiscal
16 year shall be considered to be ~~\$7,076.00~~. For ~~2014-2015~~, for a
17 ~~district that had a foundation allowance for the immediately~~
18 ~~preceding state fiscal year that was at least equal to the minimum~~
19 ~~foundation allowance for the immediately preceding state fiscal~~
20 ~~year but less than the basic foundation allowance for the~~
21 ~~immediately preceding state fiscal year, the district shall receive~~
22 ~~a foundation allowance in an amount equal to the district's~~
23 ~~foundation allowance for 2013-2014 plus \$50.00.~~ **\$7,251.00.**

24 (b) Except as otherwise provided in this subsection, for a
25 district that in the immediately preceding state fiscal year had a
26 foundation allowance in an amount equal to the amount of the basic
27 foundation allowance for the immediately preceding state fiscal

1 year, the district shall receive a foundation allowance for ~~2014-~~
2 ~~2015-2015-2016~~ in an amount equal to the basic foundation allowance
3 for ~~2014-2015-2015-2016~~.

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

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

21 (e) For a district that received a payment under section 22c
22 as that section was in effect for ~~2013-2014, 2014-2015~~, the
23 district's ~~2013-2014-2014-2015~~ foundation allowance shall be
24 considered to have been an amount equal to the sum of the
25 district's actual ~~2013-2014-2014-2015~~ foundation allowance as
26 otherwise calculated under this section plus the per-pupil amount
27 of the district's equity payment for ~~2013-2014-2014-2015~~ under

1 section 22c as that section was in effect for ~~2013-2014~~-2014-2015.

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

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

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

13 (6) Except as otherwise provided in this subsection, for
14 pupils in membership, other than special education pupils, in a
15 public school academy, the allocation calculated under this section
16 is an amount per membership pupil other than special education
17 pupils in the public school academy equal to the foundation
18 allowance of the district in which the public school academy is
19 located or the state maximum public school academy allocation,
20 whichever is less. **FOR PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL**
21 **EDUCATION PUPILS, IN A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL**
22 **AND IS AUTHORIZED BY A SCHOOL DISTRICT, THE ALLOCATION CALCULATED**
23 **UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN**
24 **SPECIAL EDUCATION PUPILS IN THE PUBLIC SCHOOL ACADEMY EQUAL TO THE**
25 **FOUNDATION ALLOWANCE OF THE DISTRICT THAT AUTHORIZED THE PUBLIC**
26 **SCHOOL ACADEMY OR THE STATE MAXIMUM PUBLIC SCHOOL ACADEMY**
27 **ALLOCATION, WHICHEVER IS LESS.** However, a public school academy

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

17 (7) Except as otherwise provided in this subsection, for
18 pupils attending an achievement school and in membership in the
19 education achievement system, other than special education pupils,
20 the allocation calculated under this section is an amount per
21 membership pupil other than special education pupils equal to the
22 foundation allowance of the district in which the achievement
23 school is located, not to exceed the basic foundation allowance.
24 Notwithstanding section 101, for an achievement school that begins
25 operation after the pupil membership count day, the amount per
26 membership pupil calculated under this subsection shall be adjusted
27 by multiplying that amount per membership pupil by the number of

1 hours of pupil instruction provided by the achievement school after
2 it begins operations, as determined by the department, divided by
3 the minimum number of hours of pupil instruction required under
4 section 101(3). The result of this calculation shall not exceed the
5 amount per membership pupil otherwise calculated under this
6 subsection. For the purposes of this subsection, if a public school
7 is transferred from a district to the state school reform/redesign
8 district or the achievement authority under section 1280c of the
9 revised school code, MCL 380.1280c, that public school is
10 considered to be an achievement school within the education
11 achievement system and not a school that is part of a district, and
12 a pupil attending that public school is considered to be in
13 membership in the education achievement system and not in
14 membership in the district that operated the school before the
15 transfer.

16 (8) Subject to subsection (4), for a district that is formed
17 or reconfigured after June 1, 2002 by consolidation of 2 or more
18 districts or by annexation, the resulting district's foundation
19 allowance under this section beginning after the effective date of
20 the consolidation or annexation shall be the lesser of the sum of
21 the average of the foundation allowances of each of the original or
22 affected districts, calculated as provided in this section,
23 weighted as to the percentage of pupils in total membership in the
24 resulting district who reside in the geographic area of each of the
25 original or affected districts plus \$100.00 or the highest
26 foundation allowance among the original or affected districts. This
27 subsection does not apply to a receiving district unless there is a

1 subsequent consolidation or annexation that affects the district.

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

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

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

15 (a) The pupil membership factor shall be computed by dividing
16 the estimated membership in the school year ending in the current
17 state fiscal year, excluding intermediate district membership, by
18 the estimated membership for the school year ending in the
19 subsequent state fiscal year, excluding intermediate district
20 membership. If a consensus membership factor is not determined at
21 the revenue estimating conference, the principals of the revenue
22 estimating conference shall report their estimates to the house and
23 senate subcommittees responsible for school aid appropriations not
24 later than 7 days after the conclusion of the revenue conference.

25 (b) The revenue adjustment factor shall be computed by
26 dividing the sum of the estimated total state school aid fund
27 revenue for the subsequent state fiscal year plus the estimated

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

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

23 (12) Payments to districts, public school academies, or the
24 education achievement system shall not be made under this section.
25 Rather, the calculations under this section shall be used to
26 determine the amount of state payments under section 22b.

27 (13) If an amendment to section 2 of article VIII of the state

1 constitution of 1963 allowing state aid to some or all nonpublic
2 schools is approved by the voters of this state, each foundation
3 allowance or per-pupil payment calculation under this section may
4 be reduced.

5 (14) As used in this section:

6 (a) "Certified mills" means the lesser of 18 mills or the
7 number of mills of school operating taxes levied by the district in
8 1993-94.

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

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

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

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

22 (f) "Immediately preceding state fiscal year" means the state
23 fiscal year immediately preceding the current state fiscal year.

24 (g) "Local portion of the district's foundation allowance"
25 means an amount that is equal to the difference between (the sum of
26 the product of the taxable value per membership pupil of all
27 property in the district that is nonexempt property times the

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

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

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

20 (j) "Maximum public school academy allocation", except as
21 otherwise provided in this subdivision, means the maximum per-pupil
22 allocation as calculated by adding the highest per-pupil allocation
23 among all public school academies for the immediately preceding
24 state fiscal year plus the difference between twice the amount of
25 the difference between the basic foundation allowance for the
26 current state fiscal year and the basic foundation for the
27 immediately preceding state fiscal year and [(the amount of the

1 difference between the basic foundation allowance for the current
2 state fiscal year and the basic foundation for the immediately
3 preceding state fiscal year minus ~~-\$10.00~~-\$23.00) times (the
4 difference between the highest per-pupil allocation among all
5 public school academies for the immediately preceding state fiscal
6 year and the minimum foundation allowance for the immediately
7 preceding state fiscal year) divided by the difference between the
8 basic foundation allowance for the current state fiscal year and
9 the minimum foundation allowance for the immediately preceding
10 state fiscal year]. For the purposes of this subdivision, ~~for 2014-~~
11 ~~2015, the minimum foundation allowance for the immediately~~
12 ~~preceding state fiscal year shall be considered to be \$7,076.00.~~
13 ~~For 2014-2015, FOR 2015-2016, the maximum public school academy~~
14 allocation is ~~\$7,218.00.~~**\$7,391.00.**

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

18 (l) "Nonexempt property" means property that is not a
19 principal residence, qualified agricultural property, qualified
20 forest property, supportive housing property, industrial personal
21 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**
22 **A PUBLIC SCHOOL ACADEMY.**

23 (m) "Principal residence", "qualified agricultural property",
24 "qualified forest property", "supportive housing property",
25 "industrial personal property", and "commercial personal property"
26 mean those terms as defined in section 1211 of the revised school
27 code, MCL 380.1211.

1 (n) "Receiving district" means a district to which all or part
2 of the territory of a dissolved district is attached under section
3 12 of the revised school code, MCL 380.12.

4 (o) "School operating purposes" means the purposes included in
5 the operation costs of the district as prescribed in sections 7 and
6 18 and purposes authorized under section 1211 of the revised school
7 code, MCL 380.1211.

8 (p) "School operating taxes" means local ad valorem property
9 taxes levied under section 1211 of the revised school code, MCL
10 380.1211, and retained for school operating purposes.

11 (q) "Tax increment financing acts" means 1975 PA 197, MCL
12 125.1651 to 125.1681, the tax increment finance authority act, 1980
13 PA 450, MCL 125.1801 to 125.1830, the local development financing
14 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
15 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
16 or the corridor improvement authority act, 2005 PA 280, MCL
17 125.2871 to 125.2899.

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

24 Sec. 20d. In making the final determination required under
25 former section 20a of a district's combined state and local revenue
26 per membership pupil in 1993-94 and in making calculations under
27 section 20 for ~~2014-2015~~, **2015-2016**, the department and the

1 department of treasury shall comply with all of the following:

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

18 (b) If a district had an adjustment made to its 1993-94 total
19 state school aid that excluded payments made under former section
20 146 and under section 147 on behalf of the district's employees who
21 provided direct services for intermediate district center programs
22 operated by the district under article 5, if nonresident pupils
23 attending the center programs were included in the district's
24 membership for purposes of calculating the combined state and local
25 revenue per membership pupil for 1993-94, and if there is a signed
26 agreement by all constituent districts of the intermediate district
27 that an adjustment under this subdivision shall be made, the

1 foundation allowances for 1995-96 and 1996-97 of all districts that
2 had pupils attending the intermediate district center program
3 operated by the district that had the adjustment shall be
4 calculated as if their combined state and local revenue per
5 membership pupil for 1993-94 included resident pupils attending the
6 center program and excluded nonresident pupils attending the center
7 program.

8 Sec. 20f. (1) From the funds appropriated in section 11, there
9 is allocated an amount not to exceed ~~\$6,000,000.00 for 2014-2015~~
10 **\$18,000,000.00 FOR 2015-2016** for payments to eligible districts
11 under this section.

12 **(2) THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**
13 **UNDER SUBSECTION (1).** A district is eligible for funding under this
14 ~~section~~-**SUBSECTION** if the district received a payment under this
15 section as it was in effect for 2013-2014. A district was eligible
16 for funding in 2013-2014 if the sum of the following was less than
17 \$5.00:

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

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

23 (c) The quotient of the district's allocation under section
24 147a for 2012-2013 divided by the district's membership pupils for
25 2012-2013 minus the quotient of the district's allocation under
26 section 147a for 2013-2014 divided by the district's membership
27 pupils for 2013-2014.

1 (3) ~~(2)~~—The amount allocated to each eligible district under
2 ~~this section~~ **SUBSECTION (2)** is an amount per membership pupil equal
3 to the amount per membership pupil the district received **UNDER THIS**
4 **SECTION** in 2013-2014.

5 (4) **THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**
6 **UNDER SUBSECTION (1). A DISTRICT IS ELIGIBLE FOR FUNDING UNDER THIS**
7 **SUBSECTION FOR 2015-2016 IF THE SUM OF THE FOLLOWING IS LESS THAN**
8 **\$25.00:**

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

12 (B) **THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL**
13 **FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016.**

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

16 (D) **THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION**
17 **31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR**
18 **2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER**
19 **SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP**
20 **PUPILS FOR 2014-2015.**

21 (5) **THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER**
22 **SUBSECTION (4) IS AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO \$25.00**
23 **MINUS THE SUM OF THE FOLLOWING:**

24 (A) **THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR**
25 **PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO**
26 **2015-2016.**

27 (B) **THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL**

1 FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016.

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

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

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

13 Sec. 20g. (1) From the money appropriated under section 11,
14 there is allocated an amount not to exceed \$2,200,000.00 for ~~2014-~~
15 ~~2015-~~**2015-2016** for grants to eligible districts that first received
16 payments under this section in 2013-2014 for transition costs
17 related to the enrollment of pupils who were previously enrolled in
18 a district that was dissolved under section 12 of the revised
19 school code, MCL 380.12, allocated as provided under subsection
20 (3). Payments under this section shall continue for a total of 4
21 fiscal years following the dissolution of a district, after which
22 the payments shall cease.

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

26 (3) The amount allocated to each eligible district under ~~This~~
27 **THIS** section is an amount equal to the product of the number of

1 membership pupils enrolled in the eligible district who were
2 previously enrolled in the dissolved school district in the school
3 year immediately preceding the dissolution, or who reside in the
4 geographic area of the dissolved school district and are entering
5 kindergarten, times 10.0% of the lesser of the foundation allowance
6 of the eligible district as calculated under section 20 or the
7 basic foundation allowance under section 20(1).

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

11 Sec. 21f. (1) A pupil enrolled in a district in any of grades
12 6 to 12 is eligible to enroll in an online course as provided for
13 in this section.

14 (2) With the consent of the pupil's parent or legal guardian,
15 a district shall enroll an eligible pupil in up to 2 online courses
16 as requested by the pupil during an academic term, semester, or
17 trimester. Unless the pupil is newly enrolled in the **PUPIL'S**
18 **PRIMARY** district, the request for online course enrollment must be
19 made in the academic term, semester, trimester, or summer preceding
20 the enrollment. A district may not establish additional
21 requirements that would prohibit a pupil from taking an online
22 course. If a pupil has demonstrated previous success with online
23 courses and the school leadership and the pupil's parent or legal
24 guardian determine that it is in the best interest of the pupil, a
25 pupil may be enrolled in more than 2 online courses in a specific
26 academic term, semester, or trimester. Consent of the pupil's
27 parent or legal guardian is not required if the pupil is at least

1 age 18 or is an emancipated minor.

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

7 (4) A **PROVIDING** district **OR COMMUNITY COLLEGE** shall determine
8 whether or not it has capacity to accept applications for
9 enrollment from nonresident applicants in online courses and may
10 use that limit as the reason for refusal to enroll an applicant. If
11 the number of nonresident applicants eligible for acceptance in an
12 online course does not exceed the capacity of the **PROVIDING**
13 district **OR COMMUNITY COLLEGE** to provide the online course, the
14 **PROVIDING** district **OR COMMUNITY COLLEGE** shall accept for enrollment
15 all of the nonresident applicants eligible for acceptance. If the
16 number of nonresident applicants exceeds the **PROVIDING** district's
17 **OR COMMUNITY COLLEGE'S** capacity to provide the online course, the
18 **PROVIDING** district **OR COMMUNITY COLLEGE** shall use a random draw
19 system, subject to the need to abide by state and federal
20 antidiscrimination laws and court orders.

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

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

26 (b) The online course is not capable of generating academic
27 credit.

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

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

6 (e) The online course is of insufficient quality or rigor. A
7 district that denies a pupil enrollment for this reason shall make
8 a reasonable effort to assist the pupil to find an alternative
9 course in the same or a similar subject that is of acceptable rigor
10 and quality.

11 (f) The cost of the online course exceeds the amount
12 identified in subsection ~~(8)~~, **(10)**, unless the pupil's parent or
13 legal guardian agrees to pay the cost that exceeds this amount.

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

17 (6) If a pupil is denied enrollment in an online course by a
18 **THE PUPIL'S PRIMARY** district, the pupil may appeal the denial by
19 submitting a letter to the superintendent of the intermediate
20 district in which the pupil's ~~educating~~ **PRIMARY** district is
21 located. The letter of appeal shall include the reason provided by
22 the **PRIMARY** district for not enrolling the pupil and the reason why
23 the pupil is claiming that the enrollment should be approved. The
24 intermediate district superintendent or designee shall respond to
25 the appeal within 5 days after it is received. If the intermediate
26 district superintendent or designee determines that the denial of
27 enrollment does not meet 1 or more of the reasons specified in

1 subsection (5), the **PRIMARY** district shall allow the pupil to
2 enroll in the online course.

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

6 (a) Provide the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**
7 with the course syllabus in a form and method prescribed by the
8 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** for inclusion in a
9 statewide online course catalog. The district or intermediate
10 district shall also provide on its publicly accessible website a
11 link to the course syllabi for all of the online courses offered by
12 the district or intermediate district and a link to the statewide
13 catalog of online courses maintained by the Michigan ~~virtual~~
14 ~~university~~ **VIRTUAL UNIVERSITY**.

15 (B) **ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE**
16 **PRIMARY DISTRICT WITH THE PERSONAL IDENTIFICATION CODE FOR THE**
17 **TEACHER OF RECORD.**

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

21 (D) ~~(e)~~ Not later than October 1, 2014, ~~2015~~, provide the
22 Michigan virtual university with the number of enrollments in each
23 online course the district or intermediate district ~~offered~~
24 **PROVIDED** to pupils pursuant to this section in the immediately
25 preceding school year, and the number of enrollments in which the
26 pupil earned 60% or more of the total course points for each online
27 course.

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

3 (A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE
4 SYLLABUS IN A FORM AND METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL
5 UNIVERSITY FOR INCLUSION IN A STATEWIDE ONLINE COURSE CATALOG.

6 (B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD,
7 OR ALIGNED TO A SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM
8 FORMAT.

9 (C) ENSURE THAT EACH ONLINE COURSE IT PROVIDES UNDER THIS
10 SECTION GENERATES POSTSECONDARY CREDIT.

11 (D) BEGINNING WITH OCTOBER 1, 2016, AND BY OCTOBER 1 OF EACH
12 YEAR THEREAFTER, PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE
13 NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE COMMUNITY COLLEGE
14 PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY
15 PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE
16 PUPIL EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE
17 COURSE.

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

20 (9) FOR ANY ONLINE COURSE A PUPIL ENROLLS IN UNDER THIS
21 SECTION, THE PUPIL'S PRIMARY DISTRICT MUST ASSIGN TO THE PUPIL A
22 MENTOR TO MONITOR THE PUPIL'S PROGRESS DURING THE ONLINE COURSE AND
23 SHALL SUPPLY THE PROVIDING DISTRICT WITH THE MENTOR'S CONTACT
24 INFORMATION.

25 (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses
26 published in the pupil's ~~educating~~ PRIMARY district's catalog of
27 online courses under subsection (7) or in the statewide catalog of

1 online courses maintained by the Michigan ~~virtual university,~~
2 **VIRTUAL UNIVERSITY**, the **PRIMARY** district shall use foundation
3 allowance or per-pupil funds calculated under section 20 to pay for
4 the expenses associated with the online course or courses. ~~The~~
5 ~~district shall pay 80% of the cost of the online course upon~~
6 ~~enrollment and 20% upon completion as determined by the district.~~ A
7 district is not required to pay toward the cost of an online course
8 an amount that exceeds ~~8.33%~~ **6.67%** of the minimum foundation
9 allowance for the current fiscal year as calculated under section
10 20.

11 (11) ~~(9)~~ An online learning pupil shall have the same rights
12 and access to technology in his or her primary district's school
13 facilities as all other pupils enrolled in the pupil's primary
14 district.

15 (12) ~~(10)~~ If a pupil successfully completes an online course,
16 as determined by the pupil's primary district, the pupil's primary
17 district shall grant appropriate academic credit for completion of
18 the course and shall count that credit toward completion of
19 graduation and subject area requirements. A pupil's school record
20 and transcript shall identify the online course title as it appears
21 in the online course syllabus.

22 (13) ~~(11)~~ The enrollment of a pupil in 1 or more online
23 courses shall not result in a pupil being counted as more than 1.0
24 full-time equivalent pupils under this article.

25 (14) ~~(12)~~ The portion of the full-time equated pupil
26 membership for which a pupil is enrolled in 1 or more online
27 courses under this section shall not be transferred under the pupil

1 transfer process under section 25e.

2 (15) ~~(13)~~—As used in this section:

3 (A) "MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY
4 DISTRICT WHO MONITORS THE PUPIL'S PROGRESS, ENSURES THE PUPIL HAS
5 ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE FOR ASSISTANCE, AND
6 ENSURES ACCESS TO THE TEACHER OF RECORD. A MENTOR MAY ALSO SERVE AS
7 THE TEACHER OF RECORD IF THE MENTOR MEETS THE REQUIREMENTS UNDER
8 SUBDIVISION (G).

9 (B) ~~(a)~~—"Online course" means a course of study that is
10 capable of generating a credit or a grade, that is provided in an
11 interactive ~~internet-connected~~ **INTERNET-CONNECTED** learning
12 environment, in which pupils are separated from their teachers by
13 time or location, or both, and, **IF THE COURSE IS PROVIDED BY A**
14 **DISTRICT OR INTERMEDIATE DISTRICT**, in which a teacher who holds a
15 valid Michigan teaching certificate **THAT QUALIFIES THE TEACHER TO**
16 **TEACH THE COURSE** is responsible for **PROVIDING INSTRUCTION**,
17 determining appropriate instructional methods for each pupil,
18 diagnosing learning needs, assessing pupil learning, prescribing
19 intervention strategies, reporting outcomes, and evaluating the
20 effects of instruction and support strategies.

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

23 (i) The state academic standards addressed in an online
24 course.

25 (ii) The online course content outline.

26 (iii) The online course required assessments.

27 (iv) The online course prerequisites.

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

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

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

5 (viii) The name of the institution or organization providing
6 the online content.

7 (ix) The name of the institution or organization providing the
8 online instructor.

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

13 (xi) The number of eligible nonresident pupils that will be
14 accepted by the district or intermediate district in the online
15 course.

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

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

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

24 (F) "PROVIDING DISTRICT" MEANS THE DISTRICT, INTERMEDIATE
25 DISTRICT, OR COMMUNITY COLLEGE THAT THE PRIMARY DISTRICT PAYS TO
26 PROVIDE THE ONLINE COURSE.

27 (G) "TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID

1 MICHIGAN TEACHING CERTIFICATE; WHO, IF APPLICABLE, IS ENDORSED IN
2 THE SUBJECT AREA AND GRADE OF THE ONLINE COURSE; AND IS RESPONSIBLE
3 FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR
4 EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING,
5 PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND
6 EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.

7 Sec. 22a. (1) From the appropriation in section 11, there is
8 allocated an amount not to exceed ~~\$5,380,000,000.00~~
9 **\$5,377,000,000.00** for 2014-2015 **AND AN AMOUNT NOT TO EXCEED**
10 **\$5,281,700,000.00 FOR 2015-2016** for payments to districts and
11 qualifying public school academies to guarantee each district and
12 qualifying public school academy an amount equal to its 1994-95
13 total state and local per pupil revenue for school operating
14 purposes under section 11 of article IX of the state constitution
15 of 1963. Pursuant to section 11 of article IX of the state
16 constitution of 1963, this guarantee does not apply to a district
17 in a year in which the district levies a millage rate for school
18 district operating purposes less than it levied in 1994. However,
19 subsection (2) applies to calculating the payments under this
20 section. Funds allocated under this section that are not expended
21 in the state fiscal year for which they were allocated, as
22 determined by the department, may be used to supplement the
23 allocations under sections 22b and 51c in order to fully fund those
24 calculated allocations for the same fiscal year.

25 (2) To ensure that a district receives an amount equal to the
26 district's 1994-95 total state and local per pupil revenue for
27 school operating purposes, there is allocated to each district a

1 state portion of the district's 1994-95 foundation allowance in an
2 amount calculated as follows:

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

1 revenue of the receiving district captured under tax increment
2 financing acts does not include ad valorem property tax revenue
3 captured within the geographic boundaries of the dissolved district
4 under tax increment financing acts; and certified mills do not
5 include the certified mills of the dissolved district.

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

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

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

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

13 (5) Except as otherwise provided in this subsection, for a
14 district that is formed or reconfigured after June 1, 2000 by
15 consolidation of 2 or more districts or by annexation, the
16 resulting district's 1994-95 foundation allowance under this
17 section beginning after the effective date of the consolidation or
18 annexation shall be the average of the 1994-95 foundation
19 allowances of each of the original or affected districts,
20 calculated as provided in this section, weighted as to the
21 percentage of pupils in total membership in the resulting district
22 in the state fiscal year in which the consolidation takes place who
23 reside in the geographic area of each of the original districts. If
24 an affected district's 1994-95 foundation allowance is less than
25 the 1994-95 basic foundation allowance, the amount of that
26 district's 1994-95 foundation allowance shall be considered for the
27 purpose of calculations under this subsection to be equal to the

1 amount of the 1994-95 basic foundation allowance. This subsection
2 does not apply to a receiving district unless there is a subsequent
3 consolidation or annexation that affects the district.

4 (6) Payments under this section are subject to section 25f.

5 (7) As used in this section:

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

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

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

15 (d) "Current year hold harmless school operating taxes per
16 pupil" means the per pupil revenue generated by multiplying a
17 district's 1994-95 hold harmless millage by the district's current
18 year taxable value per membership pupil. For a receiving district,
19 if school operating taxes are to be levied on behalf of a dissolved
20 district that has been attached in whole or in part to the
21 receiving district to satisfy debt obligations of the dissolved
22 district under section 12 of the revised school code, MCL 380.12,
23 taxable value per membership pupil does not include the taxable
24 value of property within the geographic area of the dissolved
25 district.

26 (e) "Dissolved district" means a district that loses its
27 organization, has its territory attached to 1 or more other

1 districts, and is dissolved as provided under section 12 of the
2 revised school code, MCL 380.12.

3 (f) "Hold harmless millage" means, for a district with a 1994-
4 95 foundation allowance greater than \$6,500.00, the number of mills
5 by which the exemption from the levy of school operating taxes on a
6 homestead, qualified agricultural property, qualified forest
7 property, supportive housing property, industrial personal
8 property, ~~and~~ commercial personal property, **AND PROPERTY OCCUPIED**
9 **BY A PUBLIC SCHOOL ACADEMY** could be reduced as provided in section
10 1211 of the revised school code, MCL 380.1211, and the number of
11 mills of school operating taxes that could be levied on all
12 property as provided in section 1211(2) of the revised school code,
13 MCL 380.1211, as certified by the department of treasury for the
14 1994 tax year. For a receiving district, if school operating taxes
15 are to be levied on behalf of a dissolved district that has been
16 attached in whole or in part to the receiving district to satisfy
17 debt obligations of the dissolved district under section 12 of the
18 revised school code, MCL 380.12, school operating taxes do not
19 include school operating taxes levied within the geographic area of
20 the dissolved district.

21 (g) "Homestead", "qualified agricultural property", "qualified
22 forest property", "supportive housing property", "industrial
23 personal property", and "commercial personal property" mean those
24 terms as defined in section 1211 of the revised school code, MCL
25 380.1211.

26 (h) "Membership" means the definition of that term under
27 section 6 as in effect for the particular fiscal year for which a

1 particular calculation is made.

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

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

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

13 (l) "School operating taxes" means local ad valorem property
14 taxes levied under section 1211 of the revised school code, MCL
15 380.1211, and retained for school operating purposes as defined in
16 section 20.

17 (m) "Tax increment financing acts" means 1975 PA 197, MCL
18 125.1651 to 125.1681, the tax increment finance authority act, 1980
19 PA 450, MCL 125.1801 to 125.1830, the local development financing
20 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
21 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
22 or the corridor improvement authority act, 2005 PA 280, MCL
23 125.2871 to 125.2899.

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

26 (i) For the number of mills by which the exemption from the
27 levy of school operating taxes on a homestead, qualified

1 agricultural property, qualified forest property, supportive
2 housing property, industrial personal property, ~~and~~ commercial
3 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**
4 may be reduced as provided in section 1211 of the revised school
5 code, MCL 380.1211, the taxable value of homestead, qualified
6 agricultural property, qualified forest property, supportive
7 housing property, industrial personal property, ~~and~~ commercial
8 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**
9 for the calendar year ending in the current state fiscal year. For
10 a receiving district, if school operating taxes are to be levied on
11 behalf of a dissolved district that has been attached in whole or
12 in part to the receiving district to satisfy debt obligations of
13 the dissolved district under section 12 of the revised school code,
14 MCL 380.12, mills do not include mills within the geographic area
15 of the dissolved district.

16 (ii) For the number of mills of school operating taxes that
17 may be levied on all property as provided in section 1211(2) of the
18 revised school code, MCL 380.1211, the taxable value of all
19 property for the calendar year ending in the current state fiscal
20 year. For a receiving district, if school operating taxes are to be
21 levied on behalf of a dissolved district that has been attached in
22 whole or in part to the receiving district to satisfy debt
23 obligations of the dissolved district under section 12 of the
24 revised school code, MCL 380.12, school operating taxes do not
25 include school operating taxes levied within the geographic area of
26 the dissolved district.

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

1 allocated an amount not to exceed ~~\$3,434,000,000.00~~
2 **\$3,440,000,000.00** for 2014-2015 **AND AN AMOUNT NOT TO EXCEED**
3 **\$3,728,000,000.00 FOR 2015-2016** for discretionary nonmandated
4 payments to districts under this section. Funds allocated under
5 this section that are not expended in the state fiscal year for
6 which they were allocated, as determined by the department, may be
7 used to supplement the allocations under sections 22a and 51c in
8 order to fully fund those calculated allocations for the same
9 fiscal year.

10 (2) Subject to subsection (3) and section 296, the allocation
11 to a district under this section shall be an amount equal to the
12 sum of the amounts calculated under sections 20, 51a(2), 51a(3),
13 and 51a(11), minus the sum of the allocations to the district under
14 sections 22a and 51c.

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

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

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

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

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

26 (e) Comply with section 21f.

27 (4) Districts are encouraged to use funds allocated under this

1 section for the purchase and support of payroll, human resources,
2 and other business function software that is compatible with that
3 of the intermediate district in which the district is located and
4 with other districts located within that intermediate district.

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

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

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

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

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

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

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

1 provide for adequate funding for this state's constitutional
2 obligations at its next legislative session.

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

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

22 Sec. 22d. (1) From the appropriation in section 11, an amount
23 not to exceed ~~\$2,584,600.00~~ **\$5,000,000.00** is allocated for ~~2014-~~
24 ~~2015-2015-2016~~ for supplemental payments to rural districts under
25 this section.

26 (2) From the allocation under subsection (1), there is
27 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed

1 \$957,300.00 for payments under this subsection to districts that
2 meet all of the following:

3 (a) Operates grades K to 12.

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

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

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

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

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

27 (4) Subject to subsection (6), from the allocation in

1 subsection (1), there is allocated for ~~2014-2015-2015-2016~~ an
 2 amount not to exceed ~~\$1,627,300.00~~ **\$4,042,700.00** for payments under
 3 this subsection to districts that ~~meet all of the following:~~

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

6 ~~—— (b) The district has a total square mileage greater than 200.0~~
 7 ~~or is 1 of 2 districts that have consolidated transportation~~
 8 ~~services and have a combined total square mileage greater than~~
 9 ~~200.0.~~

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

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

14 Sec. 22g. (1) From the funds appropriated in section 11, there
 15 is allocated for ~~2014-2015-2015-2016~~ only an amount not to exceed
 16 ~~\$2,000,000.00~~ **\$5,000,000.00** for competitive assistance grants to
 17 districts and intermediate districts.

18 (2) Funds received under this section may be used for
 19 reimbursement of transition costs associated with the consolidation
 20 **OR ANNEXATION** of ~~operations or services between 2 or more districts~~
 21 ~~, OR intermediate districts. , or other local units of government,~~
 22 ~~the consolidation or sharing of technology and data operations or~~
 23 ~~services between 50 or more districts or 5 or more intermediate~~
 24 ~~districts, or the consolidation of districts or intermediate~~
 25 ~~districts.~~ Grant funding shall be available for consolidations **OR**
 26 **ANNEXATIONS** that occur on or after June 1, 2014. ~~The department~~
 27 ~~shall develop an application process and method of grant~~

1 ~~distribution. The department shall give priority to applicants that~~
 2 ~~propose including at least 1 of the following statewide activities:~~
 3 **2015. DISTRICTS MAY SPEND FUNDS ALLOCATED UNDER THIS SECTION OVER 3**
 4 **FISCAL YEARS.**

5 ~~—— (a) A comprehensive, research-based academic early warning~~
 6 ~~indicator and dropout prevention solution.~~

7 ~~—— (b) A data-driven system for identifying early reading~~
 8 ~~challenges and establishing individual reading development plans~~
 9 ~~for every student by the end of grade 3.~~

10 Sec. 22i. (1) From the funds appropriated in section 11, ~~there~~
 11 ~~is allocated for 2013-2014 an amount not to exceed \$45,000,000.00~~
 12 ~~and there is allocated for 2014-2015-2015-2016 an amount not to~~
 13 ~~exceed \$41,500,000.00-\$23,500,000.00 for the technology **READINESS**~~
 14 ~~infrastructure grant program for districts or intermediate~~
 15 ~~districts on behalf of their constituent districts. Funds received~~
 16 ~~under this subsection-SECTION shall be used for the development or~~
 17 ~~improvement of a district's-DISTRICTS' technology **HARD**~~
 18 ~~infrastructure, the shared services consolidation of technology and~~
 19 ~~data ,and **FOR THE COORDINATION AND STRATEGIC PURCHASING OF**~~
 20 ~~hardware **AND SOFTWARE** in preparation for the planned implementation~~
 21 ~~in 2014-2015 of online assessments-DELIVERY OF ASSESSMENTS THROUGH~~
 22 **ONLINE MODELS. THIS ALLOCATION SHALL NOT BE MADE AFTER 2015-2016.**

23 (2) ~~The-SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE~~
 24 department shall develop a competitive application process and
 25 method of grant distribution to eligible districts and intermediate
 26 districts that demonstrate need for grants under subsection (1).
 27 The department may consult with the department of technology,

1 management, and budget during the grant process and grant
2 distribution. Grants to districts shall not exceed \$2,000,000.00
3 per district. A grant to an intermediate district on behalf of its
4 constituent districts shall not exceed \$2,000,000.00 per
5 constituent district. To receive a grant under subsection (1), an
6 intermediate district shall demonstrate that a grant awarded to the
7 intermediate district on behalf of its constituent districts would
8 provide savings compared to providing grants to individual
9 districts. **THE DEPARTMENT SHALL GIVE ADDITIONAL CONSIDERATION TO**
10 **APPLICANTS THAT PROPOSE EXTERNAL PARTNERSHIPS AND ARTICULATE PLANS**
11 **FOR SUSTAINABILITY BEYOND THE GRANT FUNDING.**

12 ~~—— (3) From the general fund money appropriated in section 11,~~
13 ~~there is allocated an amount not to exceed \$5,000,000.00 for 2013-~~
14 ~~2014 to be awarded through a competitive bid process to a single~~
15 ~~provider of whole school technology as described in this~~
16 ~~subsection. The department shall issue a single request for~~
17 ~~proposal with application rules written and administered by the~~
18 ~~department, and with a focus on economic and geographic diversity.~~
19 ~~To be eligible to receive the grant under this section, a provider~~
20 ~~shall meet all of the following:~~

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

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

24 ~~—— (i) One to one mobile devices.~~

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

26 ~~—— (iii) On and off campus filtering.~~

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

- 1 ~~—— (v) Wireless audio equipment.~~
- 2 ~~—— (vi) Operating software.~~
- 3 ~~—— (vii) Instructional software.~~
- 4 ~~—— (viii) Repairs and replacements.~~
- 5 ~~—— (ix) Professional development.~~
- 6 ~~—— (x) Ongoing support.~~

7 (3) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$11,250,000.00 FOR DISTRICT
9 PARTICIPATION INCENTIVES AS DESCRIBED IN THIS SUBSECTION. GRANTS
10 AWARDED UNDER THIS SUBSECTION SHALL BE DISTRIBUTED ON AN EQUAL PER
11 PUPIL BASIS, NOT TO EXCEED \$10.00 PER PUPIL. TO RECEIVE FUNDING
12 UNDER THIS SUBSECTION, A DISTRICT MUST MEET ALL OF THE FOLLOWING:

13 (A) THE DISTRICT AGREES TO LIMIT THE SPENDING OF PARTICIPATION
14 INCENTIVE GRANTS TO TECHNOLOGY READINESS EFFORTS, INCLUDING, BUT
15 NOT LIMITED TO, THE FOLLOWING:

16 (i) ONLINE OR DIGITAL ASSESSMENT, INCLUDING UNIVERSAL
17 DIAGNOSTIC SCREENING TOOLS.

18 (ii) IN-BUILDING WIRELESS CONNECTIVITY.

19 (iii) NETWORK SERVICES, SUCH AS ADDITIONAL BANDWIDTH AND
20 CONTENT FILTERING.

21 (iv) COMPUTER OR DEVICE PURCHASING.

22 (v) TECHNOLOGY READINESS FOR INSTRUCTION AND DATA
23 COLLABORATIONS THAT SUPPORT ONLINE ASSESSMENT READINESS.

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

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

3 (D) THE DISTRICT ENSURES THAT ITS INTERMEDIATE DISTRICT ALSO
4 AGREES TO REQUIREMENTS OF SUBDIVISIONS (A) TO (C) FOR THE DISTRICT
5 TO RECEIVE PARTICIPATION FUNDS.

6 (4) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
7 ALLOCATED AN AMOUNT NOT TO EXCEED \$9,250,000.00 FOR DEVICE
8 PURCHASING INCENTIVES.

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

12 (6) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
13 ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR E-RATE
14 ACTIVITIES.

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

18 (8) NOT LATER THAN JANUARY 1, 2017, THE DEPARTMENT SHALL
19 CONSOLIDATE AND PREPARE A SUMMARY FROM THE TOTAL PROJECT REPORTS
20 FROM EACH GRANTEE UNDER THIS SECTION TO INCLUDE MEASURABLE OUTCOMES
21 BASED ON GRANT OBJECTIVES. THE REPORT SHALL INCLUDE A SUMMARY OF
22 COMPILED DATA FROM EACH GRANTEE TO PROVIDE A MEANS TO EVALUATE THE
23 EFFECTIVENESS OF THE GRANT PROJECT. THE DEPARTMENT SHALL SUBMIT THE
24 REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON
25 STATE SCHOOL AID AND ON THE DEPARTMENT BUDGET AND TO THE HOUSE AND
26 SENATE FISCAL AGENCIES.

27 (9) ~~(4) The funds allocated under subsection (1) are a work~~

1 ~~project appropriation. Any unexpended funds for 2013-2014 are~~
2 ~~carried forward into 2014-2015 and any unexpended funds for 2014-~~
3 ~~2015 are carried forward into 2015-2016. The purpose of the work~~
4 ~~project is to continue to implement the projects described under~~
5 ~~this section. The estimated completion date of the work project is~~
6 ~~September 30, 2016.~~ 2015-2016 SHALL LAPSE TO THE STATE SCHOOL AID
7 FUND.

8 (10) FROM THE FUNDS APPROPRIATED UNDER THIS ARTICLE, THE
9 DEPARTMENT SHALL NOT CONTRACT FOR OR PAY FOR A CONTRACT THAT
10 CREATES INFORMATIONAL TECHNOLOGY INFRASTRUCTURE THAT IS OWNED OR
11 OPERATED BY THIS STATE, A LOCAL UNIT OF GOVERNMENT, A COMMUNITY
12 COLLEGE OR STATE PUBLIC UNIVERSITY, OR A DISTRICT OR INTERMEDIATE
13 DISTRICT, AND IS OPERATED IN A MANNER THAT PROVIDES INFORMATIONAL
14 TECHNOLOGY SERVICES TO PUBLIC ENTITIES IN COMPETITION WITH
15 BUSINESSES LOCATED IN THIS STATE.

16 (11) AS USED IN THIS SECTION:

17 (A) "HARD INFRASTRUCTURE" MEANS TECHNOLOGY HARDWARE NECESSARY
18 TO MOVE TO AN ONLINE LEARNING AND TESTING ENVIRONMENT, INCLUDING,
19 BUT NOT LIMITED TO, FIBER, SERVERS, WIRELESS COMPUTING NETWORKS,
20 AND NECESSARY PERIPHERALS.

21 (B) "SHARED SERVICES CONSOLIDATION OF TECHNOLOGY AND DATA"
22 MEANS PROJECTS THAT SUPPORT THE MOVE TO A COLLABORATIVE MULTIPLE
23 ORGANIZATIONAL APPROACH TO MANAGING HARDWARE, SOFTWARE,
24 PERIPHERALS, AND DATA INTEGRATION AND DISPLAY OF APPROPRIATE
25 INFORMATION FOR PARENTS, TEACHERS, ADMINISTRATORS, AND THIS STATE.

26 Sec. 23a. (1) A dropout recovery program operated by a
27 district qualifies for the special membership counting provisions

1 of section ~~6(4)(ff)~~ **6(4)(DD)** and the hours and day of pupil
2 instruction exemption under section 101(12) if the dropout recovery
3 program meets all of the following:

4 (a) Enrolls only eligible pupils.

5 (b) Provides an advocate. An advocate may serve in that role
6 for more than 1 pupil but no more than 50 pupils. An advocate may
7 be employed by the district or may be provided by an education
8 management organization that is partnering with the district.
9 Before an individual is assigned to be an advocate for a pupil in
10 the dropout recovery program, the district shall comply with
11 sections 1230 and 1230a of the revised school code, MCL 380.1230
12 and 380.1230a, with respect to that individual.

13 (c) Develops a written learning plan.

14 (d) Monitors the pupil's progress against the written learning
15 plan.

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

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

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

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

25 (i) If the district partners with an education management
26 organization for the program, the education management organization
27 has a dropout recovery program partnership relationship with at

1 least 1 other district.

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

6 (3) As used in this section:

7 (a) "Advocate" means an adult available to meet in person with
8 assigned pupils, as needed, to conduct social interventions, to
9 proctor final examinations, and to provide academic and social
10 support to pupils enrolled in the district's dropout recovery
11 program.

12 (b) "Education management organization" means a private
13 provider that operates 1 or more other dropout recovery programs
14 that meet the requirements of this section in partnership with 1 or
15 more districts.

16 (c) "Eligible pupil" means a pupil who has been expelled from
17 school under the mandatory expulsion provisions in section 1311 or
18 1311a of the revised school code, MCL 380.1311 and 380.1311a, a
19 pupil who has been suspended or expelled from school under a local
20 policy, a pupil who is referred by a court, a pupil who is pregnant
21 or is a parent, a pupil who was previously a dropout, or a pupil
22 who is determined by the district to be at risk of dropping out.

23 (d) "Satisfactory monthly progress" means an amount of
24 progress that is measurable on a monthly basis and that, if
25 continued for a full 12 months, would result in the same amount of
26 academic credit being awarded to the pupil as would be awarded to a
27 general education pupil completing a full school year. Satisfactory

1 monthly progress may include a lesser required amount of progress
2 for the first 2 months a pupil participates in the program.

3 (e) "Written learning plan" means a written plan developed in
4 conjunction with the advocate that includes the plan start and end
5 dates, courses to be taken, credit to be earned for each course,
6 teacher of record for each course, and advocate name and contact
7 information.

8 Sec. 24. (1) From the appropriation in section 11, there is
9 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
10 \$8,000,000.00 for payments to the educating district or
11 intermediate district for educating pupils assigned by a court or
12 the department of **HEALTH AND** human services to reside in or to
13 attend a juvenile detention facility or child caring institution
14 licensed by the department of **HEALTH AND** human services and
15 approved by the department to provide an on-grounds education
16 program. The amount of the payment under this section to a district
17 or intermediate district shall be calculated as prescribed under
18 subsection (2).

19 (2) The total amount allocated under this section shall be
20 allocated by paying to the educating district or intermediate
21 district an amount equal to the lesser of the district's or
22 intermediate district's added cost or the department's approved
23 per-pupil allocation for the district or intermediate district. For
24 the purposes of this subsection:

25 (a) "Added cost" means 100% of the added cost each fiscal year
26 for educating all pupils assigned by a court or the department of
27 **HEALTH AND** human services to reside in or to attend a juvenile

1 detention facility or child caring institution licensed by the
2 department of **HEALTH AND** human services or the department of
3 licensing and regulatory affairs and approved by the department to
4 provide an on-grounds education program. Added cost shall be
5 computed by deducting all other revenue received under this article
6 for pupils described in this section from total costs, as approved
7 by the department, in whole or in part, for educating those pupils
8 in the on-grounds education program or in a program approved by the
9 department that is located on property adjacent to a juvenile
10 detention facility or child caring institution. Costs reimbursed by
11 federal funds are not included.

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

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

27 (4) Special education pupils funded under section 53a shall

1 not be funded under this section.

2 Sec. 24a. From the appropriation in section 11, there is
3 allocated an amount not to exceed ~~\$2,195,500.00 for 2014-2015~~
4 **\$2,189,800.00 FOR 2015-2016** for payments to intermediate districts
5 for pupils who are placed in juvenile justice service facilities
6 operated by the department of **HEALTH AND** human services. Each
7 intermediate district shall receive an amount equal to the state
8 share of those costs that are clearly and directly attributable to
9 the educational programs for pupils placed in facilities described
10 in this section that are located within the intermediate district's
11 boundaries. The intermediate districts receiving payments under
12 this section shall cooperate with the department of **HEALTH AND**
13 human services to ensure that all funding allocated under this
14 section is utilized by the intermediate district and department of
15 **HEALTH AND** human services for educational programs for pupils
16 described in this section. Pupils described in this section are not
17 eligible to be funded under section 24. However, a program
18 responsibility or other fiscal responsibility associated with these
19 pupils shall not be transferred from the department of **HEALTH AND**
20 human services to a district or intermediate district unless the
21 district or intermediate district consents to the transfer.

22 Sec. 24c. From the appropriation in section 11, there is
23 allocated an amount not to exceed ~~\$1,500,000.00 for 2014-2015~~
24 **\$1,497,400.00 FOR 2015-2016** for payments to districts for pupils
25 who are enrolled in a nationally administered community-based
26 education and youth mentoring program, known as the youth challenge
27 program, that is administered by the department of military and

1 veterans affairs. Both of the following apply to a district
2 receiving payments under this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 ~~—— (6) Not later than December 1, 2014, the center in conjunction~~
14 ~~with the department shall report to the legislature data related to~~
15 ~~the implementation of this section, including, but not limited to,~~
16 ~~the number of transfer transactions and the net change in pupil~~
17 ~~memberships in 2013-2014 by district and intermediate district.~~

18 (6) ~~(7)~~—The portion of the full-time equated pupil membership
19 for which a pupil is enrolled in 1 or more online courses under
20 section 21f shall not be counted or transferred under the pupil
21 transfer process under this section.

22 (7) **THE CENTER SHALL DETERMINE THE NUMBER OF PUPILS WHO DID**
23 **NOT RESIDE IN THIS STATE AS OF THE 2015-2016 PUPIL MEMBERSHIP COUNT**
24 **DAY BUT WHO NEWLY ENROLLED IN A DISTRICT OR INTERMEDIATE DISTRICT**
25 **AFTER THAT PUPIL MEMBERSHIP COUNT DAY AND BEFORE THE 2015-2016**
26 **SUPPLEMENTAL COUNT DAY. THE CENTER SHALL FURTHER DETERMINE THE**
27 **NUMBER OF PUPILS WHO WERE COUNTED IN MEMBERSHIP FOR THE 2015-2016**

1 PUPIL MEMBERSHIP COUNT DAY BUT WHO LEFT THIS STATE BEFORE THE 2015-
2 2016 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL PROVIDE A REPORT TO
3 THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL
4 AID, AND TO THE SENATE AND HOUSE FISCAL AGENCIES, DETAILING THE
5 NUMBER OF PUPILS TRANSFERRING IN FROM ANOTHER STATE OR TRANSFERRING
6 OUT FROM THIS STATE BETWEEN THE PUPIL MEMBERSHIP COUNT DAY AND
7 SUPPLEMENTAL COUNT DAY AS DESCRIBED IN THIS SUBSECTION. THE CENTER
8 SHALL INCLUDE IN THE REPORT A DISCUSSION OF BENEFITS AND OBSTACLES
9 TO DEVELOPING A PUPIL ENROLLMENT PROCESS FOR PUPILS WHO NEWLY
10 ENROLL IN A DISTRICT OR INTERMEDIATE DISTRICT AFTER THE PUPIL
11 MEMBERSHIP COUNT DAY AND BEFORE THE SUPPLEMENTAL COUNT DAY, AND
12 DEVELOPING A PROCESS FOR DEDUCTING PUPILS WHO WERE COUNTED ON THE
13 PUPIL MEMBERSHIP COUNT DAY AND TRANSFER OUT OF THIS STATE BEFORE
14 THE SUPPLEMENTAL COUNT DAY.

15 (8) As used in this section:

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

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

25 Sec. 25f. (1) From the state school aid fund money
26 appropriated in section 11, there is allocated an amount not to
27 exceed ~~\$2,000,000.00 for 2014-2015~~ **\$1,000,000.00 FOR 2015-2016** for

1 payments to strict discipline academies established under sections
2 1311b to 1311m of the revised school code, MCL 380.1311b to
3 380.1311m, as provided under this section. ~~and for the purposes~~
4 ~~described in subsection (5).~~

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

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

13 ~~—— (a) The number of pupils enrolled and in attendance at the~~
14 ~~strict discipline academy.~~

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

17 ~~—— (4) The amount of the payment to a strict discipline academy~~
18 ~~under this section shall be an amount equal to the difference~~
19 ~~between the product of 1/180 of the per pupil payment as calculated~~
20 ~~under section 20 for the strict discipline academy multiplied by~~
21 ~~the number of days of pupil attendance reported under subsection~~
22 ~~(3)(b) minus the product of the per pupil payment as calculated~~
23 ~~under section 20 for the strict discipline academy multiplied by~~
24 ~~the pupils in membership at the strict discipline academy as~~
25 ~~calculated under section 6 and as adjusted by section 25e.~~

26 ~~—— (5) If the operation of the special membership counting~~
27 ~~provisions under section 6(4)(dd) and the other membership counting~~

1 ~~provisions under section 6(4) result in a pupil being counted as~~
2 ~~more than 1.0 FTE in a fiscal year, then the payment made for the~~
3 ~~pupil under sections 22a and 22b shall not be based on more than~~
4 ~~1.0 FTE for that pupil, and that portion of the FTE that exceeds~~
5 ~~1.0 shall be paid under this section in an amount equal to that~~
6 ~~portion multiplied by the educating district's foundation allowance~~
7 ~~or per pupil payment calculated under section 20.~~

8 (3) THE TOTAL AMOUNT ALLOCATED TO A STRICT DISCIPLINE ACADEMY
9 UNDER THIS SECTION IS AN AMOUNT EQUAL TO THE LESSER OF THE STRICT
10 DISCIPLINE ACADEMY'S ADDED COST OR THE DEPARTMENT'S APPROVED PER-
11 PUPIL ALLOCATION FOR THE STRICT DISCIPLINE ACADEMY. HOWEVER, THE
12 SUM OF THE AMOUNTS RECEIVED BY A STRICT DISCIPLINE ACADEMY UNDER
13 THIS SECTION AND UNDER SECTION 24 SHALL NOT EXCEED THE PRODUCT OF
14 THE STRICT DISCIPLINE ACADEMY'S PER-PUPIL ALLOCATION CALCULATED
15 UNDER SECTION 20 MULTIPLIED BY THE STRICT DISCIPLINE ACADEMY'S
16 FULL-TIME EQUATED MEMBERSHIP. THE DEPARTMENT SHALL ALLOCATE FUNDS
17 TO STRICT DISCIPLINE ACADEMIES UNDER THIS SECTION ON A MONTHLY
18 BASIS. FOR THE PURPOSES OF THIS SUBSECTION:

19 (A) "ADDED COST" MEANS 100% OF THE ADDED COST EACH FISCAL YEAR
20 FOR EDUCATING ALL PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE
21 AT A STRICT DISCIPLINE ACADEMY. ADDED COST SHALL BE COMPUTED BY
22 DEDUCTING ALL OTHER REVENUE RECEIVED UNDER THIS ARTICLE FOR PUPILS
23 DESCRIBED IN THIS SUBSECTION FROM TOTAL COSTS, AS APPROVED BY THE
24 DEPARTMENT, IN WHOLE OR IN PART, FOR EDUCATING THOSE PUPILS IN A
25 STRICT DISCIPLINE ACADEMY. THE DEPARTMENT SHALL INCLUDE ALL COSTS
26 INCLUDING, BUT NOT LIMITED TO, EDUCATIONAL COSTS, INSURANCE,
27 MANAGEMENT FEES, TECHNOLOGY COSTS, LEGAL FEES, AUDITING FEES,

1 INTEREST, PUPIL ACCOUNTING COSTS, AND ANY OTHER ADMINISTRATIVE
2 COSTS NECESSARY TO OPERATE THE PROGRAM OR TO COMPLY WITH STATUTORY
3 REQUIREMENTS. COSTS REIMBURSED BY FEDERAL FUNDS ARE NOT INCLUDED.

4 (B) "DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION" FOR A STRICT
5 DISCIPLINE ACADEMY SHALL BE DETERMINED BY DIVIDING THE TOTAL AMOUNT
6 ALLOCATED UNDER THIS SUBSECTION FOR A FISCAL YEAR BY THE FULL-TIME
7 EQUATED MEMBERSHIP TOTAL FOR ALL PUPILS APPROVED BY THE DEPARTMENT
8 TO BE FUNDED UNDER THIS SUBSECTION FOR THAT FISCAL YEAR FOR THE
9 STRICT DISCIPLINE ACADEMY.

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

12 (5) ~~(6)~~—If the funds allocated under this section are
13 insufficient to fully fund the adjustments under ~~subsections (4)~~
14 ~~and (5)~~, **SUBSECTION (3)**, payments under this section shall be
15 prorated on an equal per-pupil basis.

16 (6) ~~(7)~~—Payments to districts under this section shall be made
17 according to the payment schedule under section 17b.

18 **SEC. 25G. (1) FROM THE STATE SCHOOL AID FUND MONEY**
19 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO**
20 **EXCEED \$1,000,000.00 FOR 2015-2016 FOR THE PURPOSES OF THIS**
21 **SECTION. IF THE OPERATION OF THE SPECIAL MEMBERSHIP COUNTING**
22 **PROVISIONS UNDER SECTION 6(4)(DD) AND THE OTHER MEMBERSHIP COUNTING**
23 **PROVISIONS UNDER SECTION 6(4) RESULT IN A PUPIL BEING COUNTED AS**
24 **MORE THAN 1.0 FTE IN A FISCAL YEAR, THEN THE PAYMENT MADE FOR THE**
25 **PUPIL UNDER SECTIONS 22A AND 22B SHALL NOT BE BASED ON MORE THAN**
26 **1.0 FTE FOR THAT PUPIL, AND THAT PORTION OF THE FTE THAT EXCEEDS**
27 **1.0 SHALL BE PAID UNDER THIS SECTION IN AN AMOUNT EQUAL TO THAT**

1 PORTION MULTIPLIED BY THE EDUCATING DISTRICT'S FOUNDATION ALLOWANCE
2 OR PER-PUPIL PAYMENT CALCULATED UNDER SECTION 20.

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

5 (3) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
6 TO FULLY FUND THE ADJUSTMENTS UNDER SUBSECTION (1), PAYMENTS UNDER
7 THIS SECTION SHALL BE PRORATED ON AN EQUAL PER-PUPIL BASIS.

8 (4) PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL BE MADE
9 ACCORDING TO THE PAYMENT SCHEDULE UNDER SECTION 17B.

10 Sec. 26a. From the funds appropriated in section 11, there is
11 allocated an amount not to exceed \$26,300,000.00 for ~~2014-2015~~
12 **2015-2016** to reimburse districts and intermediate districts
13 pursuant to section 12 of the Michigan renaissance zone act, 1996
14 PA 376, MCL 125.2692, for taxes levied in ~~2014-2015~~. The
15 allocations shall be made not later than 60 days after the
16 department of treasury certifies to the department and to the state
17 budget director that the department of treasury has received all
18 necessary information to properly determine the amounts due to each
19 eligible recipient.

20 Sec. 26b. (1) From the appropriation in section 11, there is
21 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
22 ~~\$4,210,000.00~~ **\$4,276,800.00** for payments to districts, intermediate
23 districts, and community college districts for the portion of the
24 payment in lieu of taxes obligation that is attributable to
25 districts, intermediate districts, and community college districts
26 pursuant to section 2154 of the natural resources and environmental
27 protection act, 1994 PA 451, MCL 324.2154.

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

5 Sec. 26c. (1) From the appropriation in section 11, there is
6 allocated an amount not to exceed ~~\$293,100.00 for 2014-2015~~
7 **\$610,000.00 FOR 2015-2016** to the promise zone fund created in
8 subsection (3).

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

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

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

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

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

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

4 Sec. 31a. (1) From the state school aid fund money
5 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~
6 ~~2016~~ an amount not to exceed ~~\$317,695,500.00~~ **\$389,695,500.00** for
7 payments to eligible districts, eligible public school academies,
8 and the education achievement system for the purposes of ensuring
9 that pupils are proficient in reading by the end of grade 3 and
10 that high school graduates are career and college ready and for the
11 purposes under subsections ~~(6) and (7)~~. **(7) AND (8)**.

12 (2) For a district or public school academy, or the education
13 achievement system, to be eligible to receive funding under this
14 section, other than funding under subsection ~~(6) or (7)~~, **(7) OR**
15 **(8)**, the sum of the district's or public school academy's or the
16 education achievement system's combined state and local revenue per
17 membership pupil in the current state fiscal year, as calculated
18 under section 20, must be less than or equal to the basic
19 foundation allowance under section 20 for the current state fiscal
20 year.

21 **(3) FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT OPERATES**
22 **GRADES K TO 3, OR THE EDUCATION ACHIEVEMENT SYSTEM, TO BE ELIGIBLE**
23 **TO RECEIVE FUNDING UNDER THIS SECTION, OTHER THAN FUNDING UNDER**
24 **SUBSECTION (7) OR (8), THE DISTRICT OR PUBLIC SCHOOL ACADEMY, OR**
25 **THE EDUCATION ACHIEVEMENT SYSTEM, MUST IMPLEMENT, FOR AT LEAST**
26 **GRADES K TO 3, A MULTI-TIERED SYSTEM OF SUPPORTS THAT IS AN**
27 **EVIDENCE-BASED MODEL THAT USES DATA-DRIVEN PROBLEM SOLVING TO**

1 INTEGRATE ACADEMIC AND BEHAVIORAL INSTRUCTION AND THAT USES
2 INTERVENTION DELIVERED TO ALL PUPILS IN VARYING INTENSITIES BASED
3 ON PUPIL NEEDS. THIS MULTI-TIERED SYSTEM OF SUPPORTS MUST PROVIDE
4 AT LEAST ALL OF THE FOLLOWING ESSENTIAL ELEMENTS:

5 (A) IMPLEMENTS EFFECTIVE INSTRUCTION FOR ALL LEARNERS.

6 (B) INTERVENES EARLY.

7 (C) PROVIDES A MULTI-TIERED MODEL OF INSTRUCTION AND

8 INTERVENTION THAT PROVIDES THE FOLLOWING:

9 (i) A CORE CURRICULUM AND CLASSROOM INTERVENTIONS AVAILABLE TO
10 ALL PUPILS THAT MEET THE NEEDS OF MOST PUPILS.

11 (ii) TARGETED GROUP INTERVENTIONS.

12 (iii) INTENSE INDIVIDUAL INTERVENTIONS.

13 (D) MONITORS PUPIL PROGRESS TO INFORM INSTRUCTION.

14 (E) USES DATA TO MAKE INSTRUCTIONAL DECISIONS.

15 (F) USES ASSESSMENTS INCLUDING UNIVERSAL SCREENING,
16 DIAGNOSTICS, AND PROGRESS MONITORING.

17 (G) ENGAGES FAMILIES AND THE COMMUNITY.

18 (H) IMPLEMENTS EVIDENCE-BASED, SCIENTIFICALLY VALIDATED,
19 INSTRUCTION AND INTERVENTION.

20 (I) IMPLEMENTS INSTRUCTION AND INTERVENTION PRACTICES WITH
21 FIDELITY.

22 (J) USES A COLLABORATIVE PROBLEM-SOLVING MODEL.

23 (4) ~~(3)~~—Except as otherwise provided in this subsection, an
24 eligible district or eligible public school academy or the
25 education achievement system shall receive under this section for
26 each membership pupil in the district or public school academy or
27 the education achievement system who met the income eligibility

1 criteria for free breakfast, lunch, or milk, as determined under
2 the Richard B. Russell national school lunch act, 42 USC 1751 to
3 1769, and as reported to the department in the form and manner
4 prescribed by the department not later than the fifth Wednesday
5 after the pupil membership count day of the immediately preceding
6 fiscal year and adjusted not later than December 31 of the
7 immediately preceding fiscal year, an amount per pupil equal to
8 11.5% of the sum of the district's foundation allowance or the
9 public school academy's or the education achievement system's per
10 pupil amount calculated under section 20, not to exceed the basic
11 foundation allowance under section 20 for the current state fiscal
12 year, or of the public school academy's or the education
13 achievement system's per membership pupil amount calculated under
14 section 20 for the current state fiscal year. However, a public
15 school academy that began operations as a public school academy, or
16 an achievement school that began operations as an achievement
17 school, after the pupil membership count day of the immediately
18 preceding school year shall receive under this section for each
19 membership pupil in the public school academy or in the education
20 achievement system who met the income eligibility criteria for free
21 breakfast, lunch, or milk, as determined under the Richard B.
22 Russell national school lunch act and as reported to the department
23 not later than the fifth Wednesday after the pupil membership count
24 day of the current fiscal year and adjusted not later than December
25 31 of the current fiscal year, an amount per pupil equal to 11.5%
26 of the public school academy's or the education achievement
27 system's per membership pupil amount calculated under section 20

1 for the current state fiscal year.

2 (5) ~~(4)~~—Except as otherwise provided in this section, a
3 district or public school academy, or the education achievement
4 system, receiving funding under this section shall use that money
5 only to provide instructional programs and direct noninstructional
6 services, including, but not limited to, medical, mental health, or
7 counseling services, for at-risk pupils; for school health clinics;
8 and for the purposes of subsection ~~(5), (6), (7), or (10)~~. **(6),**
9 **(7), (8), OR (11)**. In addition, a district that is a school
10 district of the first class or a district or public school academy
11 in which at least 50% of the pupils in membership met the income
12 eligibility criteria for free breakfast, lunch, or milk in the
13 immediately preceding state fiscal year, as determined and reported
14 as described in subsection ~~(3), (4)~~, or the education achievement
15 system if it meets this requirement, may use not more than 20% of
16 the funds it receives under this section for school security. A
17 district, the public school academy, or the education achievement
18 system shall not use any of that money for administrative costs.
19 The instruction or direct noninstructional services provided under
20 this section may be conducted before or after regular school hours
21 or by adding extra school days to the school year.

22 (6) ~~(5)~~—A district or public school academy that receives
23 funds under this section and that operates a school breakfast
24 program under section 1272a of the revised school code, MCL
25 380.1272a, or the education achievement system if it operates a
26 school breakfast program, shall use from the funds received under
27 this section an amount, not to exceed \$10.00 per pupil for whom the

1 district or public school academy or the education achievement
2 system receives funds under this section, necessary to pay for
3 costs associated with the operation of the school breakfast
4 program.

5 (7) ~~(6)~~—From the funds allocated under subsection (1), there
6 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
7 \$3,557,300.00 to support child and adolescent health centers. These
8 grants shall be awarded for 5 consecutive years beginning with
9 2003-2004 in a form and manner approved jointly by the department
10 and the department of ~~community health~~ **AND HUMAN SERVICES**. Each
11 grant recipient shall remain in compliance with the terms of the
12 grant award or shall forfeit the grant award for the duration of
13 the 5-year period after the noncompliance. To continue to receive
14 funding for a child and adolescent health center under this section
15 a grant recipient shall ensure that the child and adolescent health
16 center has an advisory committee and that at least one-third of the
17 members of the advisory committee are parents or legal guardians of
18 school-aged children. A child and adolescent health center program
19 shall recognize the role of a child's parents or legal guardian in
20 the physical and emotional well-being of the child. Funding under
21 this subsection shall be used to support child and adolescent
22 health center services provided to children up to age 21. If any
23 funds allocated under this subsection are not used for the purposes
24 of this subsection for the fiscal year in which they are allocated,
25 those unused funds shall be used that fiscal year to avoid or
26 minimize any proration that would otherwise be required under
27 subsection ~~(14)~~ **(12)** for that fiscal year. **IN ADDITION TO THE FUNDS**

1 OTHERWISE ALLOCATED UNDER THIS SUBSECTION, FROM THE MONEY ALLOCATED
2 IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
3 \$2,000,000.00 FOR 2015-2016 ONLY FOR CHILD AND ADOLESCENT HEALTH
4 CENTERS TO INCREASE ACCESS TO NURSES AND BEHAVIORAL HEALTH SERVICES
5 IN SCHOOLS, USING 3 EXISTING SCHOOL CLINICS AS HUBS FOR SERVICES
6 AND USING MOBILE TEAMS TO SERVE SATELLITE SCHOOL SITES.

7 (8) ~~(7)~~—From the funds allocated under subsection (1), there
8 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
9 \$5,150,000.00 for the state portion of the hearing and vision
10 screenings as described in section 9301 of the public health code,
11 1978 PA 368, MCL 333.9301. A local public health department shall
12 pay at least 50% of the total cost of the screenings. The frequency
13 of the screenings shall be as required under R 325.13091 to R
14 325.13096 and R 325.3271 to R 325.3276 of the Michigan
15 administrative code. Funds shall be awarded in a form and manner
16 approved jointly by the department and the department of ~~community~~
17 health **AND HUMAN SERVICES**. Notwithstanding section 17b, payments to
18 eligible entities under this subsection shall be paid on a schedule
19 determined by the department.

20 (9) ~~(8)~~—Each district or public school academy receiving funds
21 under this section and the education achievement system shall
22 submit to the department by July 15 of each fiscal year a report,
23 not to exceed 10 pages, on the usage by the district or public
24 school academy or the education achievement system of funds under
25 this section, which report shall include a brief description of
26 each program conducted or services performed by the district or
27 public school academy or the education achievement system using

1 funds under this section, the amount of funds under this section
2 allocated to each of those programs or services, the total number
3 of at-risk pupils served by each of those programs or services, and
4 the data necessary for the department and the department of human
5 services to verify matching funds for the temporary assistance for
6 needy families program. If a district or public school academy or
7 the education achievement system does not comply with this
8 subsection, the department shall withhold an amount equal to the
9 August payment due under this section until the district or public
10 school academy or the education achievement system complies with
11 this subsection. If the district or public school academy or the
12 education achievement system does not comply with this subsection
13 by the end of the state fiscal year, the withheld funds shall be
14 forfeited to the school aid fund.

15 (10) ~~(9)~~—In order to receive funds under this section, a
16 district or public school academy or the education achievement
17 system shall allow access for the department or the department's
18 designee to audit all records related to the program for which it
19 receives those funds. The district or public school academy or the
20 education achievement system shall reimburse the state for all
21 disallowances found in the audit.

22 (11) ~~(10)~~—Subject to subsections ~~(5)~~, ~~(6)~~, and ~~(7)~~, ~~(6)~~, ~~(7)~~,
23 **AND (8)**, a district may use up to 100% of the funds it receives
24 under this section to implement schoolwide reform in schools with
25 40% or more of their pupils identified as at-risk pupils by
26 providing supplemental instructional or noninstructional services
27 consistent with the school improvement plan.

1 (12) ~~(11)~~—If necessary, and before any proration required
2 under section 296, the department shall prorate payments under this
3 section by reducing the amount of the per pupil payment under this
4 section by a dollar amount calculated by determining the amount by
5 which the amount necessary to fully fund the requirements of this
6 section exceeds the maximum amount allocated under this section and
7 then dividing that amount by the total statewide number of pupils
8 who met the income eligibility criteria for free breakfast, lunch,
9 or milk in the immediately preceding fiscal year, as described in
10 subsection ~~(3)~~-(4).

11 (13) ~~(12)~~—If a district is formed by consolidation after June
12 1, 1995, and if 1 or more of the original districts ~~was~~**WERE** not
13 eligible before the consolidation for an additional allowance under
14 this section, the amount of the additional allowance under this
15 section for the consolidated district shall be based on the number
16 of pupils described in subsection (1) enrolled in the consolidated
17 district who reside in the territory of an original district that
18 was eligible before the consolidation for an additional allowance
19 under this section. In addition, if a district is dissolved
20 pursuant to section 12 of the revised school code, MCL 380.12, the
21 intermediate district to which the dissolved school district was
22 constituent shall determine the estimated number of pupils that
23 meet the income eligibility criteria for free breakfast, lunch, or
24 milk, as described under subsection ~~(3)~~-(4), enrolled in each of
25 the other districts within the intermediate district and provide
26 that estimate to the department for the purposes of distributing
27 funds under this section within 60 days after the school district

1 is declared dissolved.

2 (14) ~~(13)~~ As used in this section, "at-risk pupil" means a
3 pupil for whom the district has documentation that the pupil meets
4 any of the following criteria:

5 (a) Is a victim of child abuse or neglect.

6 (b) Is a pregnant teenager or teenage parent.

7 (c) Has a family history of school failure, incarceration, or
8 substance abuse.

9 (d) For pupils for whom the results of the ~~Michigan merit~~
10 ~~examination~~ **STATE SUMMATIVE ASSESSMENT** have been received, is a
11 pupil ~~who does not meet the other criteria under this subsection~~
12 ~~but~~ who did not achieve proficiency on the ~~reading, writing,~~
13 **ENGLISH LANGUAGE ARTS**, mathematics, science, or social studies
14 ~~components of the most recent Michigan merit examination for which~~
15 ~~results for the pupil have been received.~~ **CONTENT AREA ASSESSMENT.**

16 (e) ~~For pupils in grades K-3, is~~ **IS** a pupil who is at risk of
17 not meeting the district's core academic curricular objectives in
18 English language arts or mathematics, **AS DEMONSTRATED ON LOCAL**
19 **ASSESSMENTS.**

20 (f) The pupil is enrolled in a priority or priority-successor
21 school, as defined in the elementary and secondary education act of
22 2001 flexibility waiver approved by the United States ~~department of~~
23 ~~education.~~ **DEPARTMENT OF EDUCATION.**

24 ~~— (g) The pupil did not achieve a score of at least proficient~~
25 ~~on 2 or more state administered assessments for English language~~
26 ~~arts, mathematics, science, or social studies.~~

27 ~~— (h) For high school pupils in grades not assessed by the~~

1 ~~state, the pupil did not receive a satisfactory score on 2 or more~~
2 ~~end of course examinations that are aligned with state standards in~~
3 ~~English language arts, mathematics, science, or social studies. For~~
4 ~~middle school pupils in grades not assessed by the state, the pupil~~
5 ~~did not receive a satisfactory score on 2 or more end of semester~~
6 ~~or end of trimester examinations that are aligned with state~~
7 ~~standards in science or social studies. For pupils in the~~
8 ~~elementary grades in grades and subjects not assessed by the state,~~
9 ~~the pupil did not receive a satisfactory score or did not have a~~
10 ~~satisfactory outcome on 2 or more interim assessments in English~~
11 ~~language arts, mathematics, science, or social studies.~~

12 (G) ~~(i)~~—In the absence of state or local assessment data, the
13 pupil meets at least 2 of the following criteria, as documented in
14 a form and manner approved by the department:

15 (i) The pupil is eligible for free **OR REDUCED PRICE** breakfast,
16 lunch, or milk.

17 (ii) The pupil is absent more than 10% of enrolled days or 10
18 school days during the school year.

19 (iii) The pupil is homeless.

20 (iv) The pupil is a migrant.

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

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

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

27 (15) ~~(14)~~ Beginning in 2014-2015, if **IF** a district, public

1 school academy, or the education achievement system does not
2 demonstrate to the satisfaction of the department that at least 50%
3 of at-risk pupils are reading at grade level by the end of grade 3
4 as measured by the state assessment and demonstrate to the
5 satisfaction of the department improvement over 3 consecutive years
6 in the percentage of at-risk pupils that are career- and college-
7 ready as ~~measured by the pupil's score on each of the individual~~
8 ~~subject areas on the college entrance examination portion of the~~
9 ~~Michigan merit examination~~ **DETERMINED BY PROFICIENCY ON THE ENGLISH**
10 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**
11 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the
12 revised school code, MCL 380.1279g, the district, public school
13 academy, or education achievement system shall ensure all of the
14 following:

15 (a) The district, public school academy, or the education
16 achievement system shall determine the proportion of total at-risk
17 pupils that represents the number of pupils in grade 3 that are not
18 reading at grade level by the end of grade 3, and the district,
19 public school academy, or the education achievement system shall
20 expend that same proportion multiplied by 1/2 of its total at-risk
21 funds under this section on tutoring and other methods of improving
22 grade 3 reading levels.

23 (b) The district, public school academy, or the education
24 achievement system shall determine the proportion of total at-risk
25 pupils that represent the number of pupils in grade 11 that are not
26 career- and college-ready as measured by the student's score on
27 ~~each of the individual subject areas on the college entrance~~

1 ~~examination portion of the Michigan merit examination~~ **THE ENGLISH**
2 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**
3 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the
4 revised school code, MCL 380.1279g, and the district, public school
5 academy, or the education achievement system shall expend that same
6 proportion multiplied by 1/2 of its total at-risk funds under this
7 section on tutoring and other activities to improve scores on the
8 college entrance examination portion of the Michigan merit
9 examination.

10 (16) ~~(15)~~ As used in subsection ~~(14)~~, ~~(15)~~, "total at risk
11 pupils" means the sum of the number of pupils in grade 3 that are
12 not reading at grade level by the end of third grade **AS MEASURED ON**
13 **THE STATE ASSESSMENT** and the number of pupils in grade 11 that are
14 not career- and college-ready as measured by the student's score on
15 ~~each of the individual subject areas on the college entrance~~
16 ~~examination portion of the Michigan merit examination~~ **THE ENGLISH**
17 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**
18 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the
19 revised school code, MCL 380.1279g.

20 (17) ~~(16)~~ A district or public school academy that receives
21 funds under this section or the education achievement system may
22 use funds received under this section to provide an anti-bullying
23 or crisis intervention program.

24 (18) **THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF**
25 **HEALTH AND HUMAN SERVICES TO PRIORITIZE ASSIGNING PATHWAYS TO**
26 **POTENTIAL SUCCESS COACHES TO ELEMENTARY SCHOOLS THAT HAVE A HIGH**
27 **PERCENTAGE OF PUPILS IN GRADES K TO 3 WHO ARE NOT READING AT GRADE**

1 LEVEL.

2 SEC. 31C. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE
3 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2015-2016
4 FOR PROGRAMS INTENDED TO IMPROVE PUBLIC SAFETY, REDUCE THE NUMBER
5 OF YOUTH INVOLVED IN GANG-RELATED ACTIVITY, AND INCREASE HIGH
6 SCHOOL GRADUATION RATES.

7 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS THAT FORM
8 PARTNERSHIPS WITH NONPROFIT ORGANIZATIONS, LAW ENFORCEMENT, AND
9 OTHER COMMUNITY RESOURCES TO PROVIDE PROGRAMS THAT DIVERT YOUNG
10 ADULTS FROM GANG-RELATED CRIMINAL ACTIVITY.

11 (3) GRANTS AWARDED UNDER THIS SECTION MAY INCLUDE, BUT ARE NOT
12 LIMITED TO, GRANTS FOR ANY OF THE FOLLOWING ACTIVITIES:

13 (A) EMPLOYMENT TRAINING AND PLACEMENT PROGRAMS.

14 (B) COUNSELING SERVICES.

15 (C) ASSISTANCE TO PROGRAM PARTICIPANTS IN ACCESSING COMMUNITY
16 RESOURCES FOR CONTINUING EDUCATION, COURT ADVOCACY, AND HEALTH
17 CARE.

18 (D) OUTREACH PROGRAMS TO EDUCATE PARTICIPANTS AND THEIR
19 FAMILIES.

20 (4) EACH GRANT RECIPIENT UNDER THIS SECTION SHALL PARTNER WITH
21 A UNIVERSITY TO COLLECT DATA NECESSARY TO EVALUATE THE
22 EFFECTIVENESS OF PROGRAMS IN REDUCING VIOLENT CRIME AND GANG-
23 RELATED ACTIVITY IN THE COMMUNITY.

24 Sec. 31d. (1) From the appropriations in section 11, there is
25 allocated an amount not to exceed \$22,495,100.00 for ~~2014-2015~~
26 2015-2016 for the purpose of making payments to districts and other
27 eligible entities under this section.

1 (2) The amounts allocated from state sources under this
2 section shall be used to pay the amount necessary to reimburse
3 districts for 6.0127% of the necessary costs of the state mandated
4 portion of the school lunch programs provided by those districts.
5 The amount due to each district under this section shall be
6 computed by the department using the methods of calculation adopted
7 by the Michigan supreme court in the consolidated cases known as
8 Durant v State of Michigan, Michigan supreme court docket no.
9 104458-104492.

10 (3) The payments made under this section include all state
11 payments made to districts so that each district receives at least
12 6.0127% of the necessary costs of operating the state mandated
13 portion of the school lunch program in a fiscal year.

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

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

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

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

5 Sec. 31f. (1) From the appropriations in section 11, there is
6 allocated an amount not to exceed \$5,625,000.00 for ~~2014-2015-2015-~~
7 **2016** for the purpose of making payments to districts to reimburse
8 for the cost of providing breakfast.

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

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

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

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

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

27 (5) In purchasing food for a school breakfast program funded

1 under this section, preference shall be given to food that is grown
2 or produced by Michigan businesses if it is competitively priced
3 and of comparable quality.

4 **SEC. 31H. FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS**
5 **ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR 2015-2016 FOR THE**
6 **PURPOSE OF PROVIDING FUNDING TO A DISTRICT THAT EDUCATES HIGH**
7 **SCHOOL PUPILS FROM ANOTHER DISTRICT THAT VOLUNTARILY CLOSED ITS**
8 **HIGH SCHOOL PROGRAM IN 2013. THE FUNDING UNDER THIS SECTION IS**
9 **INTENDED TO BE FOR THE FIRST OF 2 YEARS, UNLESS IT IS DETERMINED**
10 **THAT THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT ALLOWS**
11 **FEDERAL TITLE I FUNDS THAT PREVIOUSLY SUPPORTED THE HIGH SCHOOL**
12 **PUPILS IN THEIR RESIDENT DISTRICT TO INSTEAD BE PROVIDED TO THE**
13 **EDUCATING DISTRICT. FUNDING UNDER THIS SECTION SHALL BE USED TO**
14 **SUPPORT THE ADDITIONAL COSTS OF EDUCATING HIGH SCHOOL PUPILS IN A**
15 **MANNER THAT IS SIMILAR TO THE WAY TITLE I FUNDS PROVIDED ADDITIONAL**
16 **SUPPORT TO THE EDUCATION OF THOSE PUPILS WHEN THEY WERE EDUCATED IN**
17 **THEIR RESIDENT DISTRICT HIGH SCHOOL PROGRAM BEFORE ITS CLOSURE IN**
18 **2013.**

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

1 or GSRP/head start blended comprehensive free compensatory
2 classroom programs designed to improve the readiness and subsequent
3 achievement of educationally disadvantaged children who meet the
4 participant eligibility and prioritization guidelines as defined by
5 the department. For a child to be eligible to participate in a
6 program under this section, the child shall be at least 4, but less
7 than 5, years of age as of the date specified for determining a
8 child's eligibility to attend school under section 1147 of the
9 revised school code, MCL 380.1147.

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

20 (3) In addition to the allocation under subsection (1), from
21 the general fund money appropriated under section 11, there is
22 allocated an amount not to exceed \$300,000.00 for ~~2014-2015-2015-~~
23 ~~2016~~ for a competitive grant to continue a longitudinal evaluation
24 of children who have participated in great start readiness
25 programs.

26 (4) To be eligible for funding under this section, a program
27 shall prepare children for success in school through comprehensive

1 part-day, school-day, or GSRP/head start blended programs that
2 contain all of the following program components, as determined by
3 the department:

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

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

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

13 (d) Physical and dental health and developmental screening
14 services for all program participants.

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

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

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

23 (h) Participation in a school readiness advisory committee
24 convened as a workgroup of the great start collaborative that
25 provides for the involvement of classroom teachers, parents or
26 guardians of program participants, and community, volunteer, and
27 social service agencies and organizations, as appropriate. The

1 advisory committee annually shall review and make recommendations
2 regarding the program components listed in this subsection. The
3 advisory committee also shall make recommendations to the great
4 start collaborative regarding other community services designed to
5 improve all children's school readiness.

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

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

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

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

15 (b) Except as otherwise provided in this subdivision, ensure
16 that at least 90% of the children participating in an eligible
17 great start readiness program for whom the intermediate district is
18 receiving funds under this section are children who live with
19 families with a household income that is equal to or less than 250%
20 of the federal poverty level. If the intermediate district
21 determines that all eligible children are being served and that
22 there are no children on the waiting list under section 39(1)(d)
23 who live with families with a household income that is equal to or
24 less than 250% of the federal poverty level, the intermediate
25 district may then enroll children who live with families with a
26 household income that is equal to or less than 300% of the federal
27 poverty level. The enrollment process shall consider income and

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

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

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

25 (ii) Paraprofessionals possessing proper training in early
26 childhood development, including an associate's degree in early
27 childhood education or child development or the equivalent, or a

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

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

24 (6) For a grant recipient that enrolls pupils in a school-day
25 program funded under this section, each child enrolled in the
26 school-day program shall be counted as 2 children served by the
27 program for purposes of determining the number of children to be

1 served and for determining the amount of the grant award. A grant
2 award shall not be increased solely on the basis of providing a
3 school-day program.

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

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

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

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

22 (b) For the portion of the total grant amount for which
23 services are contracted, the intermediate district or consortium of
24 intermediate districts receiving the grant may retain an amount
25 equal to not more than ~~2%~~4% of that portion of the grant amount
26 and the subrecipients engaged by the intermediate district to
27 provide program services may retain for administrative services an

1 amount equal to not more than ~~5%~~4% of that portion of the grant
2 amount.

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

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

1 equal to or less than 250% of the federal poverty level regardless
2 of actual family income.

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

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

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

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

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

1 application and selection process for community-based providers.

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

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

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

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

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

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

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

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

1 services in a manner consistent with maximizing the amount of
2 spending that may be claimed for temporary assistance for needy
3 families maintenance of effort purposes.

4 (17) As used in this section:

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

8 (b) "Part-day program" means a program that operates at least
9 4 days per week, 30 weeks per year, for at least 3 hours of
10 teacher-child contact time per day but for fewer hours of teacher-
11 child contact time per day than a school-day program.

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

17 (18) An intermediate district or consortium of intermediate
18 districts receiving funds under this section shall establish a
19 sliding scale of tuition rates based upon household income for
20 children participating in an eligible great start readiness program
21 who live with families with a household income that is more than
22 250% of the federal poverty level to be used by all of its
23 providers, as approved by the department. A grant recipient shall
24 charge tuition according to that sliding scale of tuition rates on
25 a uniform basis for any child who does not meet the income
26 eligibility requirements under this section.

27 ~~———— (19) The great start readiness reserve fund is created as a~~

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

16 (19) ~~(20)~~ From the amount appropriated in subsection (1),
17 there is allocated an amount not to exceed \$10,000,000.00 for
18 reimbursement of transportation costs for children attending great
19 start readiness programs funded under this section. To receive
20 reimbursement under this subsection, not later than November 1,
21 ~~2014, 2015~~, a program funded under this section that provides
22 transportation shall submit to the intermediate district that is
23 the fiscal agent for the program a projected transportation budget.
24 The amount of the reimbursement for transportation under this
25 subsection shall be ~~the lesser of~~ **NO MORE THAN** the projected
26 transportation budget or \$150.00 multiplied by the number of slots
27 funded for the program under this section. If the amount allocated

1 under this subsection is insufficient to fully reimburse the
2 transportation costs for all programs that provide transportation
3 and submit the required information, the reimbursement shall be
4 prorated in an equal amount per slot funded. Payments shall be made
5 to the intermediate district that is the fiscal agent for each
6 program, and the intermediate district shall then reimburse the
7 program provider for transportation costs as prescribed under this
8 subsection.

9 Sec. 32p. (1) From the school aid fund appropriation in
10 section 11, there is allocated an amount not to exceed
11 ~~\$10,900,000.00~~ **\$13,400,000.00** to intermediate districts for ~~2014-~~
12 ~~2015-~~ **2015-2016** for the purpose of providing early childhood funding
13 to intermediate school districts ~~in block grants, supporting TO~~
14 **SUPPORT** the activities under subsection (2) **AND SUBSECTION (4)**, and
15 ~~providing TO PROVIDE~~ early childhood programs for children from
16 birth through age 8. The funding provided to each intermediate
17 district under this section shall be determined by the distribution
18 formula established by the department's office of great start to
19 provide equitable funding statewide. In order to receive funding
20 under this section, each intermediate district shall provide an
21 application to the office of great start not later than September
22 15 of the immediately preceding fiscal year indicating the
23 activities planned to be provided.

24 (2) Each intermediate district or consortium of intermediate
25 districts that receives funding under this section shall convene a
26 local great start collaborative and a parent coalition. The goal of
27 each great start collaborative and parent coalition shall be to

1 ensure the coordination and expansion of local early childhood
2 infrastructure and programs that allow every child in the community
3 to achieve the following outcomes:

4 (a) Children born healthy.

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

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

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

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

16 (a) Physical health.

17 (b) Social-emotional health.

18 (c) Family supports and basic needs.

19 (d) Parent education. ~~and child advocacy.~~

20 (e) Early education and care.

21 (4) **FROM THE FUNDS ALLOCATED IN SUBSECTION (1), AT LEAST**
22 **\$2,500,000.00 SHALL BE USED FOR THE PURPOSE OF PROVIDING HOME**
23 **VISITS TO AT-RISK CHILDREN AND THEIR FAMILIES. THE HOME VISITS**
24 **SHALL BE CONDUCTED AS PART OF A LOCALLY COORDINATED, FAMILY-**
25 **CENTERED, EVIDENCE-BASED, DATA-DRIVEN HOME VISIT STRATEGIC PLAN**
26 **THAT IS APPROVED BY THE DEPARTMENT. THE GOALS OF THE HOME VISITS**
27 **FUNDED UNDER THIS SUBSECTION SHALL BE TO IMPROVE SCHOOL READINESS,**

1 REDUCE THE NUMBER OF PUPILS RETAINED IN GRADE LEVEL, AND REDUCE THE
2 NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES. THE
3 DEPARTMENT SHALL COORDINATE THE GOALS OF THE HOME VISIT STRATEGIC
4 PLANS APPROVED UNDER THIS SUBSECTION WITH OTHER STATE AGENCY HOME
5 VISIT PROGRAMS IN A WAY THAT STRENGTHENS MICHIGAN'S HOME VISITING
6 INFRASTRUCTURE AND MAXIMIZES FEDERAL FUNDS AVAILABLE FOR THE
7 PURPOSES OF AT-RISK FAMILY HOME VISITS.

8 (5) ~~(4)~~—Not later than December 1 of each year, each
9 intermediate district shall provide a report to the department
10 detailing the activities actually provided during the immediately
11 preceding school year and the families and children actually
12 served. **AT A MINIMUM, THE REPORT SHALL INCLUDE AN EVALUATION OF THE**
13 **SERVICES PROVIDED WITH ADDITIONAL FUNDING UNDER SUBSECTION (4) FOR**
14 **HOME VISITS, USING THE GOALS IDENTIFIED IN SUBSECTION (4) AS THE**
15 **BASIS FOR THE EVALUATION, INCLUDING THE DEGREE TO WHICH SCHOOL**
16 **READINESS WAS IMPROVED, ANY CHANGE IN THE NUMBER OF PUPILS RETAINED**
17 **AT GRADE LEVEL, AND ANY CHANGE IN THE NUMBER OF PUPILS RECEIVING**
18 **SPECIAL EDUCATION SERVICES.** The department shall compile and
19 summarize these reports and submit its summary to the house and
20 senate appropriations subcommittees on school aid and to the house
21 and senate fiscal agencies not later than February 15 of each year.

22 (6) ~~(5)~~—An intermediate district or consortium of intermediate
23 districts that receives funding under this section may carry over
24 any unexpended funds received under this section into the next
25 fiscal year and may expend those unused funds through June 30 of
26 the next fiscal year. A recipient of a grant shall return any
27 unexpended grant funds to the department in the manner prescribed

1 by the department not later than September 30 of the next fiscal
2 year after the fiscal year in which the funds are received.

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

12 (2) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE
13 IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED
14 \$1,000,000.00 FOR 2015-2016 FOR IMPLEMENTATION COSTS ASSOCIATED
15 WITH PROGRAMS FUNDED UNDER SECTION 35A.

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

21 (A) A DESCRIPTION OF THE COMPONENTS OF THE PILOT PROGRAMS THAT
22 WERE EFFECTIVE IN HELPING PARENTS PREPARE THEIR CHILDREN FOR
23 SUCCESS IN SCHOOL.

24 (B) A DESCRIPTION OF ANY BARRIERS THAT PARENTS AND THEIR
25 CHILDREN ENCOUNTERED THAT PREVENTED THEM FROM PARTICIPATING IN THE
26 PILOT PROGRAMS.

27 (C) AN ASSESSMENT OF WHETHER THESE PILOT PROGRAMS SHOULD BE

1 EXPANDED TO OTHER LOCATIONS IN THE STATE.

2 SEC. 35A. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
3 ALLOCATED FOR 2015-2016 FOR THE PURPOSES OF THIS SECTION AN AMOUNT
4 NOT TO EXCEED \$23,900,000.00 FROM THE STATE SCHOOL AID FUND
5 APPROPRIATION AND AN AMOUNT NOT TO EXCEED \$1,500,000.00 FROM THE
6 GENERAL FUND APPROPRIATION.

7 (2) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2015-2016 FOR
9 THE PURPOSE OF CONDUCTING PARENT EDUCATION PILOT PROGRAMS FOR
10 PARENTS OF CHILDREN LESS THAN 4 YEARS OF AGE SO THAT CHILDREN ARE
11 DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE TIME OF SCHOOL
12 ENTRY. ALL OF THE FOLLOWING APPLY TO PROGRAMS FUNDED UNDER THIS
13 SUBSECTION:

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

25 (B) AN APPLICATION FOR A COMPETITIVE GRANT UNDER THIS
26 SUBSECTION SHALL BE SUBMITTED BY AN INTERMEDIATE DISTRICT ON BEHALF
27 OF A DISTRICT OR CONSORTIUM OF DISTRICTS WITHIN THE INTERMEDIATE

1 DISTRICT. THE APPLICATION SHALL BE SUBMITTED IN A FORM AND MANNER
2 APPROVED BY THE DEPARTMENT AND SHALL CONTAIN AT LEAST THE FOLLOWING
3 COMPONENTS:

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

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

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

19 (iv) A DESCRIPTION OF THE PUBLIC AWARENESS AND OUTREACH
20 EFFORTS THAT WILL BE MADE.

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

25 (vi) A DESCRIPTION OF THE SLIDING FEE SCALE THAT WILL BE
26 ESTABLISHED FOR TUITION, WITH FEES REDUCED OR WAIVED FOR THOSE
27 UNABLE TO PAY.

1 (vii) A BUDGET FOR THE PROGRAM. A PROGRAM MAY USE NOT MORE
2 THAN 5% OF A GRANT TO ADMINISTER THE PROGRAM.

3 (C) TO BE ELIGIBLE FOR A GRANT UNDER THIS SUBSECTION, A
4 PROGRAM SHALL PROVIDE AT LEAST 2 HOURS PER WEEK THROUGHOUT THE
5 SCHOOL YEAR FOR PARENTS AND THEIR ELIGIBLE CHILDREN TO PARTICIPATE
6 IN PARENT EDUCATION PROGRAMS AND MEET AT LEAST THE FOLLOWING
7 MINIMUM REQUIREMENTS:

8 (i) REQUIRE THAT PARENTS BE PHYSICALLY PRESENT IN CLASSES WITH
9 THEIR CHILDREN OR BE IN CONCURRENT CLASSES.

10 (ii) USE RESEARCH-BASED INFORMATION TO EDUCATE PARENTS ABOUT
11 THE PHYSICAL, COGNITIVE, SOCIAL, AND EMOTIONAL DEVELOPMENT OF
12 CHILDREN.

13 (iii) PROVIDE STRUCTURED LEARNING ACTIVITIES REQUIRING
14 INTERACTION BETWEEN CHILDREN AND THEIR PARENTS.

15 (iv) PROVIDE STRUCTURED LEARNING ACTIVITIES FOR CHILDREN THAT
16 PROMOTE POSITIVE INTERACTION WITH THEIR PEERS.

17 (D) FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM
18 UNDER THIS SUBSECTION, THE CHILD SHALL BE LESS THAN 4 YEARS OF AGE
19 AS OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO
20 ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL
21 380.1147.

22 (3) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
23 ALLOCATED AN AMOUNT NOT TO EXCEED \$950,000.00 FOR 2015-2016 FOR
24 PROFESSIONAL DEVELOPMENT PURPOSES UNDER THIS SUBSECTION. THIS
25 ALLOCATION REPRESENTS THE FIRST OF 2 YEARS OF FUNDING FOR THE
26 PURPOSES OF THIS SUBSECTION. ALL OF THE FOLLOWING APPLY TO FUNDING
27 UNDER THIS SUBSECTION:

1 (A) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO SUPPORT
2 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN A DEPARTMENT-APPROVED
3 RESEARCH-BASED TRAINING PROGRAM RELATED TO CURRENT STATE LITERACY
4 STANDARDS FOR PUPILS IN GRADES K TO 3. THE PROFESSIONAL DEVELOPMENT
5 SHALL ALSO INCLUDE TRAINING IN THE USE OF SCREENING AND DIAGNOSTIC
6 TOOLS, PROGRESS MONITORING, AND INTERVENTION METHODS USED TO
7 ADDRESS BARRIERS TO LEARNING AND DELAYS IN LEARNING THAT ARE
8 DIAGNOSED THROUGH THE USE OF THESE TOOLS. THE DEPARTMENT SHALL
9 DETERMINE THE AMOUNT OF THE GRANT AWARDS.

10 (B) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT
11 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN
12 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS
13 OF PUPILS IN GRADES K TO 3.

14 (C) THE FUNDS ALLOCATED UNDER THIS SUBSECTION ARE A WORK
15 PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE
16 CARRIED FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS
17 TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
18 DESCRIBED IN THIS SUBSECTION. THE ESTIMATED COMPLETION DATE OF THE
19 WORK PROJECT IS SEPTEMBER 30, 2017.

20 (4) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
21 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,450,000.00 FOR 2015-2016 FOR
22 GRANTS UNDER THIS SUBSECTION. THIS ALLOCATION REPRESENTS THE FIRST
23 OF 2 YEARS OF FUNDING. ALL OF THE FOLLOWING APPLY TO GRANTS UNDER
24 THIS SUBSECTION:

25 (A) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO
26 ADMINISTER DEPARTMENT-APPROVED SCREENING AND DIAGNOSTIC TOOLS TO
27 MONITOR THE DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS

1 OF PUPILS IN GRADES K TO 3 AND TO SUPPORT RESEARCH-BASED
2 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN ADMINISTERING SCREENING
3 AND DIAGNOSTIC TOOLS AND IN DATA INTERPRETATION OF THE RESULTS
4 OBTAINED THROUGH THE USE OF THOSE TOOLS FOR THE PURPOSE OF
5 IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO IMPROVE READING
6 PROFICIENCY AMONG PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL
7 AWARD GRANTS TO ELIGIBLE DISTRICTS IN AN AMOUNT DETERMINED BY THE
8 DEPARTMENT.

9 (B) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT
10 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN
11 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS
12 OF PUPILS IN GRADES K TO 3.

13 (C) THE FUNDS ALLOCATED UNDER THIS SUBSECTION ARE A WORK
14 PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE
15 CARRIED FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS
16 TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
17 DESCRIBED IN THIS SUBSECTION. THE ESTIMATED COMPLETION DATE OF THE
18 WORK PROJECT IS SEPTEMBER 30, 2017.

19 (5) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
20 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF
21 PROVIDING EARLY LITERACY COACHES AT INTERMEDIATE DISTRICTS TO
22 ASSIST TEACHERS IN DEVELOPING AND IMPLEMENTING INSTRUCTIONAL
23 STRATEGIES FOR PUPILS IN GRADES K TO 3 SO THAT PUPILS ARE READING
24 AT GRADE LEVEL BY THE END OF GRADE 3. ALL OF THE FOLLOWING APPLY TO
25 FUNDING UNDER THIS SUBSECTION:

26 (A) THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS
27 CONSISTENT WITH THE PROVISIONS OF THIS SUBSECTION. AN APPLICATION

1 SHALL PROVIDE ASSURANCES THAT LITERACY COACHES FUNDED UNDER THIS
2 SUBSECTION ARE KNOWLEDGEABLE ABOUT AT LEAST THE FOLLOWING:

3 (i) CURRENT STATE LITERACY STANDARDS FOR PUPILS IN GRADES K TO
4 3.

5 (ii) IMPLEMENTING AN INSTRUCTIONAL DELIVERY MODEL BASED ON
6 FREQUENT USE OF FORMATIVE, SCREENING, AND DIAGNOSTIC TOOLS, KNOWN
7 AS A MULTI-TIERED SYSTEM OF SUPPORT, TO DETERMINE INDIVIDUAL
8 PROGRESS FOR PUPILS IN GRADES K TO 3 SO THAT PUPILS ARE READING AT
9 GRADE LEVEL BY THE END OF GRADE 3.

10 (iii) THE USE OF DATA FROM DIAGNOSTIC TOOLS TO DETERMINE THE
11 NECESSARY ADDITIONAL SUPPORTS AND INTERVENTIONS NEEDED BY
12 INDIVIDUAL PUPILS IN GRADES K TO 3 IN ORDER TO BE READING AT GRADE
13 LEVEL.

14 (B) FROM THE ALLOCATION UNDER THIS SUBSECTION, THE DEPARTMENT
15 SHALL AWARD GRANTS TO INTERMEDIATE DISTRICTS FOR THE SUPPORT OF
16 EARLY LITERACY COACHES. AN INTERMEDIATE DISTRICT MUST PROVIDE
17 MATCHING FUNDS FOR AT LEAST 50% OF THE COST OF THE LITERACY COACH.
18 THE DEPARTMENT SHALL PROVIDE THIS FUNDING IN THE FOLLOWING MANNER:

19 (i) EACH INTERMEDIATE DISTRICT SHALL BE AWARDED GRANT FUNDING
20 TO SUPPORT THE COST OF 1 EARLY LITERACY COACH IN AN EQUAL AMOUNT
21 PER EARLY LITERACY COACH, NOT TO EXCEED \$37,500.00.

22 (ii) AFTER DISTRIBUTION OF THE GRANT FUNDING UNDER
23 SUBPARAGRAPH (i), THE DEPARTMENT SHALL DISTRIBUTE THE REMAINDER OF
24 GRANT FUNDING FOR ADDITIONAL EARLY LITERACY COACHES IN AN AMOUNT
25 NOT TO EXCEED \$37,500.00 PER EARLY LITERACY COACH. THE NUMBER OF
26 FUNDED EARLY LITERACY COACHES FOR EACH INTERMEDIATE DISTRICT SHALL
27 BE BASED ON THE PERCENTAGE OF THE TOTAL STATEWIDE NUMBER OF PUPILS

1 IN GRADES K TO 3 WHO MEET THE INCOME ELIGIBILITY STANDARDS FOR THE
2 FEDERAL FREE AND REDUCED-PRICE LUNCH PROGRAMS WHO ARE ENROLLED IN
3 DISTRICTS IN THE INTERMEDIATE DISTRICT. FOR EACH ADDITIONAL EARLY
4 LITERACY COACH FUNDED UNDER THIS SUBPARAGRAPH, THE DEPARTMENT SHALL
5 NOT MAKE AN AWARD TO AN INTERMEDIATE DISTRICT UNDER THIS
6 SUBPARAGRAPH IN AN AMOUNT THAT IS LESS THAN THE AMOUNT NECESSARY TO
7 PAY 1/2 OF THE TOTAL COST OF THAT ADDITIONAL EARLY LITERACY COACH.

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

14 (6) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
15 ALLOCATED AN AMOUNT NOT TO EXCEED \$17,500,000.00 FOR 2015-2016 TO
16 DISTRICTS THAT PROVIDE ADDITIONAL INSTRUCTIONAL TIME TO THOSE
17 PUPILS IN GRADES K TO 3 WHO HAVE BEEN IDENTIFIED BY USING
18 DEPARTMENT-APPROVED SCREENING AND DIAGNOSTIC TOOLS AS NEEDING
19 ADDITIONAL SUPPORTS AND INTERVENTIONS IN ORDER TO BE READING AT
20 GRADE LEVEL BY THE END OF GRADE 3. ADDITIONAL INSTRUCTIONAL TIME
21 MAY BE PROVIDED BEFORE, DURING, AND AFTER REGULAR SCHOOL HOURS OR
22 AS PART OF A YEAR-ROUND BALANCED SCHOOL CALENDAR. ALL OF THE
23 FOLLOWING APPLY TO FUNDING UNDER THIS SUBSECTION:

24 (A) IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDING, A DISTRICT
25 SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT THE
26 DISTRICT HAS DONE ALL OF THE FOLLOWING:

27 (i) IMPLEMENTED A MULTI-TIERED SYSTEM OF SUPPORT INSTRUCTIONAL

1 DELIVERY MODEL THAT IS AN EVIDENCE-BASED MODEL THAT USES DATA-
2 DRIVEN PROBLEM SOLVING TO INTEGRATE ACADEMIC AND BEHAVIORAL
3 INSTRUCTION AND THAT USES INTERVENTION DELIVERED TO ALL PUPILS IN
4 VARYING INTENSITIES BASED ON PUPIL NEEDS. THE MULTI-TIERED SYSTEM
5 OF SUPPORTS MUST PROVIDE AT LEAST ALL OF THE FOLLOWING ESSENTIAL
6 ELEMENTS:

7 (A) IMPLEMENTS EFFECTIVE INSTRUCTION FOR ALL LEARNERS.

8 (B) INTERVENES EARLY.

9 (C) PROVIDES A MULTI-TIERED MODEL OF INSTRUCTION AND
10 INTERVENTION THAT PROVIDES THE FOLLOWING: A CORE CURRICULUM AND
11 CLASSROOM INTERVENTIONS AVAILABLE TO ALL PUPILS THAT MEET THE NEEDS
12 OF MOST PUPILS; TARGETED GROUP INTERVENTIONS; AND INTENSE
13 INDIVIDUAL INTERVENTIONS.

14 (D) MONITORS PUPIL PROGRESS TO INFORM INSTRUCTION.

15 (E) USES DATA TO MAKE INSTRUCTIONAL DECISIONS.

16 (F) USES ASSESSMENTS INCLUDING UNIVERSAL SCREENING,
17 DIAGNOSTICS, AND PROGRESS MONITORING.

18 (G) ENGAGES FAMILIES AND THE COMMUNITY.

19 (H) IMPLEMENTS EVIDENCE-BASED, SCIENTIFICALLY VALIDATED,
20 INSTRUCTION AND INTERVENTION.

21 (I) IMPLEMENTS INSTRUCTION AND INTERVENTION PRACTICES WITH
22 FIDELITY.

23 (J) USES A COLLABORATIVE PROBLEM-SOLVING MODEL.

24 (ii) USED DEPARTMENT-APPROVED RESEARCH-BASED DIAGNOSTIC TOOLS
25 TO IDENTIFY INDIVIDUAL PUPILS IN NEED OF ADDITIONAL INSTRUCTIONAL
26 TIME.

27 (iii) USED A READING INSTRUCTION METHOD THAT FOCUSES ON THE 5

1 FUNDAMENTAL BUILDING BLOCKS OF READING: PHONICS, PHONEMIC
2 AWARENESS, FLUENCY, VOCABULARY, AND COMPREHENSION AND CONTENT
3 KNOWLEDGE.

4 (iv) PROVIDED TEACHERS OF PUPILS IN GRADES K TO 3 WITH
5 RESEARCH-BASED PROFESSIONAL DEVELOPMENT IN DIAGNOSTIC DATA
6 INTERPRETATION.

7 (B) FUNDING ALLOCATED UNDER THIS SUBSECTION SHALL BE
8 DISTRIBUTED TO ELIGIBLE DISTRICTS BY MULTIPLYING THE NUMBER OF
9 FULL-TIME-EQUIVALENT PUPILS IN GRADE 1 IN THE DISTRICT BY \$165.00.

10 (C) IF THE FUNDS ALLOCATED UNDER THIS SUBSECTION ARE
11 INSUFFICIENT TO FULLY FUND THE PAYMENTS UNDER THIS SUBSECTION,
12 PAYMENTS UNDER THIS SUBSECTION SHALL BE PRORATED ON AN EQUAL PER-
13 PUPIL BASIS BASED ON GRADE 1 PUPILS.

14 (7) FROM THE GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1),
15 THE DEPARTMENT SHALL ALLOCATE THE AMOUNT OF \$1,000,000.00 FOR 2015-
16 2016 TO THE MICHIGAN EDUCATION CORPS. ALL OF THE FOLLOWING APPLY TO
17 FUNDING UNDER THIS SUBSECTION:

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

1 (i) THE CURRENT IMPACT OF THE MICHIGAN READING CORPS ON THIS
2 STATE IN TERMS OF NUMBERS OF CHILDREN AND PROGRAMS RECEIVING
3 SUPPORT. THIS PORTION OF THE REPORT SHALL SPECIFY THE NUMBER OF
4 CHILDREN TUTORED, INCLUDING DOSAGE AND COMPLETION, AND THE
5 DEMOGRAPHICS OF THOSE CHILDREN.

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

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

14 (A) GROWTH RATE BY GRADE LEVEL, IN COMPARISON TO TARGETED
15 GROWTH RATE.

16 (B) AVERAGE LINEAR GROWTH RATES.

17 (C) EXIT RATES.

18 (D) PERCENTAGE OF CHILDREN WHO EXIT WHO ALSO MEET OR EXCEED
19 SPRING BENCHMARKS.

20 (iv) THE IMPACT OF THE MICHIGAN READING CORPS ON ORGANIZATIONS
21 AND STAKEHOLDERS, INCLUDING, BUT NOT LIMITED TO, SCHOOL
22 ADMINISTRATORS, INTERNAL COACHES, AND AMERICORPS MEMBERS.

23 (B) IF THE DEPARTMENT DETERMINES THAT THE MICHIGAN EDUCATION
24 CORPS HAS MISUSED THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THE
25 MICHIGAN EDUCATION CORPS SHALL REIMBURSE THIS STATE FOR THE AMOUNT
26 OF STATE FUNDING MISUSED.

27 (8) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION

1 (1), THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED
2 \$500,000.00 FOR 2015-2016 FOR THE ADOPTION OF A CERTIFICATION TEST
3 TO ENSURE THAT ALL NEWLY CERTIFICATED ELEMENTARY TEACHERS HAVE THE
4 SKILLS TO DELIVER EVIDENCE-BASED LITERACY INSTRUCTION.

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

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

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

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

26 (d) The estimated number of children who meet the criteria of
27 section 32d who will remain unserved after the applicant and

1 community early childhood programs have met their funded
2 enrollments. The applicant shall maintain a waiting list of
3 identified unserved eligible children who would be served when
4 openings are available.

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

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

23 (4) The initial allocation for each fiscal year to each
24 eligible applicant under section 32d shall be determined by
25 multiplying the number of children determined by the formula under
26 subsection (3) or the number of children the applicant indicates it
27 will be able to serve under subsection (1)(c), whichever is less,

1 by \$3,625.00 and shall be distributed among applicants in
2 decreasing order of concentration of eligible children as
3 determined by the formula under subsection (3). If the number of
4 children an applicant indicates it will be able to serve under
5 subsection (1)(c) includes children able to be served in a school-
6 day program, then the number able to be served in a school-day
7 program shall be doubled for the purposes of making this
8 calculation of the lesser of the number of children determined by
9 the formula under subsection (3) and the number of children the
10 applicant indicates it will be able to serve under subsection
11 (1)(c) and determining the amount of the initial allocation to the
12 applicant under section 32d. A district may contract with a head
13 start agency to serve children enrolled in head start with a
14 school-day program by blending head start funds with a part-day
15 great start readiness program allocation. All head start and great
16 start readiness program policies and regulations apply to the
17 blended program.

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

1 subsection (1)(c), whichever is less, minus the number of children
2 for which the applicant received funding in subsection (4) by
3 \$3,625.00.

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

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

27 (8) If, taking into account the total amount to be allocated

1 to the applicant as calculated under this section, an applicant
2 determines that it is able to include additional eligible children
3 in the great start readiness program without additional funds under
4 section 32d, the applicant may include additional eligible children
5 but shall not receive additional funding under section 32d for
6 those children.

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

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

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

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

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

27 (e) An amount estimated at ~~\$2,393,500.00~~**\$3,000,000.00** for

1 rural and low income schools, funded from DED-OESE, rural and low
2 income school funds.

3 (f) An amount estimated at ~~\$591,500,000.00~~ **\$565,000,000.00** to
4 provide supplemental programs to enable educationally disadvantaged
5 children to meet challenging academic standards, funded from DED-
6 OESE, title I, disadvantaged children funds.

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

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

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

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

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

27 (b) An amount estimated at \$2,600,000.00 to provide services

1 to homeless children and youth, funded from DED-OVAE, homeless
2 children and youth funds.

3 (C) AN AMOUNT ESTIMATED AT \$4,000,000.00 TO PROVIDE MENTAL
4 HEALTH, SUBSTANCE ABUSE, OR VIOLENCE PREVENTION SERVICES TO
5 STUDENTS, FUNDED FROM HHS-SAMHSA.

6 (D) ~~(e)~~An amount estimated at ~~\$28,500,000.00~~ \$24,000,000.00
7 for providing career and technical education services to pupils,
8 funded from DED-OVAE, basic grants to states.

9 (3) All federal funds allocated under this section shall be
10 distributed in accordance with federal law and with flexibility
11 provisions outlined in Public Law 107-116, and in the education
12 flexibility partnership act of 1999, Public Law 106-25.

13 Notwithstanding section 17b, payments of federal funds to
14 districts, intermediate districts, and other eligible entities
15 under this section shall be paid on a schedule determined by the
16 department.

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

22 (5) As used in this section:

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

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

27 (c) "DED-OVAE" means the DED ~~office of vocational and adult~~

1 ~~education.~~ **OFFICE OF VOCATIONAL AND ADULT EDUCATION.**

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

4 ~~(c) "HHS-ACF" means the HHS administration for children and~~
5 ~~families.~~

6 **(E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL**
7 **HEALTH SERVICES ADMINISTRATION.**

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

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

1 **YEARS OF FUNDING.**

2 Sec. 51a. (1) From the appropriation in section 11, there is
3 allocated an amount not to exceed ~~\$914,946,100.00~~ **\$901,946,100.00**
4 for 2014-2015 **AND AN AMOUNT NOT TO EXCEED \$918,546,100.00 FOR 2015-**
5 **2016** from state sources and all available federal funding under
6 sections 611 to 619 of part B of the individuals with disabilities
7 education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00
8 **EACH FISCAL YEAR for ~~2014-2015,~~ 2014-2015 AND FOR 2015-2016,** plus
9 any carryover federal funds from previous year appropriations. The
10 allocations under this subsection are for the purpose of
11 reimbursing districts and intermediate districts for special
12 education programs, services, and special education personnel as
13 prescribed in article 3 of the revised school code, MCL 380.1701 to
14 380.1766; net tuition payments made by intermediate districts to
15 the Michigan schools for the deaf and blind; and special education
16 programs and services for pupils who are eligible for special
17 education programs and services according to statute or rule. For
18 meeting the costs of special education programs and services not
19 reimbursed under this article, a district or intermediate district
20 may use money in general funds or special education funds, not
21 otherwise restricted, or contributions from districts to
22 intermediate districts, tuition payments, gifts and contributions
23 from individuals or other entities, or federal funds that may be
24 available for this purpose, as determined by the intermediate
25 district plan prepared pursuant to article 3 of the revised school
26 code, MCL 380.1701 to 380.1766. Notwithstanding section 17b,
27 payments of federal funds to districts, intermediate districts, and

1 other eligible entities under this section shall be paid on a
2 schedule determined by the department.

3 (2) From the funds allocated under subsection (1), there is
4 allocated the amount necessary, estimated at ~~\$251,800,000.00~~
5 **\$248,100,000.00** for 2014-2015 **AND ESTIMATED AT \$251,800,000.00 FOR**
6 **2015-2016**, for payments toward reimbursing districts and
7 intermediate districts for 28.6138% of total approved costs of
8 special education, excluding costs reimbursed under section 53a,
9 and 70.4165% of total approved costs of special education
10 transportation. Allocations under this subsection shall be made as
11 follows:

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

1 calculated in the same manner as for a district, using the
2 foundation allowance under section 20 of the pupil's district of
3 residence, not to exceed the basic foundation allowance under
4 section 20 for the current fiscal year.

5 (b) After the allocations under subdivision (a), districts and
6 intermediate districts for which the payments calculated under
7 subdivision (a) do not fulfill the specified percentages shall be
8 paid the amount necessary to achieve the specified percentages for
9 the district or intermediate district.

10 (3) From the funds allocated under subsection (1), there is
11 allocated for 2014-2015 an amount not to exceed \$1,000,000.00 **AND**
12 **THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED**
13 **\$1,300,000.00** to make payments to districts and intermediate
14 districts under this subsection. If the amount allocated to a
15 district or intermediate district for a fiscal year under
16 subsection (2)(b) is less than the sum of the amounts allocated to
17 the district or intermediate district for 1996-97 under sections 52
18 and 58, there is allocated to the district or intermediate district
19 for the fiscal year an amount equal to that difference, adjusted by
20 applying the same proration factor that was used in the
21 distribution of funds under section 52 in 1996-97 as adjusted to
22 the district's or intermediate district's necessary costs of
23 special education used in calculations for the fiscal year. This
24 adjustment is to reflect reductions in special education program
25 operations or services between 1996-97 and subsequent fiscal years.
26 Adjustments for reductions in special education program operations
27 or services shall be made in a manner determined by the department

1 and shall include adjustments for program or service shifts.

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

21 (5) State funds shall be allocated on a total approved cost
22 basis. Federal funds shall be allocated under applicable federal
23 requirements, except that an amount not to exceed \$3,500,000.00 may
24 be allocated by the department **EACH FISCAL YEAR** for 2014-2015 **AND**
25 **FOR 2015-2016** to districts, intermediate districts, or other
26 eligible entities on a competitive grant basis for programs,
27 equipment, and services that the department determines to be

1 designed to benefit or improve special education on a statewide
2 scale.

3 (6) From the amount allocated in subsection (1), there is
4 allocated an amount not to exceed \$2,200,000.00 **EACH FISCAL YEAR**
5 for 2014-2015 **AND FOR 2015-2016** to reimburse 100% of the net
6 increase in necessary costs incurred by a district or intermediate
7 district in implementing the revisions in the administrative rules
8 for special education that became effective on July 1, 1987. As
9 used in this subsection, "net increase in necessary costs" means
10 the necessary additional costs incurred solely because of new or
11 revised requirements in the administrative rules minus cost savings
12 permitted in implementing the revised rules. Net increase in
13 necessary costs shall be determined in a manner specified by the
14 department.

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

17 (a) "Total approved costs of special education" shall be
18 determined in a manner specified by the department and may include
19 indirect costs, but shall not exceed 115% of approved direct costs
20 for section 52 and section 53a programs. The total approved costs
21 include salary and other compensation for all approved special
22 education personnel for the program, including payments for social
23 security and Medicare and public school employee retirement system
24 contributions. The total approved costs do not include salaries or
25 other compensation paid to administrative personnel who are not
26 special education personnel as defined in section 6 of the revised
27 school code, MCL 380.6. Costs reimbursed by federal funds, other

1 than those federal funds included in the allocation made under this
2 article, are not included. Special education approved personnel not
3 utilized full time in the evaluation of students or in the delivery
4 of special education programs, ancillary, and other related
5 services shall be reimbursed under this section only for that
6 portion of time actually spent providing these programs and
7 services, with the exception of special education programs and
8 services provided to youth placed in child caring institutions or
9 juvenile detention programs approved by the department to provide
10 an on-grounds education program.

11 (b) Beginning with the 2004-2005 fiscal year, a district or
12 intermediate district that employed special education support
13 services staff to provide special education support services in
14 2003-2004 or in a subsequent fiscal year and that in a fiscal year
15 after 2003-2004 receives the same type of support services from
16 another district or intermediate district shall report the cost of
17 those support services for special education reimbursement purposes
18 under this article. This subdivision does not prohibit the transfer
19 of special education classroom teachers and special education
20 classroom aides if the pupils counted in membership associated with
21 those special education classroom teachers and special education
22 classroom aides are transferred and counted in membership in the
23 other district or intermediate district in conjunction with the
24 transfer of those teachers and aides.

25 (c) If the department determines before bookclosing for a
26 fiscal year that the amounts allocated for that fiscal year under
27 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56

1 will exceed expenditures for that fiscal year under subsections
2 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
3 district or intermediate district whose reimbursement for that
4 fiscal year would otherwise be affected by subdivision (b),
5 subdivision (b) does not apply to the calculation of the
6 reimbursement for that district or intermediate district and
7 reimbursement for that district or intermediate district shall be
8 calculated in the same manner as it was for 2003-2004. If the
9 amount of the excess allocations under subsections (2), (3), (6),
10 and (11) and sections 53a, 54, and 56 is not sufficient to fully
11 fund the calculation of reimbursement to those districts and
12 intermediate districts under this subdivision, then the
13 calculations and resulting reimbursement under this subdivision
14 shall be prorated on an equal percentage basis. ~~This reimbursement~~
15 ~~shall not be made after 2014-2015.~~ **BEGINNING IN 2015-2016, THE**
16 **AMOUNT OF REIMBURSEMENT UNDER THIS SUBDIVISION FOR A FISCAL YEAR**
17 **SHALL NOT EXCEED \$2,000,000.00 FOR ANY DISTRICT OR INTERMEDIATE**
18 **DISTRICT.**

19 (d) Reimbursement for ancillary and other related services, as
20 defined by R 340.1701c of the Michigan administrative code, shall
21 not be provided when those services are covered by and available
22 through private group health insurance carriers or federal
23 reimbursed program sources unless the department and district or
24 intermediate district agree otherwise and that agreement is
25 approved by the state budget director. Expenses, other than the
26 incidental expense of filing, shall not be borne by the parent. In
27 addition, the filing of claims shall not delay the education of a

1 pupil. A district or intermediate district shall be responsible for
2 payment of a deductible amount and for an advance payment required
3 until the time a claim is paid.

4 (e) Beginning with calculations for 2004-2005, if an
5 intermediate district purchases a special education pupil
6 transportation service from a constituent district that was
7 previously purchased from a private entity; if the purchase from
8 the constituent district is at a lower cost, adjusted for changes
9 in fuel costs; and if the cost shift from the intermediate district
10 to the constituent does not result in any net change in the revenue
11 the constituent district receives from payments under sections 22b
12 and 51c, then upon application by the intermediate district, the
13 department shall direct the intermediate district to continue to
14 report the cost associated with the specific identified special
15 education pupil transportation service and shall adjust the costs
16 reported by the constituent district to remove the cost associated
17 with that specific service.

18 (8) A pupil who is enrolled in a full-time special education
19 program conducted or administered by an intermediate district or a
20 pupil who is enrolled in the Michigan schools for the deaf and
21 blind shall not be included in the membership count of a district,
22 but shall be counted in membership in the intermediate district of
23 residence.

24 (9) Special education personnel transferred from 1 district to
25 another to implement the revised school code shall be entitled to
26 the rights, benefits, and tenure to which the person would
27 otherwise be entitled had that person been employed by the

1 receiving district originally.

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

8 (11) From the funds allocated in subsection (1), there is
9 allocated the amount necessary, estimated at ~~\$4,000,000.00~~
10 **\$3,400,000.00** for 2014-2015 **AND ESTIMATED AT \$3,300,000.00 FOR**
11 **2015-2016**, to pay the foundation allowances for pupils described in
12 this subsection. The allocation to a district under this subsection
13 shall be calculated by multiplying the number of pupils described
14 in this subsection who are counted in membership in the district
15 times the foundation allowance under section 20 of the pupil's
16 district of residence, not to exceed the basic foundation allowance
17 under section 20 for the current fiscal year, or, for a pupil
18 described in this subsection who is counted in membership in a
19 district that is a public school academy, times an amount equal to
20 the amount per membership pupil under section 20(6) or, for a pupil
21 described in this subsection who is counted in membership in the
22 education achievement system, times an amount equal to the amount
23 per membership pupil under section 20(7). The allocation to an
24 intermediate district under this subsection shall be calculated in
25 the same manner as for a district, using the foundation allowance
26 under section 20 of the pupil's district of residence, not to
27 exceed the basic foundation allowance under section 20 for the

1 current fiscal year. This subsection applies to all of the
2 following pupils:

3 (a) Pupils described in section 53a.

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

8 (c) Pupils with an emotional impairment counted in membership
9 by an intermediate district and provided educational services by
10 the department of ~~community health~~ **AND HUMAN SERVICES**.

11 (12) If it is determined that funds allocated under subsection
12 (2) or (11) or under section 51c will not be expended, funds up to
13 the amount necessary and available may be used to supplement the
14 allocations under subsection (2) or (11) or under section 51c in
15 order to fully fund those allocations. After payments under
16 subsections (2) and (11) and section 51c, the remaining
17 expenditures from the allocation in subsection (1) shall be made in
18 the following order:

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

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

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

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

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

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

1 (14) If a public school academy enrolls pursuant to this
2 section a pupil who resides outside of the intermediate district in
3 which the public school academy is located and who is eligible for
4 special education programs and services according to statute or
5 rule, or who is a child with disabilities, as defined under the
6 individuals with disabilities education act, Public Law 108-446,
7 the provision of special education programs and services and the
8 payment of the added costs of special education programs and
9 services for the pupil are the responsibility of the district and
10 intermediate district in which the pupil resides unless the
11 enrolling district or intermediate district has a written agreement
12 with the district or intermediate district in which the pupil
13 resides or the public school academy for the purpose of providing
14 the pupil with a free appropriate public education and the written
15 agreement includes at least an agreement on the responsibility for
16 the payment of the added costs of special education programs and
17 services for the pupil.

18 **(15) IT IS THE INTENT OF THE LEGISLATURE THAT, BEGINNING IN**
19 **2016-2017, A DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE**
20 **DISTRICT THAT FAILS TO COMPLY WITH SUBSECTION (14) OR WITH THE**
21 **REQUIREMENTS OF FEDERAL REGULATIONS REGARDING THE TREATMENT OF**
22 **PUBLIC SCHOOL ACADEMIES AND PUBLIC SCHOOL ACADEMY PUPILS FOR THE**
23 **PURPOSES OF SPECIAL EDUCATION, 34 CFR 300.209, FORFEITS FROM ITS**
24 **TOTAL STATE AID AN AMOUNT EQUAL TO 10% OF ITS TOTAL STATE AID.**

25 Sec. 51c. As required by the court in the consolidated cases
26 known as Durant v State of Michigan, Michigan supreme court docket
27 no. 104458-104492, from the allocation under section 51a(1), there

1 is allocated **EACH FISCAL YEAR** for 2014-2015 **AND FOR 2015-2016** the
2 amount necessary, estimated at ~~\$606,000,000.00,~~ **\$597,300,000.00 FOR**
3 **2014-2015 AND ESTIMATED AT \$610,000,000.00 FOR 2015-2016**, for
4 payments to reimburse districts for 28.6138% of total approved
5 costs of special education excluding costs reimbursed under section
6 53a, and 70.4165% of total approved costs of special education
7 transportation. Funds allocated under this section that are not
8 expended 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 22a and 22b in order to fully fund those
11 calculated allocations for the same fiscal year.

12 Sec. 51d. (1) From the federal funds appropriated in section
13 11, there is allocated for ~~2014-2015,~~ **2015-2016**, all available
14 federal funding, estimated at ~~\$74,000,000.00,~~ **\$71,000,000.00**, for
15 special education programs and services that are funded by federal
16 grants. All federal funds allocated under this section shall be
17 distributed in accordance with federal law. Notwithstanding section
18 17b, payments of federal funds to districts, intermediate
19 districts, and other eligible entities under this section shall be
20 paid on a schedule determined by the department.

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

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

26 (b) An amount estimated at ~~\$14,000,000.00~~ **\$12,000,000.00** for
27 preschool grants (Public Law 94-142), funded from DED-OSERS,

1 handicapped preschool incentive funds.

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

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

9 Sec. 53a. (1) For districts, reimbursement for pupils
10 described in subsection (2) shall be 100% of the total approved
11 costs of operating special education programs and services approved
12 by the department and included in the intermediate district plan
13 adopted pursuant to article 3 of the revised school code, MCL
14 380.1701 to 380.1766, minus the district's foundation allowance
15 calculated under section 20. For intermediate districts,
16 reimbursement for pupils described in subsection (2) shall be
17 calculated in the same manner as for a district, using the
18 foundation allowance under section 20 of the pupil's district of
19 residence, not to exceed the basic foundation allowance under
20 section 20 for the current fiscal year.

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

23 (a) Pupils assigned to a district or intermediate district
24 through the community placement program of the courts or a state
25 agency, if the pupil was a resident of another intermediate
26 district at the time the pupil came under the jurisdiction of the
27 court or a state agency.

1 (b) Pupils who are residents of institutions operated by the
2 department of ~~community~~ health **AND HUMAN SERVICES**.

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

6 (d) Pupils enrolled in a department-approved on-grounds
7 educational program longer than 180 days, but not longer than 233
8 days, at a residential child care institution, if the child care
9 institution offered in 1991-92 an on-grounds educational program
10 longer than 180 days but not longer than 233 days.

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

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

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

21 (5) Not more than \$10,500,000.00 of the allocation for ~~2014-~~
22 ~~2015-2015-2016~~ in section 51a(1) shall be allocated under this
23 section.

24 Sec. 54. Each intermediate district shall receive an amount
25 per-pupil for each pupil in attendance at the Michigan schools for
26 the deaf and blind. The amount shall be proportionate to the total
27 instructional cost at each school. Not more than \$1,688,000.00 of

1 the allocation for ~~2014-2015~~ 2015-2016 in section 51a(1) shall be
2 allocated under this section.

3 SEC. 55. (1) FROM THE MONEY APPROPRIATED IN SECTION 11, THERE
4 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$150,000.00 FOR 2015-2016 TO
5 MICHIGAN STATE UNIVERSITY, DEPARTMENT OF EPIDEMIOLOGY, FOR A STUDY
6 OF THE CONDUCTIVE LEARNING CENTER LOCATED AT AQUINAS COLLEGE. THIS
7 FUNDING SHALL BE USED TO DEVELOP AND IMPLEMENT AN EVALUATION OF THE
8 EFFECTIVENESS OF CONDUCTIVE EDUCATION FOR CHILDREN WITH CEREBRAL
9 PALSY. THE EVALUATION SHALL BE MULTIDIMENSIONAL AND SHALL INCLUDE A
10 CONTROL GROUP OF CHILDREN WITH CEREBRAL PALSY NOT ENROLLED IN
11 CONDUCTIVE EDUCATION. IT SHOULD INCLUDE AN ASSESSMENT OF THE MOTOR
12 SYSTEM ITSELF AS WELL AS THE IMPACT OF CONDUCTIVE EDUCATION ON EACH
13 OF THE FOLLOWING:

14 (A) THE ACQUISITION OF SKILLS PERMITTING COMPLEX MOTOR
15 FUNCTIONS.

16 (B) THE PERFORMANCE OF TASKS ESSENTIAL TO DAILY LIVING.

17 (C) THE ATTITUDES AND FEELINGS OF BOTH CHILDREN AND PARENTS.

18 (D) THE LONG-TERM NEED FOR SPECIAL EDUCATION FOR CHILDREN WITH
19 CEREBRAL PALSY.

20 (2) IT IS THE INTENT OF THE LEGISLATURE THAT THIS FUNDING IS
21 FOR THE FIRST OF 2 YEARS OF FUNDING FOR THIS PURPOSE.

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

23 (a) "Membership" means for a particular fiscal year the total
24 membership for the immediately preceding fiscal year of the
25 intermediate district and the districts constituent to the
26 intermediate district.

27 (b) "Millage levied" means the millage levied for special

1 education pursuant to part 30 of the revised school code, MCL
2 380.1711 to 380.1743, including a levy for debt service
3 obligations.

4 (c) "Taxable value" means the total taxable value of the
5 districts constituent to an intermediate district, except that if a
6 district has elected not to come under part 30 of the revised
7 school code, MCL 380.1711 to 380.1743, membership and taxable value
8 of the district shall not be included in the membership and taxable
9 value of the intermediate district.

10 (2) From the allocation under section 51a(1), there is
11 allocated an amount not to exceed \$37,758,100.00 for ~~2014-2015~~
12 **2015-2016** to reimburse intermediate districts levying millages for
13 special education pursuant to part 30 of the revised school code,
14 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
15 reimbursement shall be limited as if the funds were generated by
16 these millages and governed by the intermediate district plan
17 adopted pursuant to article 3 of the revised school code, MCL
18 380.1701 to 380.1766. As a condition of receiving funds under this
19 section, an intermediate district distributing any portion of
20 special education millage funds to its constituent districts shall
21 submit for departmental approval and implement a distribution plan.

22 (3) Reimbursement for those 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 ~~\$172,200.00~~ **\$174,400.00** 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 62.9% 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. 61a. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed ~~\$26,611,300.00~~ **\$36,611,300.00** for
10 ~~2014-2015-2015-2016~~ to reimburse on an added cost basis districts,
11 except for a district that served as the fiscal agent for a
12 vocational education consortium in the 1993-94 school year, and
13 secondary area vocational-technical education centers for
14 secondary-level career and technical education programs according
15 to rules approved by the superintendent. Applications for
16 participation in the programs shall be submitted in the form
17 prescribed by the department. The department shall determine the
18 added cost for each career and technical education program area.
19 The allocation of added cost funds shall be **PRIORITIZED** based on
20 the ~~type of~~ **CAPITAL AND PROGRAM EXPENDITURES NEEDED TO OPERATE THE**
21 **career and technical education programs provided; ,—the number of**
22 **pupils enrolled; ,—THE ADVANCEMENT OF PUPILS THROUGH THE**
23 **INSTRUCTIONAL PROGRAM; THE EXISTENCE OF AN ARTICULATION AGREEMENT**
24 **WITH AT LEAST 1 POSTSECONDARY INSTITUTION THAT PROVIDES PUPILS WITH**
25 **OPPORTUNITIES TO EARN POSTSECONDARY CREDIT DURING THE PUPIL'S**
26 **PARTICIPATION IN THE CAREER AND TECHNICAL EDUCATION PROGRAM AND**
27 **TRANSFERS THOSE CREDITS TO THE POSTSECONDARY INSTITUTION UPON**

1 COMPLETION OF THE CAREER AND TECHNICAL EDUCATION PROGRAM; THE
2 PROGRAM RANK IN STUDENT PLACEMENT, JOB OPENINGS, AND WAGES; and the
3 length of the training period provided, and shall not exceed 75% of
4 the added cost of any program. NOTWITHSTANDING ANY RULE OR
5 DEPARTMENT DETERMINATION TO THE CONTRARY, WHEN DETERMINING A
6 DISTRICT'S ALLOCATION OR THE FORMULA FOR MAKING ALLOCATIONS UNDER
7 THIS SECTION, THE DEPARTMENT SHALL INCLUDE THE PARTICIPATION OF
8 PUPILS IN GRADE 9 IN ALL OF THOSE DETERMINATIONS AND IN ALL
9 PORTIONS OF THE FORMULA. With the approval of the department, the
10 board of a district maintaining a secondary career and technical
11 education program may offer the program for the period from the
12 close of the school year until September 1. The program shall use
13 existing facilities and shall be operated as prescribed by rules
14 promulgated by the superintendent.

15 (2) Except for a district that served as the fiscal agent for
16 a vocational education consortium in the 1993-94 school year,
17 districts and intermediate districts shall be reimbursed for local
18 career and technical education administration, shared time career
19 and technical education administration, and career education
20 planning district career and technical education administration.
21 The definition of what constitutes administration and reimbursement
22 shall be pursuant to guidelines adopted by the superintendent. Not
23 more than \$800,000.00 of the allocation in subsection (1) shall be
24 distributed under this subsection.

25 ~~———— (3) In addition to the funds allocated in subsection (1), from~~
26 ~~the appropriation in section 11, there is allocated an amount not~~
27 ~~to exceed \$1,000,000.00 for 2014-2015 to districts or intermediate~~

~~1 districts for area career and technical education centers for the
2 purpose of integrating the Michigan merit curriculum content
3 standards under sections 1278a and 1278b of the revised school
4 code, MCL 380.1278a and 380.1278b, into state approved career and
5 technical education instructional programs for the purpose of
6 awarding academic credit. The department shall determine the
7 allocation to each career and technical education center in a
8 manner that provides for maximum integration of Michigan merit
9 curriculum content standards statewide.~~

10 (3) A CAREER AND TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS
11 SECTION MAY PROVIDE AN OPPORTUNITY FOR PARTICIPANTS WHO ARE
12 ELIGIBLE TO BE FUNDED UNDER SECTION 107 TO ENROLL IN THE CAREER AND
13 TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS SECTION IF THE
14 PARTICIPATION DOES NOT OCCUR DURING REGULAR SCHOOL HOURS.

15 SEC. 61B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
16 ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR 2015-2016 FOR
17 CTE EARLY/MIDDLE COLLEGE PROGRAMS AUTHORIZED UNDER THIS SECTION.
18 THE PURPOSE OF THESE PROGRAMS IS TO INCREASE THE NUMBER OF MICHIGAN
19 RESIDENTS WITH HIGH-QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE
20 THE NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH
21 SCHOOL GRADUATION.

22 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT
23 AS DETERMINED UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH
24 INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT FOR STATE-APPROVED
25 CTE EARLY/MIDDLE COLLEGE PROGRAMS IN EACH OF THE PROSPERITY REGIONS
26 AND SUBREGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE
27 DISTRICT SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER

1 THIS SUBSECTION FOR ADMINISTRATIVE COSTS FOR SERVING AS THE FISCAL
2 AGENT.

3 (3) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT
4 MUST AGREE TO DO ALL OF THE FOLLOWING IN A FORM AND MANNER
5 DETERMINED BY THE DEPARTMENT:

6 (A) DISTRIBUTE FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE
7 PROGRAMS IN A PROSPERITY REGION OR SUBREGION AS DESCRIBED IN THIS
8 SECTION.

9 (B) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT
10 IS LOCATED IN THE PROSPERITY REGION OR SUBREGION TO DEVELOP A
11 REGIONAL STRATEGIC PLAN UNDER SUBSECTION (4) THAT ALIGNS CTE
12 PROGRAMS AND SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY
13 SYSTEM FOR HIGH SCHOOL STUDENTS.

14 (C) IMPLEMENT A REGIONAL PROCESS TO RANK CAREER CLUSTERS IN
15 THE PROSPERITY REGION OR SUBREGION AS DESCRIBED UNDER SUBSECTION
16 (4). REGIONAL PROCESSES SHALL BE APPROVED BY THE DEPARTMENT BEFORE
17 THE RANKING OF CAREER CLUSTERS.

18 (D) REPORT CTE EARLY/MIDDLE COLLEGE PROGRAM AND STUDENT DATA
19 AND INFORMATION AS PRESCRIBED BY THE DEPARTMENT.

20 (4) A REGIONAL STRATEGIC PLAN MUST BE APPROVED BY THE TALENT
21 DISTRICT CAREER COUNCIL BEFORE SUBMISSION TO THE DEPARTMENT. A
22 REGIONAL STRATEGIC PLAN SHALL INCLUDE, BUT NOT BE LIMITED TO, THE
23 FOLLOWING:

24 (A) AN IDENTIFICATION OF REGIONAL EMPLOYER NEED BASED ON A
25 RANKING OF ALL CAREER CLUSTERS IN THE PROSPERITY REGION OR
26 SUBREGION RANKED BY 10-YEAR JOB OPENINGS PROJECTIONS AND MEDIAN
27 WAGE FOR EACH STANDARD OCCUPATIONAL CODE IN EACH CAREER CLUSTER AS

1 OBTAINED FROM THE UNITED STATES BUREAU OF LABOR STATISTICS.
2 STANDARD OCCUPATIONAL CODES WITHIN HIGH-RANKING CLUSTERS ALSO MAY
3 BE FURTHER RANKED BY MEDIAN WAGE. THE RANKINGS SHALL BE REVIEWED BY
4 THE TALENT DISTRICT CAREER COUNCIL LOCATED IN THE PROSPERITY REGION
5 OR SUBREGION AND MODIFIED IF NECESSARY TO ACCURATELY REFLECT
6 EMPLOYER DEMAND FOR TALENT IN THE PROSPERITY REGION OR SUBREGION.
7 THESE CAREER CLUSTER RANKINGS SHALL BE DETERMINED AND UPDATED ONCE
8 EVERY 3 YEARS.

9 (B) AN IDENTIFICATION OF EDUCATIONAL ENTITIES IN THE
10 PROSPERITY REGION OR SUBREGION THAT WILL PROVIDE ELIGIBLE CTE
11 EARLY/MIDDLE COLLEGE PROGRAMS INCLUDING DISTRICTS, INTERMEDIATE
12 DISTRICTS, POSTSECONDARY INSTITUTIONS, AND NONCREDIT OCCUPATIONAL
13 TRAINING PROGRAMS LEADING TO AN INDUSTRY-RECOGNIZED CREDENTIAL.

14 (C) A STRATEGY TO INFORM PARENTS AND STUDENTS OF CTE
15 EARLY/MIDDLE COLLEGE PROGRAMS IN THE PROSPERITY REGION OR
16 SUBREGION.

17 (D) ANY OTHER REQUIREMENTS AS DEFINED BY THE DEPARTMENT.

18 (5) AN ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM IS A 5-YEAR
19 HIGH SCHOOL PROGRAM THAT MEETS ALL OF THE FOLLOWING:

20 (A) HAS BEEN IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER
21 RANKINGS IN ANY OF THE 10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED
22 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF
23 TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT.

24 (B) HAS A COHERENT SEQUENCE OF COURSES THAT WILL ALLOW A
25 STUDENT TO EARN A HIGH SCHOOL DIPLOMA AND ACHIEVE AT LEAST 1 OF THE
26 FOLLOWING IN A SPECIFIC CAREER CLUSTER:

27 (i) AN ASSOCIATE DEGREE.

1 (ii) AN INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION APPROVED
2 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF
3 TALENT AND ECONOMIC DEVELOPMENT.

4 (iii) UP TO 60 TRANSFERABLE COLLEGE CREDITS.

5 (iv) PARTICIPATION IN A REGISTERED APPRENTICESHIP.

6 (C) IS ALIGNED WITH THE MICHIGAN MERIT CURRICULUM.

7 (D) HAS AN ARTICULATION AGREEMENT WITH AT LEAST 1
8 POSTSECONDARY INSTITUTION THAT PROVIDES STUDENTS WITH OPPORTUNITIES
9 TO RECEIVE POSTSECONDARY CREDITS DURING THE STUDENT'S PARTICIPATION
10 IN THE CTE EARLY/MIDDLE COLLEGE PROGRAM AND TRANSFERS THOSE CREDITS
11 TO THE POSTSECONDARY INSTITUTION UPON COMPLETION OF THE CTE
12 EARLY/MIDDLE COLLEGE PROGRAM.

13 (E) PROVIDES INSTRUCTION THAT IS SUPERVISED, DIRECTED, OR
14 COORDINATED BY AN APPROPRIATELY CERTIFICATED CTE TEACHER OR, FOR
15 CONCURRENT ENROLLMENT COURSES, A POSTSECONDARY FACULTY MEMBER.

16 (F) PROVIDES FOR HIGHLY INTEGRATED STUDENT SUPPORT SERVICES
17 THAT INCLUDE AT LEAST THE FOLLOWING:

18 (i) TEACHERS AS ACADEMIC ADVISORS.

19 (ii) SUPERVISED COURSE SELECTION.

20 (iii) MONITORING OF STUDENT PROGRESS AND COMPLETION.

21 (iv) CAREER PLANNING SERVICES PROVIDED BY A LOCAL ONE-STOP
22 SERVICE CENTER AS DESCRIBED IN THE MICHIGAN WORKS ONE-STOP SERVICE
23 CENTER SYSTEM ACT, 2006 PA 491, MCL 408.111 TO 408.135, OR BY A
24 HIGH SCHOOL COUNSELOR OR ADVISOR.

25 (G) HAS COURSES THAT ARE TAUGHT ON A COLLEGE CAMPUS, ARE
26 COLLEGE COURSES OFFERED AT THE HIGH SCHOOL AND TAUGHT BY COLLEGE
27 FACULTY, OR ARE COURSES TAUGHT IN COMBINATION WITH ONLINE

1 INSTRUCTION.

2 (6) FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS SHALL
3 BE DISTRIBUTED AS FOLLOWS:

4 (A) THE DEPARTMENT SHALL CALCULATE STATEWIDE AVERAGE CTE COSTS
5 PER FULL-TIME EQUATED PUPIL FOR EACH CAREER CLUSTER BY DIVIDING
6 TOTAL PRIOR YEAR STATEWIDE COSTS FOR EACH CAREER CLUSTER BY PRIOR
7 YEAR FULL-TIME EQUATED PUPILS FOR EACH CAREER CLUSTER.

8 (B) DISTRIBUTION TO EACH ELIGIBLE CTE EARLY/MIDDLE COLLEGE
9 PROGRAM SHALL BE THE PRODUCT OF 50% OF CTE COSTS PER FULL-TIME
10 EQUATED PUPIL TIMES THE CURRENT YEAR FULL-TIME EQUATED PUPIL
11 ENROLLMENT OF EACH CAREER CLUSTER IN AN ELIGIBLE CTE EARLY/MIDDLE
12 COLLEGE PROGRAM.

13 (7) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A CTE
14 EARLY/MIDDLE COLLEGE PROGRAM SHALL FURNISH TO THE INTERMEDIATE
15 DISTRICT THAT IS THE FISCAL AGENT IDENTIFIED IN SUBSECTION (1), IN
16 A FORM AND MANNER DETERMINED BY THE DEPARTMENT, ALL INFORMATION
17 NEEDED TO ADMINISTER THIS PROGRAM AND MEET FEDERAL REPORTING
18 REQUIREMENTS; SHALL ALLOW THE DEPARTMENT OR THE DEPARTMENT'S
19 DESIGNEE TO REVIEW ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT
20 RECEIVES FUNDS; AND SHALL REIMBURSE THE STATE FOR ALL DISALLOWANCES
21 FOUND IN THE REVIEW, AS DETERMINED BY THE DEPARTMENT.

22 (8) FUNDS DISTRIBUTED UNDER THIS SECTION MAY BE USED TO FUND
23 PROGRAM EXPENDITURES THAT WOULD OTHERWISE BE PAID FROM FOUNDATION
24 ALLOWANCES. A PROGRAM PROVIDER SHALL NOT USE MORE THAN 5% OF THE
25 FUNDS ALLOCATED UNDER THIS SECTION TO THE PROGRAM FOR
26 ADMINISTRATIVE COSTS.

27 (9) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO

1 FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE
2 DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL
3 PERCENTAGE BASIS.

4 (10) IF PUPILS ENROLLED IN A CAREER CLUSTER IN AN ELIGIBLE CTE
5 EARLY/MIDDLE COLLEGE PROGRAM QUALIFY TO BE REIMBURSED UNDER THIS
6 SECTION, THOSE PUPILS CONTINUE TO QUALIFY FOR REIMBURSEMENT UNTIL
7 GRADUATION, EVEN IF THE CAREER CLUSTER IS NO LONGER IDENTIFIED AS
8 BEING IN THE HIGHEST 5 CAREER CLUSTER RANKINGS.

9 (11) AS USED IN THIS SECTION:

10 (A) "ALLOWABLE COSTS" MEANS THOSE COSTS DIRECTLY ATTRIBUTABLE
11 TO THE PROGRAM AS JOINTLY DETERMINED BY THE MICHIGAN TALENT
12 INVESTMENT AGENCY AND THE DEPARTMENT.

13 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

14 (C) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL
15 TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY
16 REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT
17 REPRESENTATIVES.

18 Sec. 62. (1) For the purposes of this section:

19 (a) "Membership" means for a particular fiscal year the total
20 membership for the immediately preceding fiscal year of the
21 intermediate district and the districts constituent to the
22 intermediate district or the total membership for the immediately
23 preceding fiscal year of the area vocational-technical program.

24 (b) "Millage levied" means the millage levied for area
25 vocational-technical education pursuant to sections 681 to 690 of
26 the revised school code, MCL 380.681 to 380.690, including a levy
27 for debt service obligations incurred as the result of borrowing

1 for capital outlay projects and in meeting capital projects fund
2 requirements of area vocational-technical education.

3 (c) "Taxable value" means the total taxable value of the
4 districts constituent to an intermediate district or area
5 vocational-technical education program, except that if a district
6 has elected not to come under sections 681 to 690 of the revised
7 school code, MCL 380.681 to 380.690, the membership and taxable
8 value of that district shall not be included in the membership and
9 taxable value of the intermediate district. However, the membership
10 and taxable value of a district that has elected not to come under
11 sections 681 to 690 of the revised school code, MCL 380.681 to
12 380.690, shall be included in the membership and taxable value of
13 the intermediate district if the district meets both of the
14 following:

15 (i) The district operates the area vocational-technical
16 education program pursuant to a contract with the intermediate
17 district.

18 (ii) The district contributes an annual amount to the
19 operation of the program that is commensurate with the revenue that
20 would have been raised for operation of the program if millage were
21 levied in the district for the program under sections 681 to 690 of
22 the revised school code, MCL 380.681 to 380.690.

23 (2) From the appropriation in section 11, there is allocated
24 an amount not to exceed \$9,190,000.00 for ~~2014-2015-2015-2016~~ to
25 reimburse intermediate districts and area vocational-technical
26 education programs established under section 690(3) of the revised
27 school code, MCL 380.690, levying millages for area vocational-

1 technical education pursuant to sections 681 to 690 of the revised
2 school code, MCL 380.681 to 380.690. The purpose, use, and
3 expenditure of the reimbursement shall be limited as if the funds
4 were generated by those millages.

5 (3) Reimbursement for the millages levied in ~~2013-2014-2014-~~
6 ~~2015~~ shall be made in ~~2014-2015-2015-2016~~ at an amount per ~~2013-~~
7 ~~2014-2014-2015~~ membership pupil computed by subtracting from
8 ~~\$188,100.00~~ **\$189,400.00** the ~~2013-2014-2014-2015~~ taxable value
9 behind each membership pupil and multiplying the resulting
10 difference by the ~~2013-2014-2014-2015~~ millage levied.

11 (4) The amount paid to a single intermediate district under
12 this section shall not exceed 38.4% of the total amount allocated
13 under subsection (2).

14 (5) The amount paid to a single intermediate district under
15 this section shall not be less than 75% of the amount allocated to
16 the intermediate district under this section for the immediately
17 preceding fiscal year.

18 Sec. 64b. (1) From the appropriation in section 11, there is
19 allocated an amount not to exceed \$1,750,000.00 for ~~2014-2015-2015-~~
20 ~~2016~~ for supplemental payments to districts that support the
21 attendance of district pupils in grades 9 to 12 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, consistent with section 21b, or that
25 support the attendance of district pupils in a concurrent
26 enrollment program if the district meets the requirements under
27 subsection (3). **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**

1 INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY
2 UPON HIGH SCHOOL GRADUATION.

3 (2) To be eligible for payments under this section for
4 supporting the attendance of district pupils under the
5 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
6 388.524, or under the career and technical preparation act, 2000 PA
7 258, MCL 388.1901 to 388.1913, a district shall do all of the
8 following:

9 (a) Provide information to all high school pupils on
10 postsecondary enrollment options, including enrollment eligibility,
11 the institutions and types of courses that are eligible for
12 participation, the decision-making process for granting academic
13 credit, and an explanation of eligible charges that will be paid by
14 the district.

15 (b) Enter into a written agreement with a postsecondary
16 institution before the enrollment of district pupils.

17 (c) Agree to pay all eligible charges pursuant to section 21b.

18 (d) Award high school credit for the postsecondary course if
19 the pupil successfully completes the course.

20 (3) To be eligible for payments under this section for pupils
21 enrolled in a concurrent enrollment program, a district shall do
22 all of the following:

23 (a) Provide information to all high school pupils on
24 postsecondary enrollment options, including enrollment eligibility,
25 the institutions and types of courses that are eligible for
26 participation, the decision-making process for granting academic
27 credit, and an explanation of eligible charges that will be paid by

1 the district.

2 (b) Enter into a written agreement with a postsecondary
3 institution establishing the concurrent enrollment program before
4 the enrollment of district pupils in a postsecondary course through
5 the postsecondary institution.

6 (c) Ensure that the course is taught by either a high school
7 teacher or postsecondary faculty pursuant to standards established
8 by the postsecondary institution with which the district has
9 entered into a written agreement to operate the concurrent
10 enrollment program.

11 (d) Ensure that the written agreement provides that the
12 postsecondary institution agrees not to charge the pupil for any
13 cost of the program.

14 (e) Ensure that the course is taught in the local district or
15 intermediate district.

16 (f) Ensure that the pupil is awarded both high school and
17 college credit **AT ANY COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY**
18 **IN THIS STATE** upon successful completion of the course as outlined
19 in the agreement with the postsecondary institution.

20 (4) Funds shall be awarded to eligible districts under this
21 section in the following manner:

22 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
23 credit-bearing course in which a pupil enrolls during the ~~2014-2015~~
24 **2015-2016** school year as described under either subsection (2) or
25 (3).

26 (b) An additional payment of \$30.00 per-pupil per course
27 identified in subdivision (a), if the pupil successfully completes,

1 and is awarded both high school and postsecondary credit for, the
2 course during the ~~2014-2015~~-2015-2016 school year.

3 (5) A district requesting payment under this section shall
4 submit an application to the department in the form and manner
5 prescribed by the department. Notwithstanding section 17b, payments
6 under this section shall be made on a schedule determined by the
7 department.

8 SEC. 65. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER
9 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$340,000.00
10 FOR 2015-2016 FOR A PRE-COLLEGE ENGINEERING K-12 EDUCATIONAL
11 PROGRAM THAT IS FOCUSED ON THE DEVELOPMENT OF A DIVERSE FUTURE
12 MICHIGAN WORKFORCE, THAT SERVES MULTIPLE COMMUNITIES WITHIN
13 SOUTHEAST MICHIGAN, THAT ENROLLS PUPILS FROM MULTIPLE DISTRICTS,
14 AND THAT RECEIVED FUNDS APPROPRIATED FOR THIS PURPOSE IN THE
15 APPROPRIATIONS ACT THAT PROVIDED THE MICHIGAN STRATEGIC FUND BUDGET
16 FOR 2014-2015.

17 (2) TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, A PROGRAM
18 MUST HAVE THE ABILITY TO EXPOSE PUPILS TO, AND MOTIVATE AND PREPARE
19 PUPILS FOR, SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS
20 CAREERS AND POSTSECONDARY EDUCATION WITH SPECIAL ATTENTION GIVEN TO
21 GROUPS OF PUPILS WHO ARE AT-RISK AND UNDERREPRESENTED IN TECHNICAL
22 PROFESSIONS AND CAREERS.

23 SEC. 67. (1) FROM THE GENERAL FUND AMOUNT APPROPRIATED IN
24 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
25 \$3,600,000.00 FOR 2015-2016 FOR COLLEGE AND CAREER PREPARATION
26 ACTIVITIES. THE PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO
27 INFORM STUDENTS OF COLLEGE AND CAREER OPTIONS AND TO PROVIDE A WIDE

1 ARRAY OF TOOLS AND RESOURCES INTENDED TO INCREASE THE NUMBER OF
2 PUPILS WHO ARE ADEQUATELY PREPARED WITH THE INFORMATION NEEDED TO
3 MAKE INFORMED DECISIONS ON COLLEGE AND CAREER. THE FUNDS
4 APPROPRIATED UNDER THIS SECTION ARE INTENDED TO BE USED TO INCREASE
5 THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH-QUALITY DEGREES OR
6 CREDENTIALS. FUNDS APPROPRIATED UNDER THIS SECTION SHALL NOT BE
7 USED TO SUPPLANT FUNDING FOR COUNSELORS ALREADY FUNDED BY
8 DISTRICTS.

9 (2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT
10 TO EXCEED \$3,000,000.00 SHALL BE USED FOR THE COLLEGE ACCESS
11 PROGRAM. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF TALENT
12 AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN
13 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK. THESE FUNDS
14 MAY BE USED FOR ANY OF THE FOLLOWING PURPOSES:

15 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING,
16 AND SERVICES TO LOCAL COLLEGE ACCESS NETWORKS.

17 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED
18 COLLEGE ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE
19 COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN GEOGRAPHICALLY
20 DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

21 (C) THE MICHIGAN COLLEGE ADVISING PROGRAM, A PROGRAM INTENDED
22 TO PLACE TRAINED, RECENTLY GRADUATED COLLEGE ADVISORS IN HIGH
23 SCHOOLS THAT SERVE SIGNIFICANT NUMBERS OF LOW-INCOME AND FIRST-
24 GENERATION COLLEGE-GOING PUPILS. STATE FUNDS USED FOR THIS PURPOSE
25 MAY NOT EXCEED 33% OF THE TOTAL FUNDS AVAILABLE UNDER THIS
26 SUBSECTION.

27 (D) SUBGRANTS OF UP TO \$5,000.00 TO DISTRICTS WITH

1 COMPREHENSIVE HIGH SCHOOLS THAT ESTABLISH A COLLEGE ACCESS TEAM AND
2 IMPLEMENT SPECIFIC STRATEGIES TO CREATE A COLLEGE-GOING CULTURE IN
3 A HIGH SCHOOL IN A FORM AND MANNER APPROVED BY THE MICHIGAN COLLEGE
4 ACCESS NETWORK AND THE MICHIGAN TALENT INVESTMENT AGENCY.

5 (E) THE MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE ONE-STOP
6 PORTAL TO HELP PUPILS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

7 (F) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-
8 INCOME AND FIRST-GENERATION COLLEGE-GOING PUPILS TO TAKE NECESSARY
9 STEPS TOWARD COLLEGE AND TO ASSIST PUPILS AND FAMILIES IN
10 COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL
11 STUDENT AID.

12 (G) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE,
13 AND TRAIN COLLEGE STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST
14 HIGH SCHOOL PUPILS IN NAVIGATING THE POSTSECONDARY PLANNING AND
15 ENROLLMENT PROCESS.

16 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT
17 TO EXCEED \$600,000.00 SHALL BE USED FOR THE PURPOSES OF THIS
18 SUBSECTION. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF
19 TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN
20 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK AND THE
21 MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE ALL OF THE FOLLOWING:

22 (A) A PILOT OUTREACH PROGRAM TO PROVIDE INFORMATION TO PUPILS,
23 PARENTS, AND EDUCATORS ON DUAL ENROLLMENT AND OTHER OPPORTUNITIES
24 AVAILABLE TO HIGH SCHOOL PUPILS TO EARN POSTSECONDARY CREDITS,
25 INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATIONS, AND PARTICIPATION IN
26 REGISTERED APPRENTICESHIPS AT NO COST.

27 (B) AN ONLINE CAREER PLANNING TOOL THAT MEETS ALL OF THE

1 FOLLOWING:

2 (i) HELPS PUPILS CREATE EDUCATIONAL DEVELOPMENT PLANS BEFORE
3 STARTING HIGH SCHOOL.

4 (ii) PROVIDES INFORMATION TO PUPILS ALLOWING THEM TO MAKE MORE
5 INFORMED CHOICES ABOUT CAREER AND EDUCATION OPTIONS.

6 (iii) IS AVAILABLE TO PUPILS AT NO COST.

7 (4) FOR THE PURPOSES OF THIS SECTION, "COLLEGE" MEANS ANY
8 POSTSECONDARY EDUCATIONAL OPPORTUNITY THAT LEADS TO A CAREER,
9 INCLUDING, BUT NOT LIMITED TO, A POSTSECONDARY DEGREE, INDUSTRY-
10 RECOGNIZED TECHNICAL CERTIFICATION, OR REGISTERED APPRENTICESHIP.

11 Sec. 74. (1) From the amount appropriated in section 11, there
12 is allocated an amount not to exceed ~~\$3,316,500.00 for 2014-2015~~
13 **\$3,315,700.00 FOR 2015-2016** for the purposes of this section.

14 (2) From the allocation in subsection (1), there is allocated
15 for each fiscal year the amount necessary for payments to state
16 supported colleges or universities and intermediate districts
17 providing school bus driver safety instruction pursuant to section
18 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
19 payments shall be in an amount determined by the department not to
20 exceed the actual cost of instruction and driver compensation for
21 each public or nonpublic school bus driver attending a course of
22 instruction. For the purpose of computing compensation, the hourly
23 rate allowed each school bus driver shall not exceed the hourly
24 rate received for driving a school bus. Reimbursement compensating
25 the driver during the course of instruction shall be made by the
26 department to the college or university or intermediate district
27 providing the course of instruction.

1 (3) From the allocation in subsection (1), there is allocated
2 for ~~2014-2015-2015-2016~~ the amount necessary to pay the reasonable
3 costs of nonspecial education auxiliary services transportation
4 provided pursuant to section 1323 of the revised school code, MCL
5 380.1323. Districts funded under this subsection shall not receive
6 funding under any other section of this article for nonspecial
7 education auxiliary services transportation.

8 (4) From the funds allocated in subsection (1), there is
9 allocated an amount not to exceed ~~\$1,691,500.00 for 2014-2015~~
10 **\$1,690,700.00 FOR 2015-2016** for reimbursement to districts and
11 intermediate districts for costs associated with the inspection of
12 school buses and pupil transportation vehicles by the department of
13 state police as required under section 715a of the Michigan vehicle
14 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
15 transportation act, 1990 PA 187, MCL 257.1839. The department of
16 state police shall prepare a statement of costs attributable to
17 each district for which bus inspections are provided and submit it
18 to the department and to an intermediate district serving as
19 fiduciary in a time and manner determined jointly by the department
20 and the department of state police. Upon review and approval of the
21 statement of cost, the department shall forward to the designated
22 intermediate district serving as fiduciary the amount of the
23 reimbursement on behalf of each district and intermediate district
24 for costs detailed on the statement within 45 days after receipt of
25 the statement. The designated intermediate district shall make
26 payment in the amount specified on the statement to the department
27 of state police within 45 days after receipt of the statement. The

1 total reimbursement of costs under this subsection shall not exceed
 2 the amount allocated under this subsection. Notwithstanding section
 3 17b, payments to eligible entities under this subsection shall be
 4 paid on a schedule prescribed by the department.

5 **SEC. 77. (1) IF A DISTRICT IS EDUCATING ALL OF THE HIGH SCHOOL**
 6 **PUPILS WHO ARE COUNTED IN MEMBERSHIP IN ANOTHER DISTRICT PURSUANT**
 7 **TO AN AGREEMENT BETWEEN THE 2 DISTRICTS AND IF THE EDUCATING**
 8 **DISTRICT PROVIDES TRANSPORTATION FOR ITS OWN RESIDENT HIGH SCHOOL**
 9 **PUPILS, THE EDUCATING DISTRICT SHALL USE STATE SCHOOL AID UNDER**
 10 **THIS ARTICLE TO PROVIDE TRANSPORTATION TO AND FROM SCHOOL FOR**
 11 **NORMAL CURRICULAR ACTIVITIES FOR THOSE HIGH SCHOOL PUPILS WHO**
 12 **RESIDE IN THE OTHER DISTRICT.**

13 **(2) SUBSECTION (1) DOES NOT REQUIRE THE EDUCATING DISTRICT TO**
 14 **PROVIDE TRANSPORTATION FOR A NONRESIDENT PUPIL FOR ANY**
 15 **EXTRACURRICULAR OR ATHLETIC ACTIVITY IN WHICH THE PUPIL**
 16 **PARTICIPATES.**

17 Sec. 81. (1) ~~Except as otherwise provided in this section,~~
 18 ~~from~~ **FROM** the appropriation in section 11, there is allocated for
 19 ~~2014-2015-2015-2016~~ to the intermediate districts the sum
 20 necessary, but not to exceed ~~\$67,115,000.00~~ **\$67,108,000.00** to
 21 provide state aid to intermediate districts under this section.

22 (2) From the allocation in subsection (1), there is allocated
 23 for ~~2014-2015-2015-2016~~ an amount not to exceed ~~\$65,108,000.00~~
 24 **\$67,108,000.00** for allocations to each intermediate district in an
 25 amount equal to ~~104.8%~~ **103.1%** of the amount allocated to the
 26 intermediate district under this subsection for ~~2013-2014.~~ **2014-**
 27 **2015.** Funding provided under this section shall be used to comply

1 with requirements of this article and the revised school code that
2 are applicable to intermediate districts, and for which funding is
3 not provided elsewhere in this article, and to provide technical
4 assistance to districts as authorized by the intermediate school
5 board.

6 (3) Intermediate districts receiving funds under subsection
7 (2) shall collaborate with the department to develop expanded
8 professional development opportunities for teachers to update and
9 expand their knowledge and skills needed to support the Michigan
10 merit curriculum.

11 (4) From the allocation in subsection (1), there is allocated
12 to an intermediate district, formed by the consolidation or
13 annexation of 2 or more intermediate districts or the attachment of
14 a total intermediate district to another intermediate school
15 district or the annexation of all of the constituent K-12 districts
16 of a previously existing intermediate school district which has
17 disorganized, an additional allotment of \$3,500.00 each fiscal year
18 for each intermediate district included in the new intermediate
19 district for 3 years following consolidation, annexation, or
20 attachment. ~~From the allocation in subsection (1), there is~~
21 ~~allocated \$7,000.00 for purposes of this subsection for 2012-2013,~~
22 ~~for 2013-2014, and for 2014-2015, after which the payment under~~
23 ~~this subsection will cease.~~

24 (5) In order to receive funding under subsection (2), an
25 intermediate district shall do all of the following:

26 (a) Demonstrate to the satisfaction of the department that the
27 intermediate district employs at least 1 person who is trained in

1 pupil accounting and auditing procedures, rules, and regulations.

2 (b) Demonstrate to the satisfaction of the department that the
3 intermediate district employs at least 1 person who is trained in
4 rules, regulations, and district reporting procedures for the
5 individual-level student data that serves as the basis for the
6 calculation of the district and high school graduation and dropout
7 rates.

8 (c) Comply with sections 1278a and 1278b of the revised school
9 code, MCL 380.1278a and 380.1278b.

10 (d) Furnish data and other information required by state and
11 federal law to the center and the department in the form and manner
12 specified by the center or the department, as applicable.

13 (e) Comply with section 1230g of the revised school code, MCL
14 380.1230g.

15 (f) Comply with section 761 of the revised school code, MCL
16 380.761.

17 ~~—— (6) From the allocation in subsection (1), there is allocated~~
18 ~~an amount not to exceed \$2,000,000.00 for 2014-2015 for an~~
19 ~~incentive payment to each intermediate district that meets best~~
20 ~~practices as determined by the department under this subsection.~~

21 ~~The amount of the incentive payment is an amount equal to 3.1% of~~
22 ~~the amount allocated to the intermediate district under subsection~~
23 ~~(2). An intermediate district is eligible for an incentive payment~~
24 ~~under this subsection if the intermediate district satisfies at~~
25 ~~least 5 of the following requirements not later than June 1, 2015:~~

26 ~~—— (a) The intermediate district enters into an agreement with~~
27 ~~the department to comply with all of the following:~~

1 ~~—— (i) If the intermediate district developed a service~~
2 ~~consolidation plan in 2013-2014, implement the service~~
3 ~~consolidation plan in 2014-2015 and report to the department not~~
4 ~~later than February 1, 2015 on the intermediate district's progress~~
5 ~~in implementing the service consolidation plan.~~

6 ~~—— (ii) If the intermediate district did not develop a service~~
7 ~~consolidation plan in 2012-2013 or 2013-2014, develop a service~~
8 ~~consolidation plan in 2014-2015 to reduce operating costs that is~~
9 ~~in compliance with guidelines that were developed by the department~~
10 ~~for former section 11d as that section was in effect for 2010-2011.~~

11 ~~—— (iii) Make the intermediate district's service consolidation~~
12 ~~plan publicly available on the intermediate district's website.~~

13 ~~—— (b) The intermediate district has obtained competitive bids on~~
14 ~~the provision of 1 or more noninstructional services for the~~
15 ~~intermediate district or its constituent districts with a value of~~
16 ~~at least \$50,000.00. The unfunded accrued liability costs for~~
17 ~~retirement and other benefits shall be excluded from the~~
18 ~~intermediate district's current costs for the purpose of comparing~~
19 ~~competitive bids to the current costs of providing services.~~

20 ~~—— (c) The intermediate district develops a technology plan in~~
21 ~~accordance with department policy on behalf of all constituent~~
22 ~~districts within the intermediate district that integrates~~
23 ~~technology into the classroom and prepares teachers to use digital~~
24 ~~technologies as part of the instructional program of each of its~~
25 ~~constituent districts. An intermediate district that developed a~~
26 ~~technology plan in 2012-2013 or 2013-2014 shall continue to~~
27 ~~implement that technology plan in 2014-2015.~~

1 ~~—— (d) The intermediate district provides to parents and~~
2 ~~community members a dashboard or report card demonstrating the~~
3 ~~intermediate district's efforts to manage its finances responsibly.~~
4 ~~The dashboard or report card shall include revenue and expenditure~~
5 ~~projections for the intermediate district for 2014-2015 and 2015-~~
6 ~~2016, a listing of all debt service obligations, detailed by~~
7 ~~project, including anticipated 2014-2015 payment for each project,~~
8 ~~a listing of total outstanding debt, and at least all of the~~
9 ~~following for the 3 most recent school years for which the data are~~
10 ~~available:~~

11 ~~—— (i) A list of services offered by the intermediate district~~
12 ~~that are shared by other local or intermediate districts and a list~~
13 ~~of the districts or intermediate districts that participate.~~

14 ~~—— (ii) The total cost savings to local or other intermediate~~
15 ~~districts that share services with the intermediate district.~~

16 ~~—— (iii) The number and percentage of teachers in the~~
17 ~~intermediate district service area that are trained to integrate~~
18 ~~technology into the classroom.~~

19 ~~—— (iv) The total funds received from levying special education~~
20 ~~and vocational education millages, and the number of special~~
21 ~~education and vocational education pupils served with those~~
22 ~~dollars.~~

23 ~~—— (v) The number and percentage of individualized education~~
24 ~~programs developed for special education pupils that contain~~
25 ~~academic goals.~~

26 ~~—— (e) The intermediate district works in a consortium with 1 or~~
27 ~~more other intermediate districts and the center to develop local~~

1 ~~information management system requirements and bid specifications~~
2 ~~that result in a recommended model information system that supports~~
3 ~~interoperability to ensure linkage and connectivity in a manner~~
4 ~~that facilitates the efficient exchange of data among districts,~~
5 ~~intermediate districts, and the center. At a minimum, these~~
6 ~~specifications shall include pupil management systems for both~~
7 ~~general and special education, learning management tools, and~~
8 ~~business services.~~

9 ~~—— (f) If an intermediate district provides medical, pharmacy,~~
10 ~~dental, vision, disability, long term care, or any other type of~~
11 ~~benefit that would constitute a health care services benefit, to~~
12 ~~employees and their dependents, the intermediate district is the~~
13 ~~policyholder for each of its insurance policies that covers 1 or~~
14 ~~more of these benefits. An intermediate district that does not~~
15 ~~directly employ its staff or an intermediate district with a~~
16 ~~voluntary employee beneficiary association that pays no more than~~
17 ~~the maximum per employee contribution amount and that contributes~~
18 ~~no more than the maximum employer contribution percentage of total~~
19 ~~annual costs for the medical benefit plans as described in sections~~
20 ~~3 and 4 of the publicly funded health insurance contribution act,~~
21 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied~~
22 ~~this requirement.~~

23 Sec. 94. (1) From the general fund appropriation in section
24 11, there is allocated to the department for ~~2014-2015-2015-2016~~ an
25 amount not to exceed \$250,000.00 for efforts to increase the number
26 of pupils who participate and succeed in advanced placement and
27 international baccalaureate programs.

1 (2) From the funds allocated under this section, the
2 department shall award funds to cover all or part of the costs of
3 advanced placement test fees or international baccalaureate test
4 fees for low-income pupils who take an advanced placement or an
5 international baccalaureate test. Payments shall not exceed \$20.00
6 per test completed.

7 (3) The department shall only award funds under this section
8 if the department determines that all of the following criteria are
9 met:

10 (a) Each pupil for whom payment is made meets eligibility
11 requirements of the federal advanced placement test fee program
12 under section 1701 of the no child left behind act of 2001, Public
13 Law 107-110.

14 (b) The tests are administered by the college board, the
15 international baccalaureate organization, or another test provider
16 approved by the department.

17 (c) The pupil for whom payment is made pays at least \$5.00
18 toward the cost of each test for which payment is made.

19 (4) The department shall establish procedures for awarding
20 funds under this section.

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

23 Sec. 94a. (1) There is created within the state budget office
24 in the department of technology, management, and budget the center
25 for educational performance and information. The center shall do
26 all of the following:

27 (a) Coordinate the collection of all data required by state

1 and federal law from districts, intermediate districts, and
2 postsecondary institutions.

3 (b) Create, maintain, and enhance this state's P-20
4 longitudinal data system and ensure that it meets the requirements
5 of subsection (4).

6 (c) Collect data in the most efficient manner possible in
7 order to reduce the administrative burden on reporting entities,
8 including, but not limited to, electronic transcript services.

9 (d) Create, maintain, and enhance this state's web-based
10 educational portal to provide information to school leaders,
11 teachers, researchers, and the public in compliance with all
12 federal and state privacy laws. Data shall include, but are not
13 limited to, all of the following:

14 (i) Data sets that link teachers to student information,
15 allowing districts to assess individual teacher impact on student
16 performance and consider student growth factors in teacher and
17 principal evaluation systems.

18 (ii) Data access or, if practical, data sets, provided for
19 regional data warehouses that, in combination with local data, can
20 improve teaching and learning in the classroom.

21 (iii) Research-ready data sets for researchers to perform
22 research that advances this state's educational performance.

23 (e) Provide data in a useful manner to allow state and local
24 policymakers to make informed policy decisions.

25 (f) Provide public reports to the citizens of this state to
26 allow them to assess allocation of resources and the return on
27 their investment in the education system of this state.

1 (g) Other functions as assigned by the state budget director.

2 (2) Each state department, officer, or agency that collects
3 information from districts, intermediate districts, or
4 postsecondary institutions as required under state or federal law
5 shall make arrangements with the center to ensure that the state
6 department, officer, or agency is in compliance with subsection
7 (1). This subsection does not apply to information collected by the
8 department of treasury under the uniform budgeting and accounting
9 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
10 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
11 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
12 388.1939; or section 1351a of the revised school code, MCL
13 380.1351a.

14 (3) The center may enter into any interlocal agreements
15 necessary to fulfill its functions.

16 (4) The center shall ensure that the P-20 longitudinal data
17 system required under subsection (1)(b) meets all of the following:

18 (a) Includes data at the individual student level from
19 preschool through postsecondary education and into the workforce.

20 (b) Supports interoperability by using standard data
21 structures, data formats, and data definitions to ensure linkage
22 and connectivity in a manner that facilitates the exchange of data
23 among agencies and institutions within the state and between
24 states.

25 (c) Enables the matching of individual teacher and student
26 records so that an individual student may be matched with those
27 teachers providing instruction to that student.

1 (d) Enables the matching of individual teachers with
2 information about their certification and the institutions that
3 prepared and recommended those teachers for state certification.

4 (e) Enables data to be easily generated for continuous
5 improvement and decision-making, including timely reporting to
6 parents, teachers, and school leaders on student achievement.

7 (f) Ensures the reasonable quality, validity, and reliability
8 of data contained in the system.

9 (g) Provides this state with the ability to meet federal and
10 state reporting requirements.

11 (h) For data elements related to preschool through grade 12
12 and postsecondary, meets all of the following:

13 (i) Contains a unique statewide student identifier that does
14 not permit a student to be individually identified by users of the
15 system, except as allowed by federal and state law.

16 (ii) Contains student-level enrollment, demographic, and
17 program participation information.

18 (iii) Contains student-level information about the points at
19 which students exit, transfer in, transfer out, drop out, or
20 complete education programs.

21 (iv) Has the capacity to communicate with higher education
22 data systems.

23 (i) For data elements related to preschool through grade 12
24 only, meets all of the following:

25 (i) Contains yearly test records of individual students for
26 assessments approved by DED-OESE for accountability purposes under
27 section 1111(b) of the elementary and secondary education act of

1 1965, 20 USC 6311, including information on individual students not
2 tested, by grade and subject.

3 (ii) Contains student-level transcript information, including
4 information on courses completed and grades earned.

5 (iii) Contains student-level college readiness test scores.

6 (j) For data elements related to postsecondary education only:

7 (i) Contains data that provide information regarding the
8 extent to which individual students transition successfully from
9 secondary school to postsecondary education, including, but not
10 limited to, all of the following:

11 (A) Enrollment in remedial coursework.

12 (B) Completion of 1 year's worth of college credit applicable
13 to a degree within 2 years of enrollment.

14 (ii) Contains data that provide other information determined
15 necessary to address alignment and adequate preparation for success
16 in postsecondary education.

17 (5) From the general fund appropriation in section 11, there
18 is allocated an amount not to exceed ~~\$12,022,800.00 for 2014-2015~~
19 **\$11,967,000.00 FOR 2015-2016** to the department of technology,
20 management, and budget to support the operations of the center. In
21 addition, from the federal funds appropriated in section 11 there
22 is allocated for ~~2014-2015-2015-2016~~ the amount necessary,
23 estimated at \$193,500.00, to support the operations of the center
24 and to establish a P-20 longitudinal data system ~~as provided under~~
25 ~~this section in compliance with the assurance provided to the~~
26 ~~United States department of education in order to receive state~~
27 ~~fiscal stabilization funds.~~ **NECESSARY FOR STATE AND FEDERAL**

1 **REPORTING PURPOSES.** The center shall cooperate with the department
2 to ensure that this state is in compliance with federal law and is
3 maximizing opportunities for increased federal funding to improve
4 education in this state.

5 (6) From the funds allocated in subsection (5), ~~there is~~
6 ~~allocated for 2014-2015 an amount not to exceed \$850,000.00~~ **THE**
7 **CENTER MAY USE AN AMOUNT DETERMINED BY THE CENTER** for competitive
8 grants **FOR 2015-2016** to support collaborative efforts on the P-20
9 longitudinal data system. All of the following apply to grants
10 awarded under this subsection:

11 (a) The center shall award competitive grants to eligible
12 intermediate districts or a consortium of intermediate districts
13 based on criteria established by the center.

14 (b) Activities funded under the grant shall support the P-20
15 longitudinal data system portal and may include portal hosting,
16 hardware and software acquisition, maintenance, enhancements, user
17 support and related materials, and professional learning tools and
18 activities aimed at improving the utility of the P-20 longitudinal
19 data system.

20 (c) An applicant that received a grant under this subsection
21 for the immediately preceding fiscal year shall receive priority
22 for funding under this section. However, after 3 fiscal years of
23 continuous funding, an applicant is required to compete openly with
24 new applicants.

25 (7) Funds allocated under this section that are not expended
26 in the fiscal year in which they were allocated may be carried
27 forward to a subsequent fiscal year and are appropriated for the

1 purposes for which the funds were originally allocated.

2 (8) The center may bill departments as necessary in order to
3 fulfill reporting requirements of state and federal law. The center
4 may also enter into agreements to supply custom data, analysis, and
5 reporting to other principal executive departments, state agencies,
6 local units of government, and other individuals and organizations.
7 The center may receive and expend funds in addition to those
8 authorized in subsection (5) to cover the costs associated with
9 salaries, benefits, supplies, materials, and equipment necessary to
10 provide such data, analysis, and reporting services.

11 (9) As used in this section:

12 (a) "DED-OESE" means the United States ~~department of education~~
13 ~~office of elementary and secondary education.~~ **DEPARTMENT OF**
14 **EDUCATION OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

15 (b) "State education agency" means the department.

16 Sec. 95a. (1) The educator evaluation reserve fund is created
17 as a separate account within the state school aid fund.

18 (2) The state treasurer may receive money or other assets from
19 any source for deposit into the educator evaluation reserve fund.
20 The state treasurer shall direct the investment of the educator
21 evaluation reserve fund. The state treasurer shall credit to the
22 educator evaluation reserve fund interest and earnings from the
23 educator evaluation reserve fund.

24 (3) Money in the educator evaluation reserve fund at the close
25 of the fiscal year shall remain in the educator evaluation reserve
26 fund and shall not lapse to the state school aid fund or to the
27 general fund. The department of treasury shall be the administrator

1 of the educator evaluation reserve fund for auditing purposes.

2 (4) From the appropriations in section 11, there is allocated
3 to the educator evaluation reserve fund for 2014-2015 an amount not
4 to exceed \$12,100,000.00 from the state school aid fund and an
5 amount not to exceed \$2,700,000.00 from the general fund. Subject
6 to subsections (5) and (6), the department shall expend the money
7 in the educator evaluation reserve fund for implementing evaluation
8 systems for public school teachers and school administrators.

9 ~~— (5) Funds in the educator evaluation reserve fund shall not be~~
10 ~~expended unless House Bill Nos. 5223 and 5224 of the 97th~~
11 ~~Legislature are enacted into law.~~

12 (5) ~~(6)~~ Funds in the educator evaluation reserve fund shall
13 not be expended unless the state budget office has approved the
14 department's spending plan.

15 Sec. 98. (1) From the general fund money appropriated in
16 section 11, there is allocated an amount not to exceed
17 \$7,387,500.00 for ~~2014-2015-2015-2016~~ for the purposes described in
18 this section.

19 (2) The Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall
20 operate the Michigan ~~virtual learning research institute.~~ **VIRTUAL**
21 **LEARNING RESEARCH INSTITUTE**. The Michigan ~~virtual learning research~~
22 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall do all of the
23 following:

24 (a) Support and accelerate innovation in education through the
25 following activities:

26 (i) Test, evaluate, and recommend as appropriate new
27 technology-based instructional tools and resources.

1 (ii) Research, design, and recommend digital education
2 delivery models for use by pupils and teachers that include age-
3 appropriate multimedia instructional content.

4 (iii) Research, develop, and recommend annually to the
5 department criteria by which cyber schools and online course
6 providers should be monitored and evaluated to ensure a quality
7 education for their pupils.

8 (iv) Based on pupil completion and performance data reported
9 to the department or the center for educational performance and
10 information from cyber schools and other online course providers
11 operating in this state, analyze the effectiveness of online
12 learning delivery models in preparing pupils to be college- and
13 career-ready and publish a report that highlights enrollment
14 totals, completion rates, and the overall impact on pupils. The
15 report shall be submitted to the house and senate appropriations
16 subcommittees on state school aid, the state budget director, the
17 house and senate fiscal agencies, and the department not later than
18 ~~December 1, 2015.~~ **MARCH 31, 2016.**

19 (v) Before August 31, ~~2015,~~ **2016**, provide an extensive
20 professional development program to at least 500 educational
21 personnel, including teachers, school administrators, and school
22 board members, that focuses on the effective integration of digital
23 learning into curricula and instruction. Not later than December 1,
24 ~~2015,~~ **2016**, the Michigan ~~virtual learning research institute~~
25 **VIRTUAL LEARNING RESEARCH INSTITUTE** shall submit a report to the
26 house and senate appropriations subcommittees on state school aid,
27 the state budget director, the house and senate fiscal agencies,

1 and the department on the number and percentage of teachers, school
2 administrators, and school board members who have received
3 professional development services from the Michigan ~~virtual~~
4 ~~university.~~ **VIRTUAL UNIVERSITY.** The report shall also identify
5 barriers and other opportunities to encourage the adoption of
6 digital learning in the public education system.

7 (vi) Identify and share best practices for planning,
8 implementing, and evaluating online and blended education delivery
9 models with intermediate districts, districts, and public school
10 academies to accelerate the adoption of innovative education
11 delivery models statewide.

12 (b) Provide leadership for this state's system of digital
13 learning education by doing the following activities:

14 (i) Develop and report policy recommendations to the governor
15 and the legislature that accelerate the expansion of effective
16 online learning in this state's schools.

17 (ii) Provide a clearinghouse for research reports, academic
18 studies, evaluations, and other information related to online
19 learning.

20 (iii) Promote and distribute the most current instructional
21 design standards and guidelines for online teaching.

22 (iv) In collaboration with the department and interested
23 colleges and universities in this state, support implementation and
24 improvements related to effective digital learning instruction.

25 (v) Pursue public/private partnerships that include districts
26 to study and implement competency-based technology-rich online
27 learning models.

1 (vi) **CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS**
 2 **SERVING AS LIAISONS BETWEEN PUPILS, ONLINE INSTRUCTORS, PARENTS,**
 3 **AND SCHOOL STAFF AND PROVIDE MENTORS WITH RESEARCH-BASED TRAINING**
 4 **AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE PUPILS BE SUCCESSFUL**
 5 **ONLINE LEARNERS.**

6 (vii) ~~(vi)~~—Convene focus groups and conduct annual surveys of
 7 teachers, administrators, pupils, parents, and others to identify
 8 barriers and opportunities related to online learning.

9 (viii) ~~(vii)~~—Produce an annual consumer awareness report for
 10 schools and parents about effective online education providers and
 11 education delivery models, performance data, cost structures, and
 12 research trends.

13 (ix) ~~(viii)~~—Research and establish an internet-based platform
 14 that educators can use to create student-centric learning tools and
 15 resources and facilitate a user network that assists educators in
 16 using the platform. As part of this initiative, the Michigan
 17 virtual university shall work collaboratively with districts and
 18 intermediate districts to establish a plan to make available online
 19 resources that align to Michigan's K-12 curriculum standards for
 20 use by students, educators, and parents.

21 (x) ~~(ix)~~—Create and maintain a public statewide catalog of
 22 online learning courses being offered by all public schools **AND**
 23 **COMMUNITY COLLEGES** in this state. The Michigan ~~virtual learning~~
 24 ~~research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall
 25 identify and develop a list of nationally recognized best practices
 26 for online learning and use this list to support reviews of online
 27 course vendors, courses, and instructional practices. The Michigan

1 ~~virtual learning research institute~~ **VIRTUAL LEARNING RESEARCH**
 2 **INSTITUTE** shall also provide a mechanism for intermediate districts
 3 to use the identified best practices to review content offered by
 4 constituent districts. The Michigan ~~virtual learning research~~
 5 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall review the
 6 online course offerings of the Michigan ~~virtual university,~~ **VIRTUAL**
 7 **UNIVERSITY**, and make the results from these reviews available to
 8 the public as part of the statewide catalog. The Michigan ~~virtual~~
 9 ~~learning research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE**
 10 shall ensure that the statewide catalog is made available to the
 11 public on the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**
 12 website and shall allow the ability to link it to each district's
 13 website as provided for in section 21f. ~~Beginning in 2014-2015, the~~
 14 **THE** statewide catalog shall also contain all of the following:
 15 (A) The number of enrollments in each online course in the
 16 immediately preceding school year.
 17 (B) The number of enrollments that earned 60% or more of the
 18 total course points for each online course in the immediately
 19 preceding school year.
 20 (C) The completion rate for each online course.
 21 **(xi)** ~~(x) Collaborate with key stakeholders to examine the need~~
 22 ~~and process for incorporating~~ **DEVELOP PROTOTYPE AND PILOT**
 23 registration, payment services, and transcript functionality to the
 24 statewide catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE NEW**
 25 **FEATURES**.
 26 **(xii)** ~~(xi)~~ Collaborate with key stakeholders to examine
 27 district level accountability and teacher effectiveness issues

1 related to online learning under section 21f and make findings and
2 recommendations publicly available.

3 ~~(3) In order for the Michigan virtual university to receive~~
4 ~~any funds allocated under this section, the~~ **TO FURTHER ENHANCE ITS**
5 **EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE MICHIGAN VIRTUAL**
6 **UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS**
7 **A STATEWIDE LABORATORY AND QUALITY MODEL OF INSTRUCTION BY**
8 **IMPLEMENTING ONLINE AND BLENDED LEARNING SOLUTIONS FOR MICHIGAN**
9 **SCHOOLS IN ACCORDANCE WITH THE FOLLOWING PARAMETERS:**

10 **(A) THE** ~~Michigan virtual school~~ **VIRTUAL SCHOOL** must maintain
11 its accreditation status from recognized national and international
12 accrediting entities.

13 **(B) THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN**
14 **\$1,000,000.00 OF THE AMOUNT ALLOCATED UNDER THIS SECTION TO**
15 **SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE COURSES.**

16 **(C) IN PROVIDING EDUCATORS RESPONSIBLE FOR THE TEACHING OF**
17 **ONLINE COURSES AS PROVIDED FOR IN THIS SECTION, THE MICHIGAN**
18 **VIRTUAL SCHOOL SHALL FOLLOW THE REQUIREMENTS TO REQUEST AND ASSESS,**
19 **AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE, A CRIMINAL**
20 **HISTORY CHECK AND CRIMINAL RECORDS CHECK UNDER SECTIONS 1230 AND**
21 **1230A OF THE REVISED SCHOOL CODE, MCL 380.1230 AND 380.1230A, IN**
22 **THE SAME MANNER AS IF THE MICHIGAN VIRTUAL SCHOOL WERE A SCHOOL**
23 **DISTRICT UNDER THOSE SECTIONS.**

24 **(4) If the course offerings are included in the statewide**
25 **catalog of online courses under subsection (2) (b) (ix), the Michigan**
26 ~~virtual school~~ **VIRTUAL SCHOOL** operated by the Michigan ~~virtual~~
27 ~~university~~ **VIRTUAL UNIVERSITY** may offer online course offerings,

1 including, but not limited to, all of the following:

2 (a) Information technology courses.

3 (b) College level equivalent courses, as defined in section
4 1471 of the revised school code, MCL 380.1471.

5 (c) Courses and dual enrollment opportunities.

6 (d) Programs and services for at-risk pupils.

7 (e) General education development test preparation courses for
8 adjudicated youth.

9 (f) Special interest courses.

10 (g) Professional development programs for teachers, school
11 administrators, other school employees, and school board members.

12 (5) If a home-schooled or nonpublic school student is a
13 resident of a district that subscribes to services provided by the
14 Michigan ~~virtual school~~, **VIRTUAL SCHOOL**, the student may use the
15 services provided by the Michigan ~~virtual school~~ **VIRTUAL SCHOOL** to
16 the district without charge to the student beyond what is charged
17 to a district pupil using the same services.

18 (6) Not later than December 1 of each fiscal year, the
19 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall provide a
20 report to the house and senate appropriations subcommittees on
21 state school aid, the state budget director, the house and senate
22 fiscal agencies, and the department that includes at least all of
23 the following information related to the Michigan ~~virtual school~~
24 **VIRTUAL SCHOOL** for the preceding state fiscal year:

25 (a) A list of the districts served by the Michigan ~~virtual~~
26 ~~school~~ **VIRTUAL SCHOOL**.

27 (b) A list of online course titles available to districts.

1 (c) The total number of online course enrollments and
2 information on registrations and completions by course.

3 (d) The overall course completion rate percentage.

4 (7) The governor may appoint an advisory group for the
5 Michigan ~~virtual learning research institute~~ **VIRTUAL LEARNING**
6 **RESEARCH INSTITUTE** established under subsection (2). The members of
7 the advisory group shall serve at the pleasure of the governor and
8 shall serve without compensation. The purpose of the advisory group
9 is to make recommendations to the governor, the legislature, and
10 the president and board of the Michigan ~~virtual university~~ **VIRTUAL**
11 **UNIVERSITY** that will accelerate innovation in this state's
12 education system in a manner that will prepare elementary and
13 secondary students to be career and college ready and that will
14 promote the goal of increasing the percentage of citizens of this
15 state with high-quality degrees and credentials to at least 60% by
16 2025.

17 (8) Not later than November 1, ~~2014,~~ **2015**, the Michigan
18 ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the house and
19 senate appropriations subcommittees on state school aid, the state
20 budget director, and the house and senate fiscal agencies a
21 detailed budget for the ~~2014-2015-~~ **2015-2016** fiscal year that
22 includes a breakdown on its projected costs to deliver online
23 educational services to districts and a summary of the anticipated
24 fees to be paid by districts for those services. ~~Beginning in 2013-~~
25 ~~2014, not~~ **NOT** later than ~~February 1,~~ **MARCH 1 EACH YEAR**, the
26 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the
27 house and senate appropriations subcommittees on state school aid,

1 the state budget director, and the house and senate fiscal agencies
2 a breakdown on its actual costs to deliver online educational
3 services to districts and a summary of the actual fees paid by
4 districts for those services based on audited financial statements
5 for the immediately preceding fiscal year.

6 (9) As used in this section:

7 (a) "Blended learning" means a hybrid instructional delivery
8 model where pupils are provided content, instruction, and
9 assessment, in part at a supervised educational facility away from
10 home where the pupil and a teacher with a valid Michigan teaching
11 certificate are in the same physical location and in part through
12 ~~internet-connected~~**INTERNET-CONNECTED** learning environments with
13 some degree of pupil control over time, location, and pace of
14 instruction.

15 (b) "Cyber school" means a full-time instructional program of
16 online courses for pupils that may or may not require attendance at
17 a physical school location.

18 (c) "Digital learning" means instruction delivered via a web-
19 based educational delivery system that uses various information
20 technologies to provide a structured learning environment,
21 including online and blended learning instructional methods.

22 (d) "Online course" means a course of study that is capable of
23 generating a credit or a grade, that is provided in an interactive
24 internet-connected learning environment, in which pupils are
25 separated from their teachers by time or location, or both, and in
26 which a teacher who holds a valid Michigan teaching certificate is
27 responsible for **PROVIDING INSTRUCTION**, determining appropriate

1 instructional methods for each pupil, diagnosing learning needs,
2 assessing pupil learning, prescribing intervention strategies,
3 reporting outcomes, and evaluating the effects of instruction and
4 support strategies.

5 **SEC. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
6 **ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00**
7 **FOR 2015-2016 FOR THE PURPOSE OF CIVIC EDUCATION AS DESCRIBED IN**
8 **THIS SECTION. THE DEPARTMENT SHALL ESTABLISH A COMPETITIVE GRANT**
9 **PROCESS THAT AWARDS FUNDING TO NOT MORE THAN 1 PROVIDER FOR THE**
10 **DELIVERY OF PROGRAMS THAT EXEMPLIFY BEST PRACTICES IN CIVIC**
11 **EDUCATION. THE PROGRAMS SHALL TEACH UPPER ELEMENTARY, MIDDLE, AND**
12 **HIGH SCHOOL PUPILS HOW TO PARTICIPATE RESPONSIBLY IN LOCAL AND**
13 **STATE GOVERNMENT, AND SHALL PROVIDE UPPER ELEMENTARY, MIDDLE, AND**
14 **HIGH SCHOOL PUPILS WITH AN INNOVATIVE COURSE OF INSTRUCTION ON THE**
15 **HISTORY AND PRINCIPLES OF UNITED STATES CONSTITUTIONAL DEMOCRACY.**
16 **THE GRANTEE ALSO SHALL PROVIDE SUPPORT TO ALL SCHOOLS IN THIS STATE**
17 **BEYOND THOSE TARGETED FOR INTENSIVE PROGRAMMING FUNDED UNDER THIS**
18 **SECTION THROUGH ITS WEBSITE, CONDUCT PRESENTATIONS AT STATEWIDE**
19 **CONFERENCES, AND CONDUCT PRESENTATIONS AT DISTRICTS AND**
20 **INTERMEDIATE DISTRICTS.**

21 Sec. 99h. (1) From the appropriation in section 11, there is
22 allocated an amount not to exceed \$2,000,000.00 for ~~2014-2015-2015-~~
23 ~~2016~~ for competitive grants to districts that provide pupils in
24 grades 7 to 12 with expanded opportunities to improve mathematics,
25 science, and technology skills by participating in events hosted by
26 a science and technology development program known as FIRST (for
27 inspiration and recognition of science and technology) robotics.

1 (2) A district applying for a FIRST tech challenge or FIRST
2 robotics competition program grant shall submit an application in a
3 form and manner determined by the department. To be eligible for a
4 grant, a district shall demonstrate in its application that the
5 district has established a partnership for the purposes of the
6 FIRST program with at least 1 sponsor, business entity, higher
7 education institution, or technical school, shall submit a spending
8 plan, and shall pay at least 25% of the cost of the FIRST robotics
9 program.

10 (3) The department shall distribute the grant funding under
11 this section for the following purposes:

12 (a) Grants to districts to pay for stipends of \$1,500.00 for 1
13 coach per team, distributed as follows:

14 (i) Not more than 500 stipends for coaches of high school
15 teams, including existing teams.

16 (ii) Not more than 100 stipends for coaches of middle school
17 or junior high teams, including existing teams.

18 (iii) If the requests for stipends exceed the numbers of
19 stipends allowed under subparagraphs (i) and (ii), and if there is
20 funding remaining unspent under subdivisions (b) and (c), the
21 department shall use that remaining unspent funding for grants to
22 districts to pay for additional stipends in a manner that expands
23 the geographical distribution of teams.

24 (b) Grants to districts for event registrations, materials,
25 travel costs, and other expenses associated with the preparation
26 for and attendance at FIRST tech challenge and FIRST robotics
27 competitions. Each grant recipient shall provide a local match from

1 other private or local funds for the funds received under this
2 subdivision equal to at least 50% of the costs of participating in
3 an event. The department shall set maximum grant amounts under this
4 subdivision in a manner that maximizes the number of teams that
5 will be able to receive funding.

6 (c) Grants to districts for awards to teams that advance to
7 the state and world championship competitions. The department shall
8 determine an equal amount per team for those teams that advance to
9 the state championship and a second equal award amount to those
10 teams that advance to the world championship.

11 (4) The funds allocated under this section are a work project
12 appropriation, and any unexpended funds for ~~2014-2015-2015-2016~~ are
13 carried forward into ~~2015-2016-2016-2017~~. The purpose of the work
14 project is to continue to implement the projects described under
15 subsection (1). The estimated completion date of the work project
16 is September 30, ~~2017-2018~~.

17 **SEC. 99S. (1) FROM THE FUNDS APPROPRIATED UNDER SECTION 11,**
18 **THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED**
19 **\$3,250,000.00 FROM THE STATE SCHOOL AID FUND APPROPRIATION AND AN**
20 **AMOUNT NOT TO EXCEED \$775,000.00 FROM THE GENERAL FUND**
21 **APPROPRIATION FOR MICHIGAN SCIENCE, TECHNOLOGY, ENGINEERING, AND**
22 **MATHEMATICS (MISTEM) PROGRAMS. IN ADDITION, FROM THE FEDERAL FUNDS**
23 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2015-2016 AN**
24 **AMOUNT ESTIMATED AT \$5,249,300.00 FROM DED-OESE, TITLE II,**
25 **MATHEMATICS AND SCIENCE PARTNERSHIP GRANTS.**

26 (2) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE
27 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$50,000.00 TO THE DEPARTMENT

1 FOR ADMINISTRATIVE AND TRAVEL COSTS RELATED TO THE MISTEM ADVISORY
2 COUNCIL. ALL OF THE FOLLOWING APPLY TO THE MISTEM ADVISORY COUNCIL
3 FUNDED UNDER THIS SUBSECTION:

4 (A) THE MISTEM ADVISORY COUNCIL IS CREATED. THE MISTEM
5 ADVISORY COUNCIL SHALL PROVIDE TO THE GOVERNOR, LEGISLATURE,
6 DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT, AND DEPARTMENT
7 RECOMMENDATIONS DESIGNED TO IMPROVE AND PROMOTE INNOVATION IN STEM
8 EDUCATION AND PREPARE STUDENTS FOR CAREERS IN SCIENCE, TECHNOLOGY,
9 ENGINEERING, AND MATHEMATICS.

10 (B) THE MISTEM ADVISORY COUNCIL CREATED UNDER SUBDIVISION (A)
11 SHALL CONSIST OF THE FOLLOWING MEMBERS:

12 (i) THE GOVERNOR SHALL APPOINT 11 VOTING MEMBERS WHO ARE
13 REPRESENTATIVE OF BUSINESS SECTORS THAT ARE IMPORTANT TO MICHIGAN'S
14 ECONOMY AND RELY ON A STEM-EDUCATED WORKFORCE, NONPROFIT
15 ORGANIZATIONS AND ASSOCIATIONS THAT PROMOTE STEM EDUCATION, K-12
16 AND POSTSECONDARY EDUCATION ENTITIES INVOLVED IN STEM-RELATED
17 CAREER EDUCATION, OR OTHER SECTORS AS CONSIDERED APPROPRIATE BY THE
18 GOVERNOR. EACH OF THESE MEMBERS SHALL SERVE AT THE PLEASURE OF THE
19 GOVERNOR AND FOR A TERM DETERMINED BY THE GOVERNOR.

20 (ii) THE SENATE MAJORITY LEADER SHALL APPOINT 2 MEMBERS OF THE
21 SENATE TO SERVE AS NONVOTING, EX-OFFICIO MEMBERS OF THE MISTEM
22 ADVISORY COUNCIL, INCLUDING 1 MAJORITY PARTY MEMBER AND 1 MINORITY
23 PARTY MEMBER.

24 (iii) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
25 APPOINT 2 MEMBERS OF THE HOUSE OF REPRESENTATIVES TO SERVE AS
26 NONVOTING, EX-OFFICIO MEMBERS OF THE MISTEM ADVISORY COUNCIL,
27 INCLUDING 1 MAJORITY PARTY MEMBER AND 1 MINORITY PARTY MEMBER.

1 (C) EACH MEMBER OF THE MISTEM ADVISORY COUNCIL SHALL SERVE
2 WITHOUT COMPENSATION.

3 (D) THE MISTEM ADVISORY COUNCIL SHALL RECOMMEND A STATEWIDE
4 STRATEGY FOR DELIVERING STEM EDUCATION-RELATED OPPORTUNITIES TO
5 PUPILS AND OBJECTIVE CRITERIA FOR DETERMINING PREFERRED STEM
6 PROGRAMS. THE MISTEM ADVISORY COUNCIL ALSO SHALL MAKE FUNDING
7 RECOMMENDATIONS TO THE GOVERNOR, LEGISLATURE, AND DEPARTMENT FOR
8 FUNDING PROGRAMS UNDER THIS SECTION FOR 2016-2017 NOT LATER THAN
9 MARCH 1, 2016, INCLUDING, BUT NOT LIMITED TO, RECOMMENDATIONS
10 CONCERNING FUNDING FOR THE STEM PROGRAMS FUNDED UNDER THIS SECTION
11 FOR 2015-2016, AND SHALL CONTINUE TO MAKE FUNDING RECOMMENDATIONS
12 ANNUALLY THEREAFTER.

13 (E) THE MISTEM ADVISORY COUNCIL SHALL WORK WITH DIRECTORS OF
14 MATHEMATICS AND SCIENCE CENTERS FUNDED UNDER SUBSECTION (3) TO
15 CONNECT EDUCATORS WITH BUSINESSES, WORKFORCE DEVELOPERS, ECONOMIC
16 DEVELOPERS, COMMUNITY COLLEGES, AND UNIVERSITIES.

17 (3) FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER SUBSECTION
18 (1), THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED
19 \$2,750,000.00 TO SUPPORT THE ACTIVITIES AND PROGRAMS OF MATHEMATICS
20 AND SCIENCE CENTERS. IN ADDITION, FROM THE FEDERAL FUNDS ALLOCATED
21 UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT
22 ESTIMATED AT \$5,249,300.00 FROM DED-OESE, TITLE II, MATHEMATICS AND
23 SCIENCE PARTNERSHIP GRANTS, FOR THE PURPOSES OF THIS SUBSECTION.
24 ALL OF THE FOLLOWING APPLY TO THE PROGRAMS AND FUNDING UNDER THIS
25 SUBSECTION:

26 (A) WITHIN A SERVICE AREA DESIGNATED LOCALLY, APPROVED BY THE
27 DEPARTMENT, AND CONSISTENT WITH THE COMPREHENSIVE MASTER PLAN FOR

1 MATHEMATICS AND SCIENCE CENTERS DEVELOPED BY THE DEPARTMENT AND
2 APPROVED BY THE STATE BOARD, AN ESTABLISHED MATHEMATICS AND SCIENCE
3 CENTER SHALL PROVIDE 2 OR MORE OF THE FOLLOWING 6 BASIC SERVICES,
4 AS DESCRIBED IN THE MASTER PLAN, TO CONSTITUENT DISTRICTS AND
5 COMMUNITIES: LEADERSHIP, PUPIL SERVICES, CURRICULUM SUPPORT,
6 COMMUNITY INVOLVEMENT, PROFESSIONAL DEVELOPMENT, AND RESOURCE
7 CLEARINGHOUSE SERVICES.

8 (B) THE DEPARTMENT SHALL NOT AWARD A STATE GRANT UNDER THIS
9 SUBSECTION TO MORE THAN 1 MATHEMATICS AND SCIENCE CENTER LOCATED IN
10 A DESIGNATED REGION AS PRESCRIBED IN THE 2007 MASTER PLAN UNLESS
11 EACH OF THE GRANTS SERVES A DISTINCT TARGET POPULATION OR PROVIDES
12 A SERVICE THAT DOES NOT DUPLICATE ANOTHER PROGRAM IN THE DESIGNATED
13 REGION.

14 (C) AS PART OF THE TECHNICAL ASSISTANCE PROCESS, THE
15 DEPARTMENT SHALL PROVIDE MINIMUM STANDARD GUIDELINES THAT MAY BE
16 USED BY THE MATHEMATICS AND SCIENCE CENTER FOR PROVIDING FAIR
17 ACCESS FOR QUALIFIED PUPILS AND PROFESSIONAL STAFF AS PRESCRIBED IN
18 THIS SUBSECTION.

19 (D) ALLOCATIONS UNDER THIS SUBSECTION TO SUPPORT THE
20 ACTIVITIES AND PROGRAMS OF MATHEMATICS AND SCIENCE CENTERS SHALL BE
21 CONTINUING SUPPORT GRANTS TO ALL 33 ESTABLISHED MATHEMATICS AND
22 SCIENCE CENTERS. FOR 2015-2016, EACH ESTABLISHED MATHEMATICS AND
23 SCIENCE CENTER THAT WAS FUNDED FOR 2014-2015 UNDER FORMER SECTION
24 99 SHALL RECEIVE STATE FUNDING IN AN AMOUNT EQUAL TO 100% OF THE
25 AMOUNT IT WAS ALLOCATED UNDER FORMER SECTION 99 FOR 2014-2015. IF A
26 CENTER DECLINES STATE FUNDING OR A CENTER CLOSES, THE REMAINING
27 MONEY AVAILABLE UNDER THIS SUBSECTION SHALL BE DISTRIBUTED TO THE

1 REMAINING CENTERS, AS DETERMINED BY THE DEPARTMENT.

2 (E) FROM THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THE
3 DEPARTMENT SHALL DISTRIBUTE FOR 2015-2016 AN AMOUNT NOT TO EXCEED
4 \$750,000.00 IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT TO
5 THOSE CENTERS ABLE TO PROVIDE CURRICULUM AND PROFESSIONAL
6 DEVELOPMENT SUPPORT TO ASSIST DISTRICTS IN IMPLEMENTING THE
7 MICHIGAN MERIT CURRICULUM COMPONENTS FOR MATHEMATICS AND SCIENCE.
8 FUNDING UNDER THIS SUBDIVISION IS IN ADDITION TO FUNDING ALLOCATED
9 UNDER SUBDIVISION (D).

10 (F) IN ORDER TO RECEIVE STATE OR FEDERAL FUNDS UNDER THIS
11 SUBSECTION, A GRANT RECIPIENT SHALL ALLOW ACCESS FOR THE DEPARTMENT
12 OR THE DEPARTMENT'S DESIGNEE TO AUDIT ALL RECORDS RELATED TO THE
13 PROGRAM FOR WHICH IT RECEIVES THOSE FUNDS. THE GRANT RECIPIENT
14 SHALL REIMBURSE THE STATE FOR ALL DISALLOWANCES FOUND IN THE AUDIT.

15 (G) NOT LATER THAN SEPTEMBER 30, 2018, THE DEPARTMENT SHALL
16 REEVALUATE AND UPDATE THE COMPREHENSIVE MASTER PLAN DESCRIBED IN
17 SUBDIVISION (A).

18 (H) THE DEPARTMENT SHALL GIVE PREFERENCE IN AWARDING THE
19 FEDERAL GRANTS ALLOCATED UNDER THIS SUBSECTION TO ELIGIBLE EXISTING
20 MATHEMATICS AND SCIENCE CENTERS.

21 (I) IN ORDER TO RECEIVE STATE FUNDS UNDER THIS SUBSECTION, A
22 GRANT RECIPIENT SHALL PROVIDE AT LEAST A 10% LOCAL MATCH FROM LOCAL
23 PUBLIC OR PRIVATE RESOURCES FOR THE FUNDS RECEIVED UNDER THIS
24 SUBSECTION.

25 (J) NOT LATER THAN JULY 1 OF EACH YEAR, A MATHEMATICS AND
26 SCIENCE CENTER THAT RECEIVES FUNDS UNDER THIS SUBSECTION SHALL
27 REPORT TO THE DEPARTMENT IN A FORM AND MANNER PRESCRIBED BY THE

1 DEPARTMENT ON THE FOLLOWING PERFORMANCE MEASURES:

2 (i) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR
3 STUDENTS WHO ENROLLED IN MATHEMATICS AND SCIENCE ACTIVITIES
4 PROVIDED TO DISTRICTS BY THE MATHEMATICS AND SCIENCE CENTER.

5 (ii) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR
6 TEACHERS WHO ENROLLED IN PROFESSIONAL DEVELOPMENT ACTIVITIES
7 PROVIDED BY THE MATHEMATICS AND SCIENCE CENTER.

8 (K) AS USED IN THIS SUBSECTION:

9 (i) "DED" MEANS THE UNITED STATES DEPARTMENT OF EDUCATION.

10 (ii) "DED-OESE" MEANS THE DED OFFICE OF ELEMENTARY AND
11 SECONDARY EDUCATION.

12 (4) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION
13 (1), THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED
14 \$100,000.00 TO THE MICHIGAN STEM PARTNERSHIP, TO BE USED TO
15 ADMINISTER THE GRANT PROCESS UNDER THIS SUBSECTION. FROM THE
16 GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED
17 FOR 2015-2016 AN AMOUNT NOT TO EXCEED \$375,000.00 TO THE MICHIGAN
18 STEM PARTNERSHIP TO BE USED FOR A COMPETITIVE GRANT PROCESS TO
19 AWARD COMPETITIVE GRANTS TO ORGANIZATIONS CONDUCTING STUDENT-
20 FOCUSED, PROJECT-BASED PROGRAMS AND COMPETITIONS, EITHER IN THE
21 CLASSROOM OR EXTRACURRICULAR, IN SCIENCE, TECHNOLOGY, ENGINEERING,
22 AND MATHEMATICS SUBJECTS SUCH AS, BUT NOT LIMITED TO, ROBOTICS,
23 CODING, AND DESIGN-BUILD-TEST PROJECTS, FROM PRE-KINDERGARTEN
24 THROUGH COLLEGE LEVEL. ALL OF THE FOLLOWING APPLY TO THE GRANT
25 FUNDING UNDER THIS SUBSECTION:

26 (A) FUNDING UNDER THIS SUBSECTION IS IN ADDITION TO FUNDING
27 ALLOCATED UNDER SUBSECTION (3) AND SHALL BE USED FOR CONNECTING

1 MATHEMATICS AND SCIENCE CENTERS FOR SCIENCE, TECHNOLOGY,
2 ENGINEERING, AND MATHEMATICS PURPOSES AND TO SUPPORT THE GOALS OF
3 THE MICHIGAN STEM PARTNERSHIP.

4 (B) A PROGRAM RECEIVING FUNDS UNDER SECTION 99H MAY NOT
5 RECEIVE FUNDS UNDER THIS SUBSECTION.

6 (C) IN ORDER TO RECEIVE STATE FUNDS UNDER THIS SUBSECTION, A
7 GRANT RECIPIENT SHALL PROVIDE AT LEAST A 10% LOCAL MATCH FROM LOCAL
8 PUBLIC OR PRIVATE RESOURCES FOR THE FUNDS RECEIVED UNDER THIS
9 SUBSECTION.

10 (5) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS
11 ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2015-2016 ONLY
12 FOR GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT FOR
13 TEACHERS IN A DEPARTMENT-APPROVED TRAINING PROGRAM FOR SCIENCE,
14 TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM) INSTRUCTION. ALL OF
15 THE FOLLOWING APPLY TO THE GRANT FUNDING UNDER THIS SUBSECTION:

16 (A) ANY DISTRICT MAY APPLY FOR FUNDING UNDER THIS SUBSECTION
17 FOR 2015-2016 BY A DATE DETERMINED BY THE DEPARTMENT. IN AWARDING
18 GRANTS, THE DEPARTMENT SHALL GIVE PRIORITY, IN A FORM AND MANNER
19 DETERMINED BY THE DEPARTMENT, TO APPLICANT DISTRICTS WITH TEACHERS
20 WHO HAVE NOT PREVIOUSLY RECEIVED TRAINING IN PROGRAMS FUNDED UNDER
21 THIS SUBSECTION OR FORMER SECTION 99B.

22 (B) FOR A TRAINING PROGRAM TO BE APPROVED BY THE DEPARTMENT
23 FOR THE PURPOSES OF THIS SUBSECTION, THE PROGRAM SHALL MEET ALL OF
24 THE FOLLOWING CRITERIA:

25 (i) UTILIZE AN INTEGRATIVE STEM APPROACH TO CONTENT
26 ORGANIZATION AND DELIVERY. THE INTEGRATIVE STEM APPROACH SHALL
27 INCLUDE CONTENT DERIVED FROM SCIENCE, TECHNOLOGY, ENGINEERING, AND

1 MATHEMATICS.

2 (ii) OFFER EVIDENCE THAT THE PROGRAM OUTCOMES ADDRESS
3 MATHEMATICS, SCIENCE, AND TECHNOLOGICAL LITERACY STANDARDS IN AN
4 EXPLORATORY MIDDLE SCHOOL OR HIGH SCHOOL OFFERING.

5 (iii) OFFER EVIDENCE THAT THE PROGRAM POSITIVELY INFLUENCES
6 STUDENT CAREER CHOICES ALONG STEM CAREER PATHS AND INCREASES
7 STUDENT ENGAGEMENT THROUGH PEER-REVIEWED RESEARCH.

8 (iv) PRESENT EVIDENCE OF THE PERIODIC UPDATING OF THE
9 CURRICULUM.

10 (v) UTILIZE OUTCOME MEASURES FOR TEACHER PROFESSIONAL
11 DEVELOPMENT.

12 (vi) PROVIDE PEER-REVIEWED EVIDENCE THAT THE PROGRAM IS
13 EFFECTIVE WITH DISADVANTAGED STUDENTS AND THOSE WITH LANGUAGE
14 BARRIERS.

15 (C) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS IN AN
16 AMOUNT DETERMINED BY THE DEPARTMENT, BUT NOT TO EXCEED \$3,200.00
17 PER PARTICIPANT.

18 (D) A DISTRICT RECEIVING FUNDS UNDER THIS SUBSECTION SHALL USE
19 THE FUNDS ONLY FOR DEPARTMENT-APPROVED TRAINING PROGRAMS UNDER THIS
20 SUBSECTION.

21 (6) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
22 ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2015-2016 ONLY
23 FOR COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS IN GRADES K
24 TO 12 WITH EXPANDED OPPORTUNITIES IN SCIENCE EDUCATION AND SKILLS
25 BY PARTICIPATING IN EVENTS AND COMPETITIONS HOSTED BY SCIENCE
26 OLYMPIAD. ALL OF THE FOLLOWING APPLY TO THE GRANT FUNDING UNDER
27 THIS SUBSECTION:

1 (A) A DISTRICT APPLYING FOR A GRANT UNDER THIS SUBSECTION
2 SHALL SUBMIT AN APPLICATION IN THE FORM AND MANNER DETERMINED BY
3 THE DEPARTMENT NOT LATER THAN NOVEMBER 15, 2015. THE DEPARTMENT
4 SHALL SELECT DISTRICTS FOR GRANTS AND MAKE NOTIFICATION NOT LATER
5 THAN DECEMBER 15, 2015. TO BE ELIGIBLE FOR A GRANT, A DISTRICT
6 SHALL PAY AT LEAST 25% OF THE COST OF PARTICIPATING IN THE SCIENCE
7 OLYMPIAD PROGRAM.

8 (B) THE DEPARTMENT SHALL DISTRIBUTE THE GRANT FUNDING
9 ALLOCATED UNDER THIS SUBSECTION FOR THE FOLLOWING PURPOSES:

10 (i) GRANTS TO DISTRICTS OF UP TO \$800.00 FOR NEW ELEMENTARY
11 TEAMS.

12 (ii) GRANTS TO DISTRICTS OF UP TO \$400.00 FOR ESTABLISHED
13 ELEMENTARY TEAMS.

14 (iii) GRANTS TO DISTRICTS OF UP TO \$1,600.00 FOR NEW SECONDARY
15 TEAMS.

16 (iv) GRANTS TO DISTRICTS OF UP TO \$800.00 FOR ESTABLISHED
17 SECONDARY TEAMS.

18 (7) FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION (1),
19 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2015-
20 2016 ONLY FOR A GRANT TO THE VAN ANDEL EDUCATION INSTITUTE FOR THE
21 PURPOSES OF ADVANCING AND PROMOTING SCIENCE EDUCATION AND
22 INCREASING THE NUMBER OF STUDENTS WHO CHOOSE TO PURSUE CAREERS IN
23 SCIENCE OR SCIENCE-RELATED FIELDS. FUNDS ALLOCATED UNDER THIS
24 SUBSECTION SHALL BE USED TO PROVIDE PROFESSIONAL DEVELOPMENT FOR
25 SCIENCE TEACHERS IN USING STUDENT-DRIVEN, INQUIRY-BASED
26 INSTRUCTION.

27 Sec. 101. (1) To be eligible to receive state aid under this

1 article, not later than the fifth Wednesday after the pupil
2 membership count day and not later than the fifth Wednesday after
3 the supplemental count day, each district superintendent shall
4 submit to the center and the intermediate superintendent, in the
5 form and manner prescribed by the center, the number of pupils
6 enrolled and in regular daily attendance in the district as of the
7 pupil membership count day and as of the supplemental count day, as
8 applicable, for the current school year. In addition, a district
9 maintaining school during the entire year, as provided under
10 section 1561 of the revised school code, MCL 380.1561, shall submit
11 to the center and the intermediate superintendent, in the form and
12 manner prescribed by the center, the number of pupils enrolled and
13 in regular daily attendance in the district for the current school
14 year pursuant to rules promulgated by the superintendent. Not later
15 than the sixth Wednesday after the pupil membership count day and
16 not later than the sixth Wednesday after the supplemental count
17 day, the district shall certify the data in a form and manner
18 prescribed by the center and file the certified data with the
19 intermediate superintendent. If a district fails to submit and
20 certify the attendance data, as required under this subsection, the
21 center shall notify the department and state aid due to be
22 distributed under this article shall be withheld from the
23 defaulting district immediately, beginning with the next payment
24 after the failure and continuing with each payment until the
25 district complies with this subsection. If a district does not
26 comply with this subsection by the end of the fiscal year, the
27 district forfeits the amount withheld. A person who willfully

1 falsifies a figure or statement in the certified and sworn copy of
2 enrollment shall be punished in the manner prescribed by section
3 161.

4 (2) To be eligible to receive state aid under this article,
5 not later than the twenty-fourth Wednesday after the pupil
6 membership count day and not later than the twenty-fourth Wednesday
7 after the supplemental count day, an intermediate district shall
8 submit to the center, in a form and manner prescribed by the
9 center, the audited enrollment and attendance data for the pupils
10 of its constituent districts and of the intermediate district. If
11 an intermediate district fails to submit the audited data as
12 required under this subsection, state aid due to be distributed
13 under this article shall be withheld from the defaulting
14 intermediate district immediately, beginning with the next payment
15 after the failure and continuing with each payment until the
16 intermediate district complies with this subsection. If an
17 intermediate district does not comply with this subsection by the
18 end of the fiscal year, the intermediate district forfeits the
19 amount withheld.

20 (3) Except as otherwise provided in subsections (11) and (12),
21 all of the following apply to the provision of pupil instruction:

22 (a) Except as otherwise provided in this section, each
23 district shall provide at least 1,098 hours and, beginning in 2010-
24 2011, the required minimum number of days of pupil instruction.
25 Beginning in 2014-2015, the required minimum number of days of
26 pupil instruction is 175. However, all of the following apply to
27 these requirements:

1 (i) If a collective bargaining agreement that provides a
2 complete school calendar was in effect for employees of a district
3 as of July 1, 2013, and if that school calendar is not in
4 compliance with this subsection, then this subsection does not
5 apply to that district until after the expiration of that
6 collective bargaining agreement. If a district entered into a
7 collective bargaining agreement on or after July 1, 2013 and if
8 that collective bargaining agreement did not provide for at least
9 175 days of pupil instruction beginning in 2014-2015, then the
10 department shall withhold from the district's total state school
11 aid an amount equal to 5% of the funding the district receives in
12 2014-2015 under sections 22a and 22b.

13 (ii) A district may apply for a waiver under subsection (9)
14 from the requirements of this subdivision.

15 (b) Beginning in 2016-2017, the required minimum number of
16 days of pupil instruction is 180. If a collective bargaining
17 agreement that provides a complete school calendar was in effect
18 for employees of a district as of the effective date of the
19 amendatory act that added this subdivision, and if that school
20 calendar is not in compliance with this subdivision, then this
21 subdivision does not apply to that district until after the
22 expiration of that collective bargaining agreement. A district may
23 apply for a waiver under subsection (9) from the requirements of
24 this subdivision.

25 (c) Except as otherwise provided in this article, a district
26 failing to comply with the required minimum hours and days of pupil
27 instruction under this subsection shall forfeit from its total

1 state aid allocation an amount determined by applying a ratio of
2 the number of hours or days the district was in noncompliance in
3 relation to the required minimum number of hours and days under
4 this subsection. Not later than August 1, the board of each
5 district shall certify to the department the number of hours and
6 days of pupil instruction in the previous school year. If the
7 district did not provide at least the required minimum number of
8 hours and days of pupil instruction under this subsection, the
9 deduction of state aid shall be made in the following fiscal year
10 from the first payment of state school aid. A district is not
11 subject to forfeiture of funds under this subsection for a fiscal
12 year in which a forfeiture was already imposed under subsection
13 (6).

14 (d) Hours or days lost because of strikes or teachers'
15 conferences shall not be counted as hours or days of pupil
16 instruction.

17 (e) If a collective bargaining agreement that provides a
18 complete school calendar is in effect for employees of a district
19 as of October 19, 2009, and if that school calendar is not in
20 compliance with this subsection, then this subsection does not
21 apply to that district until after the expiration of that
22 collective bargaining agreement.

23 (f) Except as otherwise provided in subdivisions (g) and (h),
24 a district not having at least 75% of the district's membership in
25 attendance on any day of pupil instruction shall receive state aid
26 in that proportion of $1/180$ that the actual percent of attendance
27 bears to the specified percentage.

1 (g) If a district adds 1 or more days of pupil instruction to
2 the end of its instructional calendar for a school year to comply
3 with subdivision (a) because the district otherwise would fail to
4 provide the required minimum number of days of pupil instruction
5 even after the operation of subsection (4) due to conditions not
6 within the control of school authorities, then subdivision (f) does
7 not apply for any day of pupil instruction that is added to the end
8 of the instructional calendar. Instead, for any of those days, if
9 the district does not have at least 60% of the district's
10 membership in attendance on that day, the district shall receive
11 state aid in that proportion of 1/180 that the actual percentage of
12 attendance bears to the specified percentage. For any day of pupil
13 instruction added to the instructional calendar as described in
14 this subdivision, the district shall report to the department the
15 percentage of the district's membership that is in attendance, in
16 the form and manner prescribed by the department.

17 (h) At the request of a district that operates a department-
18 approved alternative education program and that does not provide
19 instruction for pupils in all of grades K to 12, the superintendent
20 ~~may~~**SHALL** grant a waiver from the requirements of subdivision (f).
21 The waiver shall indicate that an eligible district is subject to
22 the proration provisions of subdivision (f) only if the district
23 does not have at least 50% of the district's membership in
24 attendance on any day of pupil instruction. In order to be eligible
25 for this waiver, a district must maintain records to substantiate
26 its compliance with the following requirements:

27 (i) The district offers the minimum hours of pupil instruction

1 as required under this section.

2 (ii) For each enrolled pupil, the district uses appropriate
3 academic assessments to develop an individual education plan that
4 leads to a high school diploma.

5 (iii) The district tests each pupil to determine academic
6 progress at regular intervals and records the results of those
7 tests in that pupil's individual education plan.

8 (i) All of the following apply to a waiver granted under
9 subdivision (h):

10 (i) If the waiver is for a blended model of delivery, a waiver
11 that is granted for the 2011-2012 fiscal year or a subsequent
12 fiscal year remains in effect unless it is revoked by the
13 superintendent.

14 (ii) If the waiver is for a 100% online model of delivery and
15 the educational program for which the waiver is granted makes
16 educational services available to pupils for a minimum of at least
17 1,098 hours during a school year and ensures that each pupil
18 participates in the educational program for at least 1,098 hours
19 during a school year, a waiver that is granted for the 2011-2012
20 fiscal year or a subsequent fiscal year remains in effect unless it
21 is revoked by the superintendent.

22 (iii) A waiver that is not a waiver described in subparagraph
23 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
24 to remain in effect.

25 (j) The superintendent shall promulgate rules for the
26 implementation of this subsection.

27 (4) Except as otherwise provided in this subsection, the first

1 6 days or the equivalent number of hours for which pupil
2 instruction is not provided because of conditions not within the
3 control of school authorities, such as severe storms, fires,
4 epidemics, utility power unavailability, water or sewer failure, or
5 health conditions as defined by the city, county, or state health
6 authorities, shall be counted as hours and days of pupil
7 instruction. With the approval of the superintendent of public
8 instruction, the department shall count as hours and days of pupil
9 instruction for a fiscal year not more than ~~6-3~~ additional days or
10 the equivalent number of additional hours for which pupil
11 instruction is not provided in a district ~~after April 1 of the~~
12 ~~applicable school year~~ due to unusual and extenuating occurrences
13 resulting from conditions not within the control of school
14 authorities such as those conditions described in this subsection.
15 Subsequent such hours or days shall not be counted as hours or days
16 of pupil instruction.

17 (5) A district shall not forfeit part of its state aid
18 appropriation because it adopts or has in existence an alternative
19 scheduling program for pupils in kindergarten if the program
20 provides at least the number of hours required under subsection (3)
21 for a full-time equated membership for a pupil in kindergarten as
22 provided under section 6(4).

23 (6) In addition to any other penalty or forfeiture under this
24 section, if at any time the department determines that 1 or more of
25 the following have occurred in a district, the district shall
26 forfeit in the current fiscal year beginning in the next payment to
27 be calculated by the department a proportion of the funds due to

1 the district under this article that is equal to the proportion
2 below the required minimum number of hours and days of pupil
3 instruction under subsection (3), as specified in the following:

4 (a) The district fails to operate its schools for at least the
5 required minimum number of hours and days of pupil instruction
6 under subsection (3) in a school year, including hours and days
7 counted under subsection (4).

8 (b) The board of the district takes formal action not to
9 operate its schools for at least the required minimum number of
10 hours and days of pupil instruction under subsection (3) in a
11 school year, including hours and days counted under subsection (4).

12 (7) In providing the minimum number of hours and days of pupil
13 instruction required under subsection (3), a district shall use the
14 following guidelines, and a district shall maintain records to
15 substantiate its compliance with the following guidelines:

16 (a) Except as otherwise provided in this subsection, a pupil
17 must be scheduled for at least the required minimum number of hours
18 of instruction, excluding study halls, or at least the sum of 90
19 hours plus the required minimum number of hours of instruction,
20 including up to 2 study halls.

21 (b) The time a pupil is assigned to any tutorial activity in a
22 block schedule may be considered instructional time, unless that
23 time is determined in an audit to be a study hall period.

24 (c) Except as otherwise provided in this subdivision, a pupil
25 in grades 9 to 12 for whom a reduced schedule is determined to be
26 in the individual pupil's best educational interest must be
27 scheduled for a number of hours equal to at least 80% of the

1 required minimum number of hours of pupil instruction to be
2 considered a full-time equivalent pupil. A pupil in grades 9 to 12
3 who is scheduled in a 4-block schedule may receive a reduced
4 schedule under this subsection if the pupil is scheduled for a
5 number of hours equal to at least 75% of the required minimum
6 number of hours of pupil instruction to be considered a full-time
7 equivalent pupil.

8 (d) If a pupil in grades 9 to 12 who is enrolled in a
9 cooperative education program or a special education pupil cannot
10 receive the required minimum number of hours of pupil instruction
11 solely because of travel time between instructional sites during
12 the school day, that travel time, up to a maximum of 3 hours per
13 school week, shall be considered to be pupil instruction time for
14 the purpose of determining whether the pupil is receiving the
15 required minimum number of hours of pupil instruction. However, if
16 a district demonstrates to the satisfaction of the department that
17 the travel time limitation under this subdivision would create
18 undue costs or hardship to the district, the department may
19 consider more travel time to be pupil instruction time for this
20 purpose.

21 (e) In grades 7 through 12, instructional time that is part of
22 a junior reserve officer training corps (JROTC) program shall be
23 considered to be pupil instruction time regardless of whether the
24 instructor is a certificated teacher if all of the following are
25 met:

26 (i) The instructor has met all of the requirements established
27 by the United States ~~department of defense~~ **DEPARTMENT OF DEFENSE**

1 and the applicable branch of the armed services for serving as an
2 instructor in the junior reserve officer training corps program.

3 (ii) The board of the district or intermediate district
4 employing or assigning the instructor complies with the
5 requirements of sections 1230 and 1230a of the revised school code,
6 MCL 380.1230 and 380.1230a, with respect to the instructor to the
7 same extent as if employing the instructor as a regular classroom
8 teacher.

9 (8) Except as otherwise provided in subsections (11) and (12),
10 the department shall apply the guidelines under subsection (7) in
11 calculating the full-time equivalency of pupils.

12 (9) Upon application by the district for a particular fiscal
13 year, the superintendent ~~may~~ **SHALL** waive for a district the minimum
14 number of hours and days of pupil instruction requirement of
15 subsection (3) for a department-approved alternative education
16 program or another innovative program approved by the department,
17 including a 4-day school week. If a district applies for and
18 receives a waiver under this subsection and complies with the terms
19 of the waiver, the district is not subject to forfeiture under this
20 section for the specific program covered by the waiver. If the
21 district does not comply with the terms of the waiver, the amount
22 of the forfeiture shall be calculated based upon a comparison of
23 the number of hours and days of pupil instruction actually provided
24 to the minimum number of hours and days of pupil instruction
25 required under subsection (3). Pupils enrolled in a department-
26 approved alternative education program under this subsection shall
27 be reported to the center in a form and manner determined by the

1 center. All of the following apply to a waiver granted under this
2 subsection:

3 (a) If the waiver is for a blended model of delivery, a waiver
4 that is granted for the 2011-2012 fiscal year or a subsequent
5 fiscal year remains in effect unless it is revoked by the
6 superintendent.

7 (b) If the waiver is for a 100% online model of delivery and
8 the educational program for which the waiver is granted makes
9 educational services available to pupils for a minimum of at least
10 1,098 hours during a school year and ensures that each pupil
11 ~~participates in the educational program for at least 1,098 hours~~
12 ~~during a school year,~~ **IS ON TRACK FOR COURSE COMPLETION AT**
13 **PROFICIENCY LEVEL**, a waiver that is granted for the 2011-2012
14 fiscal year or a subsequent fiscal year remains in effect unless it
15 is revoked by the superintendent.

16 (c) A waiver that is not a waiver described in subdivision (a)
17 or (b) is valid for 1 fiscal year and must be renewed annually to
18 remain in effect.

19 (10) Until 2014-2015, a district may count up to 38 hours of
20 qualifying professional development for teachers as hours of pupil
21 instruction. However, if a collective bargaining agreement that
22 provides for the counting of up to 38 hours of qualifying
23 professional development for teachers as pupil instruction is in
24 effect for employees of a district as of July 1, 2013, then until
25 the school year that begins after the expiration of that collective
26 bargaining agreement a district may count up to the contractually
27 specified number of hours of qualifying professional development

1 for teachers as hours of pupil instruction. Professional
2 development provided online is allowable and encouraged, as long as
3 the instruction has been approved by the district. The department
4 shall issue a list of approved online professional development
5 providers, which shall include the Michigan ~~virtual school~~. **VIRTUAL**
6 **SCHOOL**. As used in this subsection, "qualifying professional
7 development" means professional development that is focused on 1 or
8 more of the following:

9 (a) Achieving or improving adequate yearly progress as defined
10 under the no child left behind act of 2001, Public Law 107-110.

11 (b) Achieving accreditation or improving a school's
12 accreditation status under section 1280 of the revised school code,
13 MCL 380.1280.

14 (c) Achieving highly qualified teacher status as defined under
15 the no child left behind act of 2001, Public Law 107-110.

16 (d) Integrating technology into classroom instruction.

17 (e) Maintaining teacher certification.

18 (11) Subsections (3) and (8) do not apply to a school of
19 excellence that is a cyber school, as defined in section 551 of the
20 revised school code, MCL 380.551, and is in compliance with section
21 553a of the revised school code, MCL 380.553a.

22 (12) Subsections (3) and (8) do not apply to eligible pupils
23 enrolled in a dropout recovery program that meets the requirements
24 of section 23a. As used in this subsection, "eligible pupil" means
25 that term as defined in section 23a.

26 (13) Beginning in 2013, at least every 2 years the
27 superintendent shall review the waiver standards set forth in the

1 pupil accounting and auditing manuals to ensure that the waiver
2 standards and waiver process continue to be appropriate and
3 responsive to changing trends in online learning. The
4 superintendent shall solicit and consider input from stakeholders
5 as part of this review.

6 SEC. 102D. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11,
7 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2015-
8 2016 FOR REIMBURSEMENTS TO DISTRICTS FOR THE LICENSING OF SCHOOL
9 DATA ANALYTICAL TOOLS AS DESCRIBED UNDER THIS SECTION. THE
10 REIMBURSEMENT IS FOR DISTRICTS THAT CHOOSE TO USE A SCHOOL DATA
11 ANALYTICAL TOOL TO ASSIST THE DISTRICT AND THAT ENTER INTO A
12 LICENSING AGREEMENT FOR A SCHOOL DATA ANALYTICAL TOOL WITH 1 OF THE
13 VENDORS APPROVED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND
14 BUDGET UNDER SUBSECTION (2).

15 (2) NOT LATER THAN OCTOBER 15, 2015, THE DEPARTMENT OF
16 TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL REVIEW VENDORS FOR SCHOOL
17 DATA ANALYTICAL TOOLS AND PROVIDE DISTRICTS WITH A LIST OF AT LEAST
18 2 AND UP TO 4 APPROVED VENDORS THAT DISTRICTS MAY USE TO BE
19 ELIGIBLE FOR A REIMBURSEMENT PAID UNDER THIS SECTION. FOR A VENDOR
20 TO BE APPROVED UNDER THIS SECTION, THE DEPARTMENT OF TECHNOLOGY,
21 MANAGEMENT, AND BUDGET MUST DETERMINE THAT THE SCHOOL DATA
22 ANALYTICAL TOOL SUPPLIED BY THE VENDOR MEETS AT LEAST ALL OF THE
23 FOLLOWING:

- 24 (A) ANALYZES FINANCIAL DATA.
25 (B) ANALYZES ACADEMIC DATA.
26 (C) PROVIDES EARLY WARNING INDICATORS OF FINANCIAL STRESS.
27 (D) HAS THE CAPABILITY TO PROVIDE PEER DISTRICT COMPARISONS OF

1 BOTH FINANCIAL AND ACADEMIC DATA.

2 (E) HAS THE CAPABILITY TO PROVIDE FINANCIAL PROJECTIONS FOR AT
3 LEAST 3 SUBSEQUENT FISCAL YEARS.

4 (3) FUNDS ALLOCATED UNDER THIS SECTION SHALL BE PAID TO
5 DISTRICTS AS A REIMBURSEMENT FOR ALREADY HAVING A LICENSING
6 AGREEMENT OR FOR ENTERING INTO A LICENSING AGREEMENT NOT LATER THAN
7 DECEMBER 1, 2015 WITH A VENDOR APPROVED UNDER SUBSECTION (2) TO
8 IMPLEMENT A SCHOOL DATA ANALYTICAL TOOL. REIMBURSEMENT UNDER THIS
9 SECTION SHALL BE MADE ON AN EQUAL PER-PUPIL BASIS.

10 (4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
11 SHALL BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

12 Sec. 104. (1) In order to receive state aid under this
13 article, a district shall comply with sections 1249, 1278a, 1278b,
14 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
15 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
16 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
17 the state school aid fund money appropriated in section 11, there
18 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
19 ~~\$41,394,400.00~~-\$43,994,400.00 for payments on behalf of districts
20 for costs associated with complying with those provisions of law.
21 In addition, from the federal funds appropriated in section 11,
22 there is allocated for ~~2014-2015-2015-2016~~ an amount estimated at
23 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
24 funds, and from DED-OSERS, section 504 of part B of the individuals
25 with disabilities education act, Public Law 94-142, plus any
26 carryover federal funds from previous year appropriations, for the
27 purposes of complying with the federal no child left behind act of

1 2001, Public Law 107-110.

2 (2) The results of each test administered as part of the
3 Michigan ~~educational assessment program~~, **STUDENT TEST OF**
4 **EDUCATIONAL PROGRESS (M-STEP)**, including tests administered to high
5 school students, shall include an item analysis that lists all
6 items that are counted for individual pupil scores and the
7 percentage of pupils choosing each possible response.

8 (3) All federal funds allocated under this section shall be
9 distributed in accordance with federal law and with flexibility
10 provisions outlined in Public Law 107-116, and in the education
11 flexibility partnership act of 1999, Public Law 106-25.

12 (4) Notwithstanding section 17b, payments on behalf of
13 districts, intermediate districts, and other eligible entities
14 under this section shall be paid on a schedule determined by the
15 department.

16 (5) From the allocation in subsection (1), there is allocated
17 an amount not to exceed \$8,500,000.00 for the following purposes:

18 (a) Converting existing student assessments to online
19 assessments.

20 (b) Providing paper and pencil test versions to districts not
21 prepared to implement online assessments.

22 (c) Expanding writing assessments to additional grade levels.

23 (d) Providing an increased number of constructed response test
24 questions so that pupils can demonstrate higher-order skills such
25 as problem solving and communicating reasoning.

26 (6) From the allocation in subsection (1), there is allocated
27 an amount not to exceed \$3,200,000.00 for the development or

1 selection of an online reporting tool to provide student-level
2 assessment data in a secure environment to educators, parents, and
3 pupils immediately after assessments are scored. The department and
4 the center shall ensure that any data collected by the online
5 reporting tool do not provide individually identifiable student
6 data to the federal government.

7 (7) From the allocation in subsection (1), there is allocated
8 an amount not to exceed ~~\$3,000,000.00~~ **\$5,600,000.00** for the purpose
9 of implementing a summative assessment system pursuant to section
10 104c.

11 (8) As used in this section:

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

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

16 (c) "DED-OSERS" means the DED ~~office of special education and~~
17 ~~rehabilitative services.~~ **OFFICE OF SPECIAL EDUCATION AND**
18 **REHABILITATIVE SERVICES.**

19 Sec. 104b. (1) In order to receive state aid under this
20 article, a district shall comply with this section and shall
21 administer the Michigan merit examination to pupils in grade 11,
22 and to pupils in grade 12 who did not take the complete Michigan
23 merit examination in grade 11, as provided in this section. **THE**
24 **MICHIGAN MERIT EXAMINATION CONSISTS OF A COLLEGE ENTRANCE TEST,**
25 **WORK SKILLS TEST, AND THE SUMMATIVE ASSESSMENT KNOWN AS THE**
26 **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP).**

27 (2) For the purposes of this section, the department of

1 technology, management, and budget shall contract with 1 or more
2 providers to develop, supply, and score the Michigan merit
3 examination. The Michigan merit examination shall consist of all of
4 the following:

5 (a) Assessment instruments that measure English language arts,
6 mathematics, reading, and science, and are used by **THE MAJORITY OF**
7 colleges and universities in this state for entrance ~~or placement~~
8 purposes. This ~~shall~~**MAY** include 1 or more writing components. **IN**
9 **SELECTING ASSESSMENT INSTRUMENTS TO FULFILL THE REQUIREMENTS OF**
10 **THIS SUBDIVISION, THE DEPARTMENT MAY CONSIDER THE DEGREE TO WHICH**
11 **THOSE ASSESSMENT INSTRUMENTS ARE ALIGNED TO THIS STATE'S CONTENT**
12 **STANDARDS.**

13 (b) One or more tests from 1 or more test developers that
14 assess a pupil's ability to apply at least reading and mathematics
15 skills in a manner that is intended to allow employers to use the
16 results in making employment decisions. The department of
17 technology, management, and budget and the superintendent shall
18 ensure that any test or tests selected under this subdivision have
19 all the components necessary to allow a pupil to be eligible to
20 receive the results of a nationally recognized evaluation of
21 workforce readiness if the pupil's test performance is adequate.

22 (c) A social studies component.

23 (d) Any other component that is necessary to obtain the
24 approval of the United States ~~department of education~~**DEPARTMENT OF**
25 **EDUCATION** to use the Michigan merit examination for the purposes of
26 the no child left behind act of 2001, Public Law 107-110.

27 (3) In addition to all other requirements of this section, all

1 of the following apply to the Michigan merit examination:

2 (a) The department of technology, management, and budget and
3 the superintendent shall ensure that any contractor used for
4 scoring the Michigan merit examination supplies an individual
5 report for each pupil that will identify for the pupil's parents
6 and teachers whether the pupil met expectations or failed to meet
7 expectations for each standard, to allow the pupil's parents and
8 teachers to assess and remedy problems before the pupil moves to
9 the next grade.

10 (b) The department of technology, management, and budget and
11 the superintendent shall ensure that any contractor used for
12 scoring, developing, or processing the Michigan merit examination
13 meets quality management standards commonly used in the assessment
14 industry, including at least meeting level 2 of the capability
15 maturity model developed by the software engineering institute of
16 Carnegie Mellon university for the first year the Michigan merit
17 examination is offered to all grade 11 pupils and at least meeting
18 level 3 of the capability maturity model for subsequent years.

19 (c) The department of technology, management, and budget and
20 the superintendent shall ensure that any contract for scoring,
21 administering, or developing the Michigan merit examination
22 includes specific deadlines for all steps of the assessment
23 process, including, but not limited to, deadlines for the correct
24 testing materials to be supplied to schools and for the correct
25 results to be returned to schools, and includes penalties for
26 noncompliance with these deadlines.

27 (d) The superintendent shall ensure that the Michigan merit

1 examination meets all of the following:

2 (i) Is designed to test pupils on ~~grade level content~~
3 ~~expectations or course content expectations, as appropriate,~~ **THIS**
4 **STATE'S CONTENT STANDARDS** in all subjects tested.

5 (ii) Complies with requirements of the no child left behind
6 act of 2001, Public Law 107-110.

7 (iii) Is consistent with the code of fair testing practices in
8 education prepared by the ~~joint committee on testing practices of~~
9 ~~the American psychological association.~~ **JOINT COMMITTEE ON TESTING**
10 **PRACTICES OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION.**

11 (iv) Is factually accurate. If the superintendent determines
12 that a question is not factually accurate and should be excluded
13 from scoring, the state board and the superintendent shall ensure
14 that the question is excluded from scoring.

15 (4) A district shall include on each pupil's high school
16 transcript all of the following:

17 (a) For each high school graduate who has completed the
18 Michigan merit examination under this section, the pupil's scaled
19 score on each subject area component of the Michigan merit
20 examination.

21 (b) The number of school days the pupil was in attendance at
22 school each school year during high school and the total number of
23 school days in session for each of those school years.

24 (5) The superintendent shall work with the provider or
25 providers of the Michigan merit examination to produce Michigan
26 merit examination subject area scores for each pupil participating
27 in the Michigan merit examination. ~~, including scaling and merging~~

1 ~~of test items for the different subject area components.~~ **TO THE**
2 **EXTENT THAT THE DEPARTMENT DETERMINES THAT ADDITIONAL TEST ITEMS**
3 **BEYOND THOSE INCLUDED IN THE COLLEGE ENTRANCE COMPONENT OF THE**
4 **MICHIGAN MERIT EXAMINATION ARE REQUIRED IN A PARTICULAR SUBJECT**
5 **AREA, THE DEPARTMENT SHALL ENSURE THAT ALL TEST ITEMS IN THAT**
6 **SUBJECT AREA ARE SCALED AND MERGED FOR THE PURPOSES OF PRODUCING A**
7 **MICHIGAN MERIT EXAMINATION SUBJECT AREA SCORE.** The superintendent
8 shall design and distribute to districts, intermediate districts,
9 and nonpublic schools a simple and concise document that describes
10 the scoring for each subject area and indicates the scaled score
11 ranges for each subject area.

12 (6) The Michigan merit examination shall be administered in
13 each district during the last 12 weeks of the district's school
14 year. The superintendent shall ensure that the Michigan merit
15 examination is scored and the scores are returned to pupils, their
16 parents or legal guardians, and districts not later than the
17 beginning of the pupil's first semester of grade 12. The returned
18 scores shall indicate at least the pupil's scaled score for each
19 subject area component and the range of scaled scores for each
20 subject area. In reporting the scores to pupils, parents, and
21 schools, the superintendent shall provide standards-specific,
22 meaningful, and timely feedback on the pupil's performance on the
23 Michigan merit examination.

24 (7) A district shall administer the complete Michigan merit
25 examination to a pupil only once and shall not administer the
26 complete Michigan merit examination to the same pupil more than
27 once. If a pupil does not take the complete Michigan merit

1 examination in grade 11, the district shall administer the complete
2 Michigan merit examination to the pupil in grade 12. If a pupil
3 chooses to retake the college entrance examination component of the
4 Michigan merit examination, as described in subsection (2)(a), the
5 pupil may do so through the provider of the college entrance
6 examination component and the cost of the retake is the
7 responsibility of the pupil unless all of the following are met:

8 (a) The pupil has taken the complete Michigan merit
9 examination.

10 ~~— (b) The pupil did not qualify for a Michigan promise grant~~
11 ~~under section 6 of the Michigan promise grant act, 2006 PA 479, MCL~~
12 ~~390.1626, based on the pupil's performance on the complete Michigan~~
13 ~~merit examination.~~

14 (B) ~~(c)~~—The pupil meets the income eligibility criteria for
15 free breakfast, lunch, or milk, as determined under the Richard B.
16 Russell national school lunch act, 42 USC 1751 to 1769i.

17 (C) ~~(d)~~—The pupil has applied to the provider of the college
18 entrance examination component for a scholarship or fee waiver to
19 cover the cost of the retake and that application has been denied.

20 (D) ~~(e)~~—After taking the complete Michigan merit examination,
21 the pupil has not already received a free retake of the college
22 entrance examination component paid for either by this state or
23 through a scholarship or fee waiver by the provider.

24 (8) The superintendent shall ensure that the length of the
25 Michigan merit examination and the combined total time necessary to
26 administer all of the components of the Michigan merit examination
27 are the shortest possible that will still maintain the degree of

1 reliability and validity of the Michigan merit examination results
2 determined necessary by the superintendent. The superintendent
3 shall ensure that the maximum total combined length of time that
4 schools are required to set aside for pupils to answer all test
5 questions on the Michigan merit examination does not exceed 8 hours
6 if the superintendent determines that sufficient alignment to
7 applicable Michigan merit curriculum content standards can be
8 achieved within that time limit.

9 (9) A district shall provide accommodations to a pupil with
10 disabilities for the Michigan merit examination, as provided under
11 section 504 of title V of the rehabilitation act of 1973, 29 USC
12 794; subtitle A of title II of the Americans with disabilities act
13 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
14 education act amendments of 1997, Public Law 105-17; and the
15 implementing regulations for those statutes. The provider or
16 providers of the Michigan merit examination and the superintendent
17 shall mutually agree upon the accommodations to be provided under
18 this subsection.

19 (10) To the greatest extent possible, the Michigan merit
20 examination shall be based on ~~grade level content expectations or~~
21 ~~course content expectations, as appropriate. Not later than July 1,~~
22 ~~2008, the department shall identify specific grade level content~~
23 ~~expectations to be taught before and after the middle of grade 11,~~
24 ~~so that teachers will know what content will be covered within the~~
25 ~~Michigan merit examination.~~**THIS STATE'S CONTENT STANDARDS, AS**
26 **APPROPRIATE. ANNUALLY, AFTER EACH ADMINISTRATION OF THE MICHIGAN**
27 **MERIT EXAMINATION, THE DEPARTMENT SHALL PROVIDE A REPORT OF THE**

1 POINTS PER STANDARD SO THAT TEACHERS WILL KNOW WHAT CONTENT WILL BE
2 COVERED WITHIN THE MICHIGAN MERIT EXAMINATION. THE DEPARTMENT MAY
3 AUGMENT THE COLLEGE ENTRANCE AND WORK SKILLS COMPONENTS OF THE
4 MICHIGAN MERIT EXAMINATION TO DEVELOP THE ASSESSMENT, DEPENDING ON
5 THE ALIGNMENT OF THOSE COMPONENTS TO THIS STATE'S CONTENT
6 STANDARDS. IF THESE COMPONENTS DO NOT ALIGN TO THESE STANDARDS, THE
7 DEPARTMENT SHALL PRODUCE ADDITIONAL COMPONENTS AS REQUIRED BY LAW,
8 WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR ASSESSMENTS.

9 (11) A child who is a student in a nonpublic school or home
10 school may take the Michigan merit examination under this section.
11 To take the Michigan merit examination, a child who is a student in
12 a home school shall contact the district in which the child
13 resides, and that district shall administer the Michigan merit
14 examination, or the child may take the Michigan merit examination
15 at a nonpublic school if allowed by the nonpublic school. Upon
16 request from a nonpublic school, the superintendent shall direct
17 the provider or providers to supply the Michigan merit examination
18 to the nonpublic school and the nonpublic school may administer the
19 Michigan merit examination. If a district administers the Michigan
20 merit examination under this subsection to a child who is not
21 enrolled in the district, the scores for that child are not
22 considered for any purpose to be scores of a pupil of the district.

23 (12) In contracting under subsection (2), the department of
24 **TECHNOLOGY**, management, and budget shall consider a contractor that
25 provides electronically-scored essays with the ability to score
26 constructed response feedback in multiple languages and provide
27 ongoing instruction and feedback.

1 (13) The purpose of the Michigan merit examination is to
2 assess pupil performance in mathematics, science, social studies,
3 and English language arts for the purpose of improving academic
4 achievement and establishing a statewide standard of competency.
5 The assessment under this section provides a common measure of data
6 that will contribute to the improvement of Michigan schools'
7 curriculum and instruction by encouraging alignment with Michigan's
8 curriculum framework standards and promotes pupil participation in
9 higher level mathematics, science, social studies, and English
10 language arts courses. These standards are based upon the
11 expectations of what pupils should learn through high school and
12 are aligned with national standards.

13 (14) For a pupil enrolled in a middle college program, other
14 than a middle college operated as a shared educational entity or a
15 specialized shared educational entity, if the pupil receives at
16 least 50% of his or her instruction at the high school while in
17 grade 11, the Michigan merit examination shall be administered to
18 the pupil at the high school at which the pupil receives high
19 school instruction, and the department shall include the pupil's
20 scores on the Michigan merit examination in the scores for that
21 high school for all purposes for which a school's or district's
22 results are reported. The department shall allow the middle college
23 program to use a 5-year graduation rate for determining adequate
24 yearly progress. As used in this subsection, "middle college" means
25 a program consisting of a series of courses and other requirements
26 and conditions, including an early college or other program created
27 under a memorandum of understanding, that allows a pupil to

1 graduate from high school with both a high school diploma and a
2 certificate or degree from a community college or state public
3 university.

4 (15) As used in this section:

5 (a) "English language arts" means reading and writing.

6 (b) "Social studies" means United States history, world
7 history, world geography, economics, and American government.

8 Sec. 104c. (1) In order to receive state aid under this
9 article, a district shall administer the state assessments
10 described in this section.

11 (2) For the purposes of this section, the department shall
12 develop for use in the spring of ~~2014-2015 new Michigan education~~
13 ~~assessment program (MEAP)~~ **2015-2016 THE MICHIGAN STUDENT TEST OF**
14 **EDUCATIONAL PROGRESS (M-STEP)** assessments in English language arts
15 and mathematics. These assessments shall be aligned to state
16 standards.

17 (3) For the purposes of this section, the department shall
18 implement ~~beginning in the 2015-2016 school year~~ a summative
19 assessment system that is proven to be valid and reliable for
20 administration to pupils as provided under this subsection. The
21 summative assessment system shall meet all of the following
22 requirements:

23 (a) The summative assessment system shall measure student
24 proficiency on the current state standards, shall measure student
25 growth for consecutive grade levels in which students are assessed
26 in the same subject area in both grade levels, and shall be capable
27 of measuring individual student performance.

1 (b) The summative assessments for English language arts and
2 mathematics shall be administered to all public school pupils in
3 grades 3 to ~~10~~, **11**, including those pupils as required by the
4 federal individuals with disabilities education act, Public Law
5 108-446, and by title I of the federal elementary and secondary
6 education act.

7 (c) The summative assessments for science shall be
8 administered to all public school pupils in at least grades 4 and
9 7, including those pupils as required by the federal individuals
10 with disabilities education act, Public Law 108-446, and by title I
11 of the federal elementary and secondary education act.

12 (d) The summative assessments for social studies shall be
13 administered to all public school pupils in at least grades 5 and
14 8, including those pupils as required by the federal individuals
15 with disabilities education act, Public Law 108-446, and by title I
16 of the federal elementary and secondary education act.

17 (e) The content of the summative assessments shall be aligned
18 to state standards.

19 (f) The pool of questions for the summative assessments shall
20 be subject to a transparent review process for quality, bias, and
21 sensitive issues involving educator review and comment. The
22 department shall post samples from tests or retired tests featuring
23 questions from this pool for review by the public.

24 (g) The summative assessment system shall ensure that
25 students, parents, and teachers are provided with reports that
26 convey individual student proficiency and growth on the assessment
27 and that convey individual student domain-level performance in each

1 subject area, including representative questions, and individual
2 student performance in meeting state standards.

3 (h) The summative assessment system shall be capable of
4 providing, and the department shall ensure that students, parents,
5 teachers, administrators, and community members are provided with,
6 reports that convey aggregate student proficiency and growth data
7 by teacher, grade, school, and district.

8 (i) The summative assessment system shall ensure the
9 capability of reporting the available data to support educator
10 evaluations.

11 (j) The summative assessment system shall ensure that the
12 reports provided to districts containing individual student data
13 are available within 60 days after completion of the assessments.

14 ~~—— (k) The assessments shall be capable of being implemented~~
15 ~~statewide in a fully operational manner no later than the 2015-2016~~
16 ~~school year.~~

17 **(K)** ~~(l)~~ The summative assessment system shall ensure that
18 access to individually identifiable student data meets all of the
19 following:

20 (i) Is in compliance with 20 USC 1232g, commonly referred to
21 as the family educational rights and privacy act of 1974.

22 (ii) Except as may be provided for in an agreement with a
23 vendor to provide assessment services, as necessary to support
24 educator evaluations pursuant to subdivision (i), or for research
25 or program evaluation purposes, is available only to the student;
26 to the student's parent or legal guardian; and to a school
27 administrator or teacher, to the extent that he or she has a

1 legitimate educational interest.

2 (I) ~~(m)~~—The summative assessment system shall ensure that the
3 assessments are pilot tested before statewide implementation.

4 (M) ~~(n)~~—The summative assessment system shall ensure that
5 assessments are designed so that the maximum total combined length
6 of time that schools are required to set aside for a pupil to
7 answer all test questions on all assessments that are part of the
8 system for the pupil's grade level does not exceed that maximum
9 total combined length of time for the previous statewide assessment
10 system or 9 hours, whichever is less. This subdivision does not
11 limit the amount of time a district may allow a pupil to complete a
12 test.

13 (N) ~~(e)~~—The total cost of executing the summative assessment
14 system statewide each year, including, but not limited to, the cost
15 of contracts for administration, scoring, and reporting, shall not
16 exceed an amount equal to 2 times the cost of executing the
17 previous statewide assessment after adjustment for inflation.

18 ~~(4) To begin the process required under subsection (3), not~~
19 ~~later than September 1, 2014, the department shall issue a request~~
20 ~~for proposals for the summative assessment system described in that~~
21 ~~subsection.~~**BEGINNING IN THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT**
22 **SHALL FIELD TEST ADDITIONAL COMPONENTS IN THE ASSESSMENT SYSTEM**
23 **UNDER THIS SUBSECTION FOR FULL IMPLEMENTATION IN THE 2016-2017**
24 **SCHOOL YEAR. THE ADDITIONAL COMPONENTS ARE NECESSARY TO DETERMINE A**
25 **PUPIL'S PROFICIENCY LEVEL BEFORE GRADE 3. THE ADDITIONAL COMPONENTS**
26 **ARE AS FOLLOWS:**

27 (A) **ASSESSMENTS ADMINISTERED IN THE FALL AND SPRING OF EACH**

1 YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF
2 GRADES 1 AND 2.

3 (B) THE KINDERGARTEN ENTRY ASSESSMENT (KEA), TO BE
4 ADMINISTERED IN THE FALL OF THE KINDERGARTEN YEAR. THE KEA SHALL
5 INCLUDE THE SAME COMPONENTS AS UNDER SUBDIVISION (A) AND ALSO MAY
6 INCLUDE OBSERVATIONAL COMPONENTS THAT MEASURE COGNITIVE, SOCIAL-
7 EMOTIONAL, AND PHYSICAL SKILLS.

8 (5) This section does not prohibit districts from adopting
9 interim assessments.

10 ~~—— (6) The department shall seek a waiver or amendment to an~~
11 ~~existing waiver for federal approval of the assessment framework~~
12 ~~under this section and shall notify the United States department of~~
13 ~~education about the provisions of this section and take necessary~~
14 ~~steps to assure the United States department of education that this~~
15 ~~state is on track to develop and implement a summative assessment~~
16 ~~system as required by federal law.~~

17 (6) ~~(7)~~ As used in this section, "English language arts" means
18 that term as defined in section 104b.

19 SEC. 104D. (1) FROM THE STATE SCHOOL AID FUND MONEY
20 APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2015-2016 AN
21 AMOUNT NOT TO EXCEED \$4,000,000.00 FOR PROVIDING REIMBURSEMENT TO
22 DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST FOR EACH PUPIL
23 ENROLLED IN THE DISTRICT OR THAT PURCHASE 1 OR MORE DIAGNOSTIC
24 TOOLS, SCREENING TOOLS, OR BENCHMARK ASSESSMENTS FOR PUPILS IN
25 GRADES K TO 3 THAT ARE INTENDED TO INCREASE READING PROFICIENCY BY
26 GRADE 4.

27 (2) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION FOR

1 THE PURCHASE OF A COMPUTER-ADAPTIVE TEST, THE COMPUTER-ADAPTIVE
2 TEST MUST PROVIDE FOR AT LEAST ALL OF THE FOLLOWING:

3 (A) INTERNET-DELIVERED, STANDARDS-BASED ASSESSMENT USING A
4 COMPUTER-ADAPTIVE MODEL TO TARGET THE INSTRUCTIONAL LEVEL OF EACH
5 PUPIL.

6 (B) UNLIMITED TESTING OPPORTUNITIES THROUGHOUT THE 2015-2016
7 SCHOOL YEAR.

8 (C) VALID AND RELIABLE DIAGNOSTIC ASSESSMENT DATA.

9 (D) ADJUSTMENT OF TESTING DIFFICULTY BASED ON PREVIOUS ANSWERS
10 TO TEST QUESTIONS.

11 (E) IMMEDIATE FEEDBACK TO PUPILS AND TEACHERS.

12 (3) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION FOR
13 THE PURCHASE OF 1 OR MORE DIAGNOSTIC TOOLS OR SCREENING TOOLS FOR
14 PUPILS IN GRADES K TO 3, EACH OF THE TOOLS MUST MEET ALL OF THE
15 FOLLOWING:

16 (A) BE RELIABLE.

17 (B) BE VALID.

18 (C) BE USEFUL. AS USED IN THIS SUBDIVISION, "USEFUL" MEANS
19 THAT A TOOL IS EASY TO ADMINISTER AND REQUIRES A SHORT TIME TO
20 COMPLETE AND THAT RESULTS ARE LINKED TO INTERVENTION.

21 (4) IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION FOR THE
22 PURCHASE OF 1 OR MORE BENCHMARK ASSESSMENTS FOR PUPILS IN GRADES K
23 TO 3, EACH OF THE BENCHMARK ASSESSMENTS MUST MEET ALL OF THE
24 FOLLOWING:

25 (A) BE ALIGNED TO THE STATE STANDARDS OF THIS STATE.

26 (B) COMPLEMENT THIS STATE'S SUMMATIVE ASSESSMENT SYSTEM.

27 (C) BE ADMINISTERED AT LEAST ONCE A YEAR BEFORE THE

1 ADMINISTRATION OF ANY SUMMATIVE ASSESSMENT TO MONITOR PUPIL
2 PROGRESS.

3 (D) PROVIDE INFORMATION ON PUPIL ACHIEVEMENT WITH REGARD TO
4 LEARNING THE CONTENT REQUIRED IN A GIVEN YEAR OR GRADE SPAN.

5 (5) REIMBURSEMENT UNDER THIS SECTION SHALL BE MADE TO ELIGIBLE
6 DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST OR 1 OR MORE
7 DIAGNOSTIC TOOLS, SCREENING TOOLS, OR BENCHMARK ASSESSMENTS
8 DESCRIBED IN THIS SECTION BY OCTOBER 15, 2015 AND SHALL BE MADE ON
9 AN EQUAL PER-PUPIL BASIS ACCORDING TO THE AVAILABLE FUNDING.

10 (6) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION, A
11 DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT
12 THAT EACH QUALIFYING COMPUTER-ADAPTIVE TEST, DIAGNOSTIC TOOL,
13 SCREENING TOOL, OR BENCHMARK ASSESSMENT WAS PURCHASED BY THE
14 DISTRICT BY DECEMBER 1, 2015.

15 Sec. 107. (1) From the appropriation in section 11, there is
16 allocated an amount not to exceed ~~\$22,000,000.00~~ **\$25,000,000.00** for
17 ~~2014-2015-2015-2016~~ for adult education programs authorized under
18 this section. ~~Funds~~ **EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTIONS**
19 **(16) AND (18), FUNDS** allocated under this section are restricted
20 for adult education programs as authorized under this section only.
21 A recipient of funds under this section shall not use those funds
22 for any other purpose.

23 (2) To be eligible for funding under this section, ~~a program~~
24 **AN ELIGIBLE ADULT EDUCATION PROVIDER** shall employ certificated
25 teachers and qualified administrative staff and shall offer
26 continuing education opportunities for teachers to allow them to
27 maintain certification.

1 (3) To be eligible to be a participant funded under this
2 section, ~~a person~~ **AN INDIVIDUAL** shall be enrolled in an adult basic
3 education program, an adult English as a second language program, a
4 general educational development (G.E.D.) test preparation program,
5 a job- or employment-related program, or a high school completion
6 program, that meets the requirements of this section, and for which
7 instruction is provided, and shall meet either of the following, as
8 applicable:

9 (a) If the individual has obtained a high school diploma or a
10 general educational development (G.E.D.) certificate, the
11 individual meets 1 of the following:

12 ~~—— (i) Is less than 20 years of age on September 1 of the school~~
13 ~~year and is enrolled in the Michigan career and technical~~
14 ~~institute.~~

15 (i) ~~(ii)~~ Is less than 20 years of age on September 1 of the
16 school year, is not attending an institution of higher education,
17 and is enrolled in a job- or employment-related program through a
18 referral by an employer or by a Michigan workforce agency.

19 (ii) ~~(iii)~~ Is enrolled in an English as a second language
20 program.

21 (iii) ~~(iv)~~ Is enrolled in a high school completion program.

22 (iv) **IS 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR, IS**
23 **ENROLLED IN AN ADULT BASIC EDUCATION PROGRAM, AND IS DETERMINED BY**
24 **A DEPARTMENT-APPROVED ASSESSMENT, IN A FORM AND MANNER PRESCRIBED**
25 **BY THE DEPARTMENT, TO BE BELOW GRADE 9 LEVEL IN READING OR**
26 **MATHEMATICS, OR BOTH.**

27 (b) If the individual has not obtained a high school diploma

1 or G.E.D. certificate, the individual meets 1 of the following:

2 (i) Is at least 20 years of age on September 1 of the school
3 year.

4 (ii) Is at least 16 years of age on September 1 of the school
5 year, has been permanently expelled from school under section
6 1311(2) or 1311a of the revised school code, MCL 380.1311 and
7 380.1311a, and has no appropriate alternative education program
8 available through his or her district of residence.

9 (4) **BY APRIL 1 OF EACH FISCAL YEAR, THE INTERMEDIATE DISTRICTS**
10 **WITHIN A PROSPERITY REGION OR SUBREGION SHALL DETERMINE WHICH**
11 **INTERMEDIATE DISTRICT WILL SERVE AS THE PROSPERITY REGION'S OR**
12 **SUBREGION'S FISCAL AGENT FOR THE NEXT FISCAL YEAR AND SHALL NOTIFY**
13 **THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.**
14 **THE DEPARTMENT SHALL APPROVE OR DISAPPROVE OF THE PROSPERITY**
15 **REGION'S OR SUBREGION'S SELECTED FISCAL AGENT.** From the funds
16 allocated under subsection (1), an amount as determined under this
17 subsection shall be allocated to each intermediate district serving
18 as a fiscal agent for adult education programs in each of the ~~10~~
19 prosperity regions **OR SUBREGIONS** identified by the department. An
20 intermediate district shall not use more than 5% of the funds
21 allocated under this subsection for administration costs for
22 serving as the fiscal agent. ~~The department shall ensure that the~~
23 ~~funds allocated under this subsection for 2014-2015 will provide~~
24 ~~services in 2014-2015 to at least the same number of individuals as~~
25 ~~the number of individuals who were enrolled in programs funded~~
26 ~~under this section in 2013-2014.~~ For **BEGINNING IN** 2014-2015, 67% of
27 the allocation provided to each intermediate district serving as a

1 fiscal agent shall be based on the proportion of total funding
2 formerly received by the adult education providers in that
3 prosperity region **OR SUBREGION** in 2013-2014, and 33% shall be
4 allocated based on the factors in subdivisions (a), (b), and (c).
5 For ~~2015-2016, 2016-2017~~, 33% of the allocation provided to each
6 intermediate district serving as a fiscal agent shall be based upon
7 the proportion of total funding formerly received by the adult
8 education providers in that prosperity region in 2013-2014 and 67%
9 of the allocation shall be based upon the factors in subdivisions
10 (a), (b), and (c). ~~For 2016-2017, BEGINNING IN 2017-2018~~, 100% of
11 the allocation provided to each intermediate district serving as a
12 fiscal agent shall be based on the factors in subdivisions (a),
13 (b), and (c). The funding factors for this section are as follows:

14 (a) Sixty percent of this portion of the funding shall be
15 distributed based upon the proportion of the state population of
16 individuals between the ages of 18 and 24 that are not high school
17 graduates that resides in each of the prosperity regions **OR**
18 **SUBREGIONS**, as reported by the most recent 5-year estimates from
19 the American community survey (ACS) from the United States ~~census~~
20 ~~bureau~~-**CENSUS BUREAU**.

21 (b) Thirty-five percent of this portion of the funding shall
22 be distributed based upon the proportion of the state population of
23 individuals age 25 or older who are not high school graduates that
24 resides in each of the prosperity regions **OR SUBREGIONS**, as
25 reported by the most recent 5-year estimates from the American
26 community survey (ACS) from the United States ~~census bureau~~-**CENSUS**
27 **BUREAU**.

1 (c) Five percent of this portion of the funding shall be
 2 distributed based upon the proportion of the state population of
 3 individuals age 18 or older who lack basic English language
 4 proficiency that resides in each of the prosperity regions **OR**
 5 **SUBREGIONS**, as reported by the most recent 5-year estimates from
 6 the American community survey (ACS) from the United States ~~census~~
 7 ~~bureau~~. **CENSUS BUREAU**.

8 (5) To be an eligible fiscal agent, an intermediate district
 9 must agree to do the following in a form and manner determined by
 10 the department:

11 (a) Distribute funds to adult education programs in a
 12 prosperity region **OR SUBREGION** as described in this section.

13 (b) Collaborate with ~~education advisory groups~~ **THE TALENT**
 14 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the
 15 workforce development boards located in the prosperity region **OR**
 16 **SUBREGION, OR ITS SUCCESSOR**, to develop a regional strategy that
 17 aligns adult education programs and services into an efficient and
 18 effective delivery system for adult education learners, **WITH**
 19 **SPECIAL CONSIDERATION FOR PROVIDING CONTEXTUALIZED LEARNING AND**
 20 **CAREER PATHWAYS**.

21 (c) Collaborate with ~~education advisory groups~~ **THE TALENT**
 22 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the
 23 workforce development boards located in the prosperity region **OR**
 24 **SUBREGION, OR ITS SUCCESSOR**, to create a local process and criteria
 25 that will identify eligible adult education providers to receive
 26 funds allocated under this section based on location, demand for
 27 services, **PAST PERFORMANCE, QUALITY INDICATORS AS IDENTIFIED BY THE**

1 DEPARTMENT, and cost to provide instructional services. ~~All~~THE
2 FISCAL AGENT SHALL DETERMINE ALL local processes, criteria, and
3 provider determinations. HOWEVER, THE LOCAL PROCESSES, CRITERIA,
4 AND PROVIDER SERVICES must be approved by the department before
5 funds may be distributed to the fiscal agent.

6 (D) PROVIDE OVERSIGHT TO ITS ADULT EDUCATION PROVIDERS
7 THROUGHOUT THE PROGRAM YEAR TO ENSURE COMPLIANCE WITH THE
8 REQUIREMENTS OF THIS SECTION.

9 (E) ~~(d)~~—Report adult education program and participant data
10 and information as prescribed by the department.

11 (6) The amount allocated under this section per full-time
12 equated participant shall not exceed \$2,850.00 for a 450-hour
13 program. The amount shall be proportionately reduced for a program
14 offering less than 450 hours of instruction.

15 (7) An adult basic education program or an adult English as a
16 second language program operated on a year-round or school year
17 basis may be funded under this section, subject to all of the
18 following:

19 (a) The program enrolls adults who are determined by a
20 department-approved assessment, in a form and manner prescribed by
21 the department, to be below ninth grade level in reading or
22 mathematics, or both, or to lack basic English proficiency.

23 (b) The program tests individuals for eligibility under
24 subdivision (a) before enrollment and upon completion of the
25 program in compliance with the state-approved assessment policy.

26 (c) A participant in an adult basic education program is
27 eligible for reimbursement until 1 of the following occurs:

1 (i) The participant's reading and mathematics proficiency are
2 assessed at or above the ninth grade level.

3 (ii) The participant fails to show progress on 2 successive
4 assessments after having completed at least 450 hours of
5 instruction.

6 (d) A funding recipient enrolling a participant in an English
7 as a second language program is eligible for funding according to
8 subsection (11) until the participant meets 1 of the following:

9 (i) The participant is assessed as having attained basic
10 English proficiency as determined by a department-approved
11 assessment.

12 (ii) The participant fails to show progress on 2 successive
13 department-approved assessments after having completed at least 450
14 hours of instruction. The department shall provide information to a
15 funding recipient regarding appropriate assessment instruments for
16 this program.

17 (8) A general educational development (G.E.D.) test
18 preparation program operated on a year-round or school year basis
19 may be funded under this section, subject to all of the following:

20 (a) The program enrolls adults who do not have a high school
21 diploma.

22 (b) The program shall administer a pre-test approved by the
23 department before enrolling an individual to determine the
24 individual's literacy levels, shall administer a G.E.D. practice
25 test to determine the individual's potential for success on the
26 G.E.D. test, and shall administer a post-test upon completion of
27 the program in compliance with the state-approved assessment

1 policy.

2 (c) A funding recipient shall receive funding according to
3 subsection (11) for a participant, and a participant may be
4 enrolled in the program until 1 of the following occurs:

5 (i) The participant obtains the G.E.D.

6 (ii) The participant fails to show progress on 2 successive
7 department-approved assessments used to determine readiness to take
8 the G.E.D. test after having completed at least 450 hours of
9 instruction.

10 (9) A high school completion program operated on a year-round
11 or school year basis may be funded under this section, subject to
12 all of the following:

13 (a) The program enrolls adults who do not have a high school
14 diploma.

15 (b) The program tests participants described in subdivision
16 (a) before enrollment and upon completion of the program in
17 compliance with the state-approved assessment policy.

18 (c) A funding recipient shall receive funding according to
19 subsection (11) for a participant in a course offered under this
20 subsection until 1 of the following occurs:

21 (i) The participant passes the course and earns a high school
22 diploma.

23 (ii) The participant fails to earn credit in 2 successive
24 semesters or terms in which the participant is enrolled after
25 having completed at least 900 hours of instruction.

26 (10) A job- or employment-related adult education program
27 operated on a year-round or school year basis may be funded under

1 this section, subject to all of the following:

2 (a) The program enrolls adults referred by their employer who
3 are less than 20 years of age, have a high school diploma, are
4 determined to be in need of remedial mathematics or communication
5 arts skills, and are not attending an institution of higher
6 education.

7 (b) The program tests participants described in subdivision
8 (a) before enrollment and upon completion of the program in
9 compliance with the department-approved assessment policy.

10 (c) An individual may be enrolled in this program and the
11 grant recipient shall receive funding according to subsection (11)
12 until 1 of the following occurs:

13 (i) The individual achieves the requisite skills as determined
14 by department-approved assessment instruments.

15 (ii) The individual fails to show progress on 2 successive
16 assessments after having completed at least 450 hours of
17 instruction.

18 (11) A funding recipient shall receive payments under this
19 section in accordance with the following:

20 (a) ~~Seventy five~~ **EIGHTY** percent for enrollment of eligible
21 participants.

22 (b) ~~Twenty five~~ **TWENTY** percent for participant completion of
23 the adult basic education objectives by achieving an educational
24 gain as determined by the national reporting system levels; for
25 achieving basic English proficiency, **AS DETERMINED BY THE**
26 **DEPARTMENT**; for obtaining a G.E.D. or passage of 1 or more
27 individual G.E.D. tests; for attainment of a high school diploma or

1 passage of a course required for a participant to attain a high
2 school diploma; for enrollment in a postsecondary institution, or
3 for entry into or retention of employment, as applicable.

4 (12) A person who is not eligible to be a participant funded
5 under this section may receive adult education services upon the
6 payment of tuition. In addition, a person who is not eligible to be
7 served in a program under this section due to the program
8 limitations specified in subsection (7), (8), (9), or (10) may
9 continue to receive adult education services in that program upon
10 the payment of tuition. The tuition level shall be determined by
11 the local or intermediate district conducting the program.

12 (13) An individual who is an inmate in a state correctional
13 facility shall not be counted as a participant under this section.

14 (14) A funding recipient shall not commingle money received
15 under this section or from another source for adult education
16 purposes with any other funds and shall establish a separate ledger
17 account for funds received under this section. This subsection does
18 not prohibit a district from using general funds of the district to
19 support an adult education or community education program.

20 (15) A funding recipient receiving funds under this section
21 may establish a sliding scale of tuition rates based upon a
22 participant's family income. A funding recipient may charge a
23 participant tuition to receive adult education services under this
24 section from that sliding scale of tuition rates on a uniform
25 basis. The amount of tuition charged per participant shall not
26 exceed the actual operating cost per participant minus any funds
27 received under this section per participant. A funding recipient

1 may not charge a participant tuition under this section if the
2 participant's income is at or below 200% of the federal poverty
3 guidelines published by the United States ~~department of health and~~
4 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

5 (16) In order to receive funds under this section, a funding
6 recipient shall furnish to the department, in a form and manner
7 determined by the department, all information needed to administer
8 this program and meet federal reporting requirements; shall allow
9 the department or the department's designee to review all records
10 related to the program for which it receives funds; and shall
11 reimburse the state for all disallowances found in the review, as
12 determined by the department. **IN ADDITION, A FUNDING RECIPIENT**
13 **SHALL AGREE TO PAY TO A CAREER AND TECHNICAL EDUCATION PROGRAM**
14 **UNDER SECTION 61A THE AMOUNT OF FUNDING RECEIVED UNDER THIS SECTION**
15 **IN THE PROPORTION OF CAREER AND TECHNICAL EDUCATION COURSEWORK USED**
16 **TO SATISFY ADULT BASIC EDUCATION PROGRAMMING, AS BILLED TO THE**
17 **FUNDING RECIPIENT BY PROGRAMS OPERATING UNDER SECTION 61A.**

18 (17) All intermediate district participant audits of adult
19 education programs shall be performed pursuant to the adult
20 education participant auditing and accounting manuals published by
21 the department.

22 (18) **FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT**
23 **NOT TO EXCEED \$500,000.00 SHALL BE ALLOCATED FOR 2015-2016 TO NOT**
24 **MORE THAN 1 PILOT PROGRAM THAT IS LOCATED IN A PROSPERITY REGION**
25 **WITH 2 OR MORE SUBREGIONS AND THAT CONNECTS ADULT EDUCATION**
26 **PARTICIPANTS DIRECTLY WITH EMPLOYERS BY LINKING ADULT EDUCATION,**
27 **CAREER AND TECHNICAL SKILLS, AND WORKFORCE DEVELOPMENT. TO BE**

1 ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PILOT PROGRAM SHALL
2 PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE
3 COUNTY, THE AREA CAREER/TECHNICAL CENTER, AND LOCAL EMPLOYERS, AND
4 SHALL MEET THE ADDITIONAL CRITERIA IN SUBSECTIONS (19) AND (20).
5 FUNDING UNDER THIS SUBSECTION FOR 2015-2016 IS FOR THE FIRST OF 3
6 YEARS OF FUNDING.

7 (19) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL
8 REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN WORKS! TO
9 IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST PREPARED TO
10 SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS IDENTIFIED UNDER
11 THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT EDUCATION
12 PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA
13 CAREER/TECHNICAL CENTER.

14 (20) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL HAVE
15 ON STAFF AN ADULT EDUCATION NAVIGATOR WHO WILL SERVE AS A
16 CASEWORKER FOR EACH PARTICIPANT IDENTIFIED UNDER SUBSECTION (19).
17 THE NAVIGATOR SHALL WORK WITH ADULT EDUCATION STAFF AND POTENTIAL
18 EMPLOYERS TO DESIGN AN EDUCATIONAL PROGRAM BEST SUITED TO THE
19 PERSONAL AND EMPLOYMENT NEEDS OF THE PARTICIPANT, AND SHALL WORK
20 WITH HUMAN SERVICE AGENCIES OR OTHER ENTITIES TO ADDRESS ANY
21 BARRIER IN THE WAY OF PARTICIPANT ACCESS.

22 (21) NOT LATER THAN DECEMBER 1, 2016, THE PILOT PROGRAM FUNDED
23 UNDER SUBSECTION (18) SHALL PROVIDE TO THE SENATE AND HOUSE
24 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND TO THE SENATE AND
25 HOUSE FISCAL AGENCIES A REPORT DETAILING NUMBER OF PARTICIPANTS,
26 GRADUATION RATES, AND A MEASURE OF TRANSITIONING TO EMPLOYMENT.

27 (22) THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS FOR A

1 PILOT PROGRAM TO BE FUNDED UNDER SUBSECTION (18) AND SHALL AWARD
2 FUNDING NOT LATER THAN NOVEMBER 1, 2015. FUNDING ALLOCATED UNDER
3 SUBSECTION (18) MAY BE PAID ON A SCHEDULE OTHER THAN THAT SPECIFIED
4 UNDER SECTION 17B.

5 (23) ~~(18)~~—As used in this section:

6 (A) "CAREER PATHWAY" MEANS A COMBINATION OF RIGOROUS AND HIGH-
7 QUALITY EDUCATION, TRAINING, AND OTHER SERVICES THAT COMPLY WITH
8 ALL OF THE FOLLOWING:

9 (i) ALIGNS WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY
10 OF THIS STATE OR IN THE REGIONAL ECONOMY INVOLVED.

11 (ii) PREPARES AN INDIVIDUAL TO BE SUCCESSFUL IN ANY OF A FULL
12 RANGE OF SECONDARY OR POSTSECONDARY EDUCATION OPTIONS, INCLUDING
13 APPRENTICESHIPS REGISTERED UNDER THE ACT OF AUGUST 16, 1937
14 (COMMONLY KNOWN AS THE "NATIONAL APPRENTICESHIP ACT"), 29 USC 50 ET
15 SEQ.

16 (iii) INCLUDES COUNSELING TO SUPPORT AN INDIVIDUAL IN
17 ACHIEVING THE INDIVIDUAL'S EDUCATION AND CAREER GOALS.

18 (iv) INCLUDES, AS APPROPRIATE, EDUCATION OFFERED CONCURRENTLY
19 WITH AND IN THE SAME CONTEXT AS WORKFORCE PREPARATION ACTIVITIES
20 AND TRAINING FOR A SPECIFIC OCCUPATION OR OCCUPATIONAL CLUSTER.

21 (v) ORGANIZES EDUCATION, TRAINING, AND OTHER SERVICES TO MEET
22 THE PARTICULAR NEEDS OF AN INDIVIDUAL IN A MANNER THAT ACCELERATES
23 THE EDUCATIONAL AND CAREER ADVANCEMENT OF THE INDIVIDUAL TO THE
24 EXTENT PRACTICABLE.

25 (vi) ENABLES AN INDIVIDUAL TO ATTAIN A SECONDARY SCHOOL
26 DIPLOMA OR ITS RECOGNIZED EQUIVALENT, AND AT LEAST 1 RECOGNIZED
27 POSTSECONDARY CREDENTIAL.

1 (vii) HELPS AN INDIVIDUAL ENTER OR ADVANCE WITHIN A SPECIFIC
2 OCCUPATION OR OCCUPATIONAL CLUSTER.

3 (B) ~~(a)~~—"Department" means the Michigan strategic fund.

4 (C) ~~(b)~~—"Eligible adult education provider" means a district,
5 intermediate district, a consortium of districts, a consortium of
6 intermediate districts, or a consortium of districts and
7 intermediate districts that is identified as part of the local
8 process described in subsection (5) (c) and approved by the
9 department.

10 (D) ~~(e)~~—"Participant" means the sum of the number of full-time
11 equated individuals enrolled in and attending a department-approved
12 adult education program under this section, using quarterly
13 participant count days on the schedule described in section
14 6(7) (b) .

15 Sec. 147. (1) The allocation for ~~2014-2015-2015-2016~~ for the
16 public school employees' retirement system pursuant to the public
17 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
18 to 38.1408, shall be made using the individual projected benefit
19 entry age normal cost method of valuation and risk assumptions
20 adopted by the public school employees retirement board and the
21 department of technology, management, and budget.

22 (2) The annual level percentage of payroll contribution rates
23 for the ~~2014-2015-2015-2016~~ fiscal year, as determined by the
24 retirement system, are estimated as follows:

25 (a) For public school employees who first worked for a public
26 school reporting unit before July 1, 2010 and who are enrolled in
27 the health premium subsidy, the annual level percentage of payroll

1 contribution rate is estimated at ~~33.41%~~, **36.31%**, with 25.78% paid
2 directly by the employer.

3 (b) For public school employees who first worked for a public
4 school reporting unit on or after July 1, 2010 and who are enrolled
5 in the health premium subsidy, the annual level percentage of
6 payroll contribution rate is estimated at ~~32.33%~~, **35.09%**, with
7 ~~24.70%~~ **24.56%** paid directly by the employer.

8 (c) For public school employees who first worked for a public
9 school reporting unit on or after July 1, 2010 and who participate
10 in the personal healthcare fund, the annual level percentage of
11 payroll contribution rate is estimated at ~~31.82%~~, **34.66%**, with
12 ~~24.19%~~ **24.13%** paid directly by the employer.

13 (d) For public school employees who first worked for a public
14 school reporting unit on or after September 4, 2012, who elect
15 defined contribution, and who participate in the personal
16 healthcare fund, the annual level percentage of payroll
17 contribution rate is estimated at ~~28.59%~~, **31.49%**, with 20.96% paid
18 directly by the employer.

19 (e) For public school employees who first worked for a public
20 school reporting unit before July 1, 2010, who elect defined
21 contribution, and who are enrolled in the health premium subsidy,
22 the annual level percentage of payroll contribution rate is
23 estimated at ~~29.10%~~, **31.92%**, with ~~21.47%~~ **21.39%** paid directly by
24 the employer.

25 (f) For public school employees who first worked for a public
26 school reporting unit before July 1, 2010, who elect defined
27 contribution, and who participate in the personal healthcare fund,

1 the annual level percentage of payroll contribution rate is
2 estimated at ~~28.59%~~, **31.49%**, with 20.96% paid directly by the
3 employer.

4 (g) For public school employees who first worked for a public
5 school reporting unit before July 1, 2010 and who participate in
6 the personal healthcare fund, the annual level percentage of
7 payroll contribution rate is estimated at ~~32.90%~~, **35.88%**, with
8 ~~25.27%~~ **25.35%** paid directly by the employer.

9 (3) In addition to the employer payments described in
10 subsection (2), the employer shall pay the applicable contributions
11 to the Tier 2 plan, as determined by the public school employees
12 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

13 (4) The contribution rates in subsection (2) reflect an
14 amortization period of ~~24-23~~ years for ~~2014-2015~~. **2015-2016**. The
15 public school employees' retirement system board shall notify each
16 district and intermediate district by February 28 of each fiscal
17 year of the estimated contribution rate for the next fiscal year.

18 Sec. 147a. From the appropriation in section 11, there is
19 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed
20 \$100,000,000.00 for payments to participating districts. A district
21 that receives money under this section shall use that money solely
22 for the purpose of offsetting a portion of the retirement
23 contributions owed by the district for the fiscal year in which it
24 is received. The amount allocated to each participating district
25 under this section shall be based on each participating district's
26 percentage of the total statewide payroll for all participating
27 districts for the immediately preceding fiscal year. As used in

1 this section, "participating district" means a district that is a
2 reporting unit of the Michigan public school employees' retirement
3 system under the public school employees retirement act of 1979,
4 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to
5 the Michigan public school employees' retirement system for the
6 applicable fiscal year.

7 Sec. 147c. (1) From the appropriation in section 11, there is
8 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
9 ~~\$658,400,000.00~~ **\$892,900,000.00** from the state school aid fund ~~7~~
10 ~~and there is appropriated for 2014-2015 an amount not to exceed~~
11 ~~\$18,000,000.00 from the MPSEERS retirement obligation reform reserve~~
12 ~~fund,~~ for payments to districts and intermediate districts that are
13 participating entities of the Michigan public school employees'
14 retirement system. In addition, from the general fund money
15 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~
16 **2016** an amount not to exceed ~~\$500,000.00~~ **\$600,000.00** for payments
17 to district libraries that are participating entities of the
18 Michigan public school employees' retirement system.

19 (2) For ~~2014-2015, 2015-2016,~~ the amounts allocated under
20 subsection (1) are estimated to provide an average MPSEERS rate cap
21 per pupil amount of ~~\$449.00~~ **\$601.00** and are estimated to provide a
22 rate cap per pupil for districts ranging between \$4.00 and
23 ~~\$2,056.00~~ **\$2,300.00.**

24 (3) Payments made under this section for ~~2014-2015-2015-2016~~
25 shall be equal to the difference between the unfunded actuarial
26 accrued liability contribution rate as calculated pursuant to
27 section 41 of the public school employees retirement act of 1979,

1 1980 PA 300, MCL 38.1341, as calculated without taking into account
2 the maximum employer rate of 20.96% included in section 41 of the
3 public school employees retirement act of 1979, 1980 PA 300, MCL
4 38.1341, and the maximum employer rate of 20.96% included in
5 section 41 of the public school employees retirement act of 1979,
6 1980 PA 300, MCL 38.1341.

7 (4) The amount allocated to each participating entity under
8 this section shall be based on each participating entity's
9 proportion of the total covered payroll for the immediately
10 preceding fiscal year for the same type of participating entities.
11 A participating entity that receives funds under this section shall
12 use the funds solely for the purpose of retirement contributions as
13 specified in subsection (5).

14 (5) Each participating entity receiving funds under this
15 section shall forward an amount equal to the amount allocated under
16 subsection (4) to the retirement system in a form, manner, and time
17 frame determined by the retirement system.

18 (6) Funds allocated under this section should be considered
19 when comparing a district's growth in total state aid funding from
20 1 fiscal year to the next.

21 (7) Not later than ~~October 20, 2014,~~ **DECEMBER 20, 2015**, the
22 department shall publish and post on its website an estimated
23 MPSERS rate cap per pupil for each district.

24 (8) As used in this section:

25 (a) "MPSERS rate cap per pupil" means an amount equal to the
26 quotient of the district's payment under this section divided by
27 the district's pupils in membership.

1 (b) "Participating entity" means a district, intermediate
2 district, or district library that is a reporting unit of the
3 Michigan public school employees' retirement system under the
4 public school employees retirement act of 1979, 1980 PA 300, MCL
5 38.1301 to 38.1437, and that reports employees to the Michigan
6 public school employees' retirement system for the applicable
7 fiscal year.

8 (c) "Retirement board" means the board that administers the
9 retirement system under the public school employees retirement act
10 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

11 (d) "Retirement system" means the Michigan public school
12 employees' retirement system under the public school employees
13 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

14 Sec. 152a. (1) As required by the court in the consolidated
15 cases known as Adair v State of Michigan, Michigan supreme court
16 docket nos. 137424 and 137453, from the state school aid fund money
17 appropriated in section 11 there is allocated for ~~2014-2015-2015-~~
18 **2016** an amount not to exceed \$38,000,500.00 to be used solely for
19 the purpose of paying necessary costs related to the state-mandated
20 collection, maintenance, and reporting of data to this state.

21 (2) From the allocation in subsection (1), the department
22 shall make payments to districts and intermediate districts in an
23 equal amount per-pupil based on the total number of pupils in
24 membership in each district and intermediate district. The
25 department shall not make any adjustment to these payments after
26 the final installment payment under section 17b is made.

27 Sec. 163. (1) Except as provided in the revised school code,

1 the board of a district or intermediate district shall not permit
2 any of the following:

3 (a) A noncertificated ~~teacher~~**EDUCATOR** to teach in an
4 elementary or secondary school or in an adult basic education or
5 high school completion program.

6 (b) A noncertificated ~~counselor~~**EDUCATOR** to provide counseling
7 services to pupils in an elementary or secondary school or in an
8 adult basic education or high school completion program.

9 **(C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL**
10 **PROGRAMS IN AN ELEMENTARY OR SECONDARY SCHOOL, OR IN AN ADULT BASIC**
11 **EDUCATION OR HIGH SCHOOL COMPLETION PROGRAM, UNLESS THAT EDUCATOR**
12 **IS FULFILLING APPLICABLE CONTINUING EDUCATION REQUIREMENTS.**

13 (2) Except as provided in the revised school code, a district
14 or intermediate district employing ~~teachers or counselors~~**EDUCATORS**
15 not legally certificated **OR LICENSED** shall have deducted the sum
16 equal to the amount paid the ~~teachers or counselors~~**EDUCATORS** for
17 the period of noncertificated, **UNLICENSED**, or illegal employment.
18 Each intermediate superintendent shall notify the department of the
19 name of the noncertificated ~~teacher or counselor,~~**OR UNLICENSED**
20 **EDUCATOR**, and the district employing that individual and the amount
21 of salary the noncertificated ~~teacher or counselor~~**OR UNLICENSED**
22 **EDUCATOR** was paid within a constituent district.

23 (3) If a school official is notified by the department that he
24 or she is employing a nonapproved, noncertificated, ~~teacher or~~
25 ~~counselor~~**OR UNLICENSED EDUCATOR** in violation of this section and
26 knowingly continues to employ that ~~teacher or counselor,~~**EDUCATOR**,
27 the school official is guilty of a misdemeanor, punishable by a

1 fine of \$1,500.00 for each incidence. This penalty is in addition
2 to all other financial penalties otherwise specified in this
3 article.

4 Enacting section 1. (1) In accordance with section 30 of
5 article IX of the state constitution of 1963, total state spending
6 on school aid in article I under 2014 PA 196, 2015 PA 5, and this
7 amendatory act from state sources for fiscal year 2014-2015 is
8 estimated at \$11,865,797,400.00 and state appropriations for school
9 aid to be paid to local units of government for fiscal year 2014-
10 2015 are estimated at \$11,714,612,100.00.

11 (2) In accordance with section 30 of article IX of the state
12 constitution of 1963, total state spending on school aid in this
13 amendatory act from state sources for fiscal year 2015-2016 is
14 estimated at \$12,120,560,100.00 and state appropriations for school
15 aid to be paid to local units of government for fiscal year 2015-
16 2016 are estimated at \$11,962,930,600.00.

17 Enacting section 2. Sections 12, 22c, 22f, 22j, 31b, 32r, 64c,
18 64d, 74a, 99, 99b, and 147d of the state school aid act of 1979,
19 1979 PA 94, MCL 388.1612, 388.1622c, 388.1622f, 388.1622j,
20 388.1631b, 388.1632r, 388.1664c, 388.1664d, 388.1674a, 388.1699,
21 388.1699b, and 388.1747d, are repealed effective October 1, 2015.

22 Enacting section 3. (1) Except as otherwise provided in
23 subsection (2), this amendatory act takes effect October 1, 2015.

24 (2) Sections 11, 11m, 11r, 18a, 22a, 22b, 51a, 51c, and 95a of
25 the state school aid act of 1979, 1979 PA 94, MCL 388.1611,
26 388.1611m, 388.1611r, 388.1618a, 388.1622a, 388.1622b, 388.1651a,
27 388.1651c, and 388.1695a, as amended by this amendatory act, take

1 effect upon enactment of this amendatory act.