

## **FIRST CONFERENCE REPORT**

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

House Bill No. 4235, 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 2016 PA 249 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 3, 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 11s, 15, 18, 18c, 20, 20d, 20f, 20g, 20m, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 32d, 32p, 32q, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a, 61b, 61c, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 99t, 102d, 104, 104c, 104d, 107, 147, 147a, 147c, 152a, 152b, and 166b (MCL 388.1603, 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a,

388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1611s, 388.1615, 388.1618, 388.1618c, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1620m, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1624, 388.1624a, 388.1624c, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1631j, 388.1632d, 388.1632p, 388.1632q, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1702d, 388.1704, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1752b, and 388.1766b), sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 35a, 39, 39a, 41, 51c, 51d, 53a, 54, 55, 56, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 99s, 102d, 104, 104d, 107, 147, 147a, 147c, 152a, and 166b as amended and sections 11s, 20m, 31b, 31j, 32q, 54b, and 152b as added by 2016 PA 249, section 8b as amended by 2015 PA 85, section 18c as amended by 2012 PA 201, sections 20, 61a, 61c, 98, 99h, 99t, and 104c as amended by 2016 PA 313, and section 51a as amended by 2016 PA 534, and by adding sections 21h, 21j, 22m, 64d, 67a, 95b, 99c, 99r, 99u, 104e, 147e, 160, 164g, and 164h; and to repeal acts and parts of acts.

---

Tim Kelly

---

Goef Hansen

---

Shane Hernandez

---

Dave Hildenbrand

---

Robert L. Kosowski

---

Hoon-Yung Hopgood

Conferees for the House

Conferees for the Senate

SUBSTITUTE FOR  
HOUSE BILL NO. 4235

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 3, 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 11s,  
15, 18, 18c, 20, 20d, 20f, 20g, 20m, 22a, 22b, 22d, 22g, 24, 24a,  
24c, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 32d, 32p,  
32q, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a,  
61b, 61c, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 99t,  
102d, 104, 104c, 104d, 107, 147, 147a, 147c, 152a, 152b, and 166b  
(MCL 388.1603, 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a,  
388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1611s, 388.1615,  
388.1618, 388.1618c, 388.1620, 388.1620d, 388.1620f, 388.1620g,  
388.1620m, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1624,  
388.1624a, 388.1624c, 388.1625f, 388.1625g, 388.1626a, 388.1626b,

388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1631j, 388.1632d, 388.1632p, 388.1632q, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1702d, 388.1704, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1752b, and 388.1766b), sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 35a, 39, 39a, 41, 51c, 51d, 53a, 54, 55, 56, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 99s, 102d, 104, 104d, 107, 147, 147a, 147c, 152a, and 166b as amended and sections 11s, 20m, 31b, 31j, 32q, 54b, and 152b as added by 2016 PA 249, section 8b as amended by 2015 PA 85, section 18c as amended by 2012 PA 201, sections 20, 61a, 61c, 98, 99h, 99t, and 104c as amended by 2016 PA 313, and section 51a as amended by 2016 PA 534, and by adding sections 21h, 21j, 22m, 64d, 67a, 95b, 99c, 99r, 99u, 104e, 147e, 160, 164g, and 164h; and to repeal acts and parts of acts.

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

1       Sec. 3. ~~(1) "Achievement authority" means the education~~  
 2 ~~achievement authority, the public body corporate and special~~  
 3 ~~authority initially created under section 5 of article III and~~  
 4 ~~section 28 of article VII of the state constitution of 1963 and the~~  
 5 ~~urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to~~  
 6 ~~124.512, by an interlocal agreement effective August 11, 2011,~~  
 7 ~~between the school district of the city of Detroit and the board of~~

~~regents of Eastern Michigan University, a state public university.~~

~~(2) "Achievement school" means a public school within the education achievement system operated, managed, authorized, established, or overseen by the achievement authority.~~

(1) ~~(3)~~ "Average daily attendance", for the purposes of complying with federal law, means 92% of the pupils counted in membership on the pupil membership count day, as defined in section 6(7).

(2) ~~(4)~~ "Board" means the governing body of a district or public school academy.

(3) ~~(5)~~ "Center" means the center for educational performance and information created in section 94a.

(4) ~~(6)~~ "Community district" means a school district organized under part 5b of the revised school code.

(5) ~~(7)~~ "Cooperative education program" means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement shall be approved by all affected districts at least annually and shall specify the educational programs to be provided and the estimated number of pupils from each district who will participate in the educational programs.

(6) ~~(8)~~ "Department", except in section 107, means the department of education.

(7) ~~(9)~~ "District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school academy. ~~Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a,~~

~~105, 105c, and 166b, district also includes the education~~  
~~achievement system.~~ Except in section 20, district also includes a  
community district.

**(8)** ~~(10)~~ "District of residence", except as otherwise provided  
in this subsection, means the district in which a pupil's custodial  
parent or parents or legal guardian resides. For a pupil described  
in section 24b, the pupil's district of residence is the district  
in which the pupil enrolls under that section. For a pupil  
described in section 6(4)(d), the pupil's district of residence  
shall be considered to be the district or intermediate district in  
which the pupil is counted in membership under that section. For a  
pupil under court jurisdiction who is placed outside the district  
in which the pupil's custodial parent or parents or legal guardian  
resides, the pupil's district of residence shall be considered to  
be the educating district or educating intermediate district.

**(9)** ~~(11)~~ "District superintendent" means the superintendent of  
a district, ~~OR~~ the chief administrator of a public school academy.  
~~or the chancellor of the achievement authority.~~

Sec. 4. ~~(1) "Education achievement system" means the~~  
~~achievement authority and all achievement schools.~~

**(1)** ~~(2)~~ "Elementary pupil" means a pupil in membership in  
grades K to 8 in a district not maintaining classes above the  
eighth grade or in grades K to 6 in a district maintaining classes  
above the eighth grade. For the purposes of calculating universal  
service fund (e-rate) discounts, "elementary pupil" includes  
children enrolled in a preschool program operated by a district in  
its facilities.

1           (2) ~~(3)~~—"Extended school year" means an educational program  
2 conducted by a district in which pupils must be enrolled but not  
3 necessarily in attendance on the pupil membership count day in an  
4 extended year program. The mandatory clock hours shall be completed  
5 by each pupil not more than 365 calendar days after the pupil's  
6 first day of classes for the school year prescribed. The department  
7 shall prescribe pupil, personnel, and other reporting requirements  
8 for the educational program.

9           (3) ~~(4)~~—"Fiscal year" means the state fiscal year that  
10 commences October 1 and continues through September 30.

11           (4) ~~(5)~~—"High school equivalency certificate" means a  
12 certificate granted for the successful completion of a high school  
13 equivalency test.

14           (5) ~~(6)~~—"High school equivalency test" means the G.E.D. test  
15 developed by the GED Testing Service, the Test Assessing Secondary  
16 Completion (TASC) developed by CTS/McGraw-Hill, the HISET test  
17 developed by the Education Testing Service (ETS), or another  
18 comparable test approved by the department of talent and economic  
19 development.

20           (6) ~~(7)~~—"High school equivalency test preparation program"  
21 means a program that has high school level courses in English  
22 language arts, social studies, science, and mathematics and that  
23 prepares an individual to successfully complete a high school  
24 equivalency test.

25           (7) ~~(8)~~—"High school pupil" means a pupil in membership in  
26 grades 7 to 12, except in a district not maintaining grades above  
27 the eighth grade.

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  
14 education center program pupils placed part-time in noncenter  
15 programs to comply with the least restrictive environment  
16 provisions of section 612 of part B of the individuals with  
17 disabilities education act, 20 USC 1412, may be considered center  
18 program pupils for pupil accounting purposes for the time scheduled  
19 in either a center program or a noncenter program.

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

23           (3) "District and high school graduation report" means a  
24 report of the number of pupils, excluding adult education  
25 participants, in the district for the immediately preceding school  
26 year, adjusted for those pupils who have transferred into or out of  
27 the district or high school, who leave high school with a diploma



1 or other credential of equal status.

2 (4) "Membership", except as otherwise provided in this  
3 article, means for a district, a public school academy, ~~the~~  
4 ~~education achievement system,~~ or an intermediate district the sum  
5 of the product of .90 times the number of full-time equated pupils  
6 in grades K to 12 actually enrolled and in regular daily attendance  
7 on the pupil membership count day for the current school year, plus  
8 the product of .10 times the final audited count from the  
9 supplemental count day for the immediately preceding school year. A  
10 district's, public school academy's, or intermediate district's  
11 membership shall be adjusted as provided under section 25e for  
12 pupils who enroll after the pupil membership count day in a strict  
13 discipline academy operating under sections 1311b to 1311m of the  
14 revised school code, MCL 380.1311b to 380.1311m. However, for a  
15 district that is a community district, ~~in its first year of~~  
16 ~~operation,~~ "membership" means the sum of the product of .90 times  
17 the number of full-time equated pupils in grades K to 12 actually  
18 enrolled and in regular daily attendance in the community district  
19 on the pupil membership count day for the current school year, plus  
20 the product of .10 times **THE SUM OF** the final audited count from  
21 the supplemental count day of pupils in grades K to 12 actually  
22 enrolled and in regular daily attendance in a ~~qualifying school~~  
23 ~~district as defined in section 5 of the revised school code, MCL~~  
24 ~~380.5,~~ **THE COMMUNITY DISTRICT FOR THE IMMEDIATELY PRECEDING SCHOOL**  
25 **YEAR PLUS THE FINAL AUDITED COUNT FROM THE SUPPLEMENTAL COUNT DAY**  
26 **OF PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY**  
27 **ATTENDANCE IN THE EDUCATION ACHIEVEMENT SYSTEM** for the immediately

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

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

27 (b) If a pupil is educated in a district other than the

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

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

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

19 (e) A pupil enrolled in the Michigan ~~schools~~ **SCHOOLS** for the  
20 ~~deaf and blind~~ **DEAF AND BLIND** shall be counted in membership in the  
21 pupil's intermediate district of residence.

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

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

3 ~~(h) A pupil enrolled in an achievement school shall be counted~~  
4 ~~in membership in the education achievement system.~~ **FOR THE PURPOSES**  
5 **OF THIS SECTION AND SECTION 6A, FOR A CYBER SCHOOL, AS DEFINED IN**  
6 **SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, THAT IS IN**  
7 **COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL**  
8 **380.553A, A PUPIL'S PARTICIPATION IN THE CYBER SCHOOL'S EDUCATIONAL**  
9 **PROGRAM IS CONSIDERED REGULAR DAILY ATTENDANCE, AND FOR A DISTRICT**  
10 **OR PUBLIC SCHOOL ACADEMY, A PUPIL'S PARTICIPATION IN A VIRTUAL**  
11 **COURSE AS DEFINED IN SECTION 21F IS CONSIDERED REGULAR DAILY**  
12 **ATTENDANCE.**

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

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

1 school year, and dividing that sum by 2.

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

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

17 ~~(k) In a district, a public school academy, the education~~  
18 ~~achievement system, or an intermediate district operating FOR an~~  
19 extended school year program approved by the superintendent, a  
20 pupil enrolled, but not scheduled to be in regular daily  
21 attendance, on a pupil membership count day, shall be counted **IN**  
22 **MEMBERSHIP.**

23 (l) To be counted in membership, a pupil shall meet the  
24 minimum age requirement to be eligible to attend school under  
25 section 1147 of the revised school code, MCL 380.1147, or shall be  
26 enrolled under subsection (3) of that section, and shall be less  
27 than 20 years of age on September 1 of the school year except as

1 follows:

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

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

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

13 (B) Had dropped out of school.

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

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

24 (m) An individual who has achieved a high school diploma shall  
25 not be counted in membership. An individual who has achieved a high  
26 school equivalency certificate shall not be counted in membership  
27 unless the individual is a student with a disability as defined in

1 R 340.1702 of the Michigan ~~administrative code.~~ **ADMINISTRATIVE**  
 2 **CODE.** An individual participating in a job training program funded  
 3 under former section 107a or a jobs program funded under former  
 4 section 107b, administered by the department of talent and economic  
 5 development, or participating in any successor of either of those 2  
 6 programs, shall not be counted in membership.

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

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

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

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

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

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

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



1 of the effect of his or her postsecondary enrollment, including  
2 necessary travel time, on the number of class hours provided by the  
3 district to the pupil.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (ee) A pupil participating in a virtual course under section  
6 21f shall be counted in membership in the district enrolling the  
7 pupil.

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

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

1 (hh) A pupil enrolled in a community district shall be counted  
2 in membership in the community district. ~~For a community district~~  
3 ~~in its first fiscal year of operations only, until the department~~  
4 ~~is able to calculate the community district's membership, the~~  
5 ~~department shall consider the community district's membership to be~~  
6 ~~the same as the membership for the immediately preceding fiscal~~  
7 ~~year for a district with the same boundaries as the community~~  
8 ~~district that had membership for that fiscal year.~~

9 (II) A PART-TIME PUPIL ENROLLED IN A NONPUBLIC SCHOOL IN  
10 GRADES K TO 12 IN ACCORDANCE WITH SECTION 166B SHALL NOT BE COUNTED  
11 AS MORE THAN 0.75 OF A FULL-TIME EQUATED MEMBERSHIP.

12 (JJ) A DISTRICT THAT BORDERS ANOTHER STATE OR A PUBLIC SCHOOL  
13 ACADEMY THAT OPERATES AT LEAST GRADES 9 TO 12 AND IS LOCATED WITHIN  
14 20 MILES OF A BORDER WITH ANOTHER STATE MAY COUNT IN MEMBERSHIP A  
15 PUPIL WHO IS ENROLLED IN A COURSE AT A COLLEGE OR UNIVERSITY THAT  
16 IS LOCATED IN THE BORDERING STATE AND WITHIN 20 MILES OF THE BORDER  
17 WITH THIS STATE IF ALL OF THE FOLLOWING ARE MET:

18 (i) THE PUPIL WOULD MEET THE DEFINITION OF AN ELIGIBLE STUDENT  
19 UNDER THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL  
20 388.511 TO 388.524, IF THE COURSE WERE AN ELIGIBLE COURSE UNDER  
21 THAT ACT.

22 (ii) THE COURSE IN WHICH THE PUPIL IS ENROLLED WOULD MEET THE  
23 DEFINITION OF AN ELIGIBLE COURSE UNDER THE POSTSECONDARY ENROLLMENT  
24 OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, IF THE COURSE  
25 WERE PROVIDED BY AN ELIGIBLE POSTSECONDARY INSTITUTION UNDER THAT  
26 ACT.

27 (iii) THE DEPARTMENT DETERMINES THAT THE COLLEGE OR UNIVERSITY



1 IS AN INSTITUTION THAT, IN THE OTHER STATE, FULFILLS A FUNCTION  
2 COMPARABLE TO A STATE UNIVERSITY OR COMMUNITY COLLEGE, AS THOSE  
3 TERMS ARE DEFINED IN SECTION 3 OF THE POSTSECONDARY ENROLLMENT  
4 OPTIONS ACT, 1996 PA 160, MCL 388.513, OR IS AN INDEPENDENT  
5 NONPROFIT DEGREE-GRANTING COLLEGE OR UNIVERSITY.

6 (iv) THE DISTRICT OR PUBLIC SCHOOL ACADEMY PAYS FOR A PORTION  
7 OF THE PUPIL'S TUITION AT THE COLLEGE OR UNIVERSITY IN AN AMOUNT  
8 EQUAL TO THE ELIGIBLE CHARGES THAT THE DISTRICT OR PUBLIC SCHOOL  
9 ACADEMY WOULD PAY TO AN ELIGIBLE POSTSECONDARY INSTITUTION UNDER  
10 THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511  
11 TO 388.524, AS IF THE COURSE WERE AN ELIGIBLE COURSE UNDER THAT  
12 ACT.

13 (v) THE DISTRICT OR PUBLIC SCHOOL ACADEMY AWARDS HIGH SCHOOL  
14 CREDIT TO A PUPIL WHO SUCCESSFULLY COMPLETES A COURSE AS DESCRIBED  
15 IN THIS SUBDIVISION.

16 (KK) A PUPIL ENROLLED IN A MIDDLE COLLEGE PROGRAM MAY BE  
17 COUNTED FOR MORE THAN A TOTAL OF 1.0 FULL-TIME EQUATED MEMBERSHIP  
18 IF THE PUPIL IS ENROLLED IN MORE THAN THE MINIMUM NUMBER OF  
19 INSTRUCTIONAL DAYS AND HOURS REQUIRED UNDER SECTION 101 AND THE  
20 PUPIL IS EXPECTED TO COMPLETE THE 5-YEAR PROGRAM WITH BOTH A HIGH  
21 SCHOOL DIPLOMA AND AT LEAST 60 TRANSFERABLE COLLEGE CREDITS OR IS  
22 EXPECTED TO EARN AN ASSOCIATE'S DEGREE IN FEWER THAN 5 YEARS.

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

25 (6) "Pupil" means ~~a person~~ **AN INDIVIDUAL** in membership in a  
26 public school. A district must have the approval of the pupil's  
27 district of residence to count the pupil in membership, except

1 approval by the pupil's district of residence is not required for  
2 any of the following:

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

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

7 (c) A pupil enrolled in a public school academy. ~~or the~~  
8 ~~education achievement system.~~

9 (d) A pupil enrolled in a district other than the pupil's  
10 district of residence under an intermediate district schools of  
11 choice pilot program as described in section 91a or former section  
12 91 if the intermediate district and its constituent districts have  
13 been exempted from section 105.

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

17 (f) A pupil who has made an official written complaint or  
18 whose parent or legal guardian has made an official written  
19 complaint to law enforcement officials and to school officials of  
20 the pupil's district of residence that the pupil has been the  
21 victim of a criminal sexual assault or other serious assault, if  
22 the official complaint either indicates that the assault occurred  
23 at school or that the assault was committed by 1 or more other  
24 pupils enrolled in the school the pupil would otherwise attend in  
25 the district of residence or by an employee of the district of  
26 residence. A person who intentionally makes a false report of a  
27 crime to law enforcement officials for the purposes of this

1 subdivision is subject to section 411a of the Michigan penal code,  
2 1931 PA 328, MCL 750.411a, which provides criminal penalties for  
3 that conduct. As used in this subdivision:

4 (i) "At school" means in a classroom, elsewhere on school  
5 premises, on a school bus or other school-related vehicle, or at a  
6 school-sponsored activity or event whether or not it is held on  
7 school premises.

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

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

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

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

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

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

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

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

3 (j) A pupil who is the child of a person who works at the  
4 district or who is the child of a person who worked at the district  
5 as of the time the pupil first enrolled in the district but who no  
6 longer works at the district due to a workforce reduction. As used  
7 in this subdivision, "child" includes an adopted child, stepchild,  
8 or legal ward.

9 (k) An expelled pupil who has been denied reinstatement by the  
10 expelling district and is reinstated by another school board under  
11 section 1311 or 1311a of the revised school code, MCL 380.1311 and  
12 380.1311a.

13 (l) A pupil enrolled in a district other than the pupil's  
14 district of residence in a middle college program if the pupil's  
15 district of residence and the enrolling district are both  
16 constituent districts of the same intermediate district.

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

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

23 (o) A pupil who enrolls in a district other than the pupil's  
24 district of residence as a result of the pupil's school not making  
25 adequate yearly progress under the no child left behind act of  
26 2001, Public Law 107-110, or the every student succeeds act, Public  
27 Law 114-95.

1           However, except for pupils enrolled in the youth challenge  
2 program at the site at which the youth challenge program operated  
3 for 2015-2016, if a district educates pupils who reside in another  
4 district and if the primary instructional site for those pupils is  
5 established by the educating district after 2009-2010 and is  
6 located within the boundaries of that other district, the educating  
7 district must have the approval of that other district to count  
8 those pupils in membership.

9           (7) "Pupil membership count day" of a district or intermediate  
10 district means:

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

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

19           (i) Fourth Wednesday in July.

20           (ii) First Wednesday in October.

21           (iii) Second Wednesday in February.

22           (iv) Fourth Wednesday in April.

23           (8) "Pupils in grades K to 12 actually enrolled and in regular  
24 daily attendance" means pupils in grades K to 12 in attendance and  
25 receiving instruction in all classes for which they are enrolled on  
26 the pupil membership count day or the supplemental count day, as  
27 applicable. Except as otherwise provided in this subsection, a

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

1 (9) "Rule" means a rule promulgated pursuant to the  
2 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
3 24.328.

4 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to  
5 380.1852.

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

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

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

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

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

19 (16) "Tuition pupil" means a pupil of school age attending  
20 school in a district other than the pupil's district of residence  
21 for whom tuition may be charged to the district of residence.

22 Tuition pupil does not include a pupil who is a special education  
23 pupil, a pupil described in subsection (6)(c) to (o), or a pupil  
24 whose parent or guardian voluntarily enrolls the pupil in a  
25 district that is not the pupil's district of residence. A pupil's  
26 district of residence shall not require a high school tuition  
27 pupil, as provided under section 111, to attend another school

1 district after the pupil has been assigned to a school district.

2 (17) "State school aid fund" means the state school aid fund  
3 established in section 11 of article IX of the state constitution  
4 of 1963.

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

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

16 (20) "Total state aid" or "total state school aid" means the  
17 total combined amount of all funds due to a district, intermediate  
18 district, or other entity under ~~all of the provisions of this~~  
19 article.

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

25 (2) If the department does not assign a district code to a  
26 public school academy within the 30-day period described in  
27 subsection (1), the district code the department shall use to make



1 payments under this article to the newly authorized public school  
 2 academy shall be a number that is equivalent to the sum of the last  
 3 district code assigned to a public school academy located in the  
 4 same county as the newly authorized public school academy plus 1.  
 5 However, if there is not an existing public school academy located  
 6 in the same county as the newly authorized public school academy,  
 7 then the district code the department shall use to make payments  
 8 under this article to the newly authorized public school academy  
 9 shall be a 5-digit number that has the county code in which the  
 10 public school academy is located as its first 2 digits, 9 as its  
 11 third digit, 0 as its fourth digit, and 1 as its fifth digit. If  
 12 the number of public school academies in a county grows to exceed  
 13 100, the third digit in this 5-digit number shall then be 7 for the  
 14 public school academies in excess of 100.

15 (3) For each school of excellence that is a cyber school and  
 16 is authorized under part 6e of the revised school code, MCL 380.551  
 17 to 380.561, by a school district, intermediate school district,  
 18 community college other than a federal tribally controlled  
 19 community college, or other authorizing body that is not empowered  
 20 to authorize a school of excellence to operate statewide and is  
 21 eligible to receive funding under this article, ~~the~~ **ALL OF THE**  
 22 **FOLLOWING APPLY:**

23 (A) **THE** department shall assign a district code that includes  
 24 as the first 2 digits the county code in which the authorizing body  
 25 is located.

26 (B) **IF THE CYBER SCHOOL DOES NOT PROVIDE INSTRUCTION AT A**  
 27 **SPECIFIC LOCATION, THE INTERMEDIATE DISTRICT THAT WOULD NORMALLY**

1 PROVIDE PROGRAMS AND SERVICES TO THE SCHOOL DISTRICT IN WHICH THE  
 2 ADMINISTRATIVE OFFICE OF CYBER SCHOOL IS LOCATED SHALL PROVIDE  
 3 PROGRAMS AND SERVICES TO THE CYBER SCHOOL. THE INTERMEDIATE SCHOOL  
 4 DISTRICT REQUIRED TO PROVIDE PROGRAMS AND SERVICES TO A CYBER  
 5 SCHOOL UNDER THIS SUBDIVISION REMAINS THE SAME FOR AS LONG AS THAT  
 6 CYBER SCHOOL IS IN OPERATION.

7 Sec. 11. (1) ~~For the fiscal year ending September 30, 2016,~~  
 8 ~~there is appropriated for the public schools of this state and~~  
 9 ~~certain other state purposes relating to education the sum of~~  
 10 ~~\$11,905,439,300.00 from the state school aid fund and the sum of~~  
 11 ~~\$55,100,000.00 from the general fund.~~ For the fiscal year ending  
 12 September 30, 2017, there is appropriated for the public schools of  
 13 this state and certain other state purposes relating to education  
 14 the sum of ~~\$12,052,309,300.00~~ **\$12,036,844,300.00** from the state  
 15 school aid fund, the sum of \$218,900,000.00 from the general fund,  
 16 an amount not to exceed \$72,000,000.00 from the community district  
 17 education trust fund created under section 12 of the Michigan trust  
 18 fund act, 2000 PA 489, MCL 12.262, and an amount not to exceed  
 19 \$100.00 from the water emergency reserve fund. **FOR THE FISCAL YEAR**  
 20 **ENDING SEPTEMBER 30, 2018, THERE IS APPROPRIATED FOR THE PUBLIC**  
 21 **SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO**  
 22 **EDUCATION THE SUM OF \$12,325,982,900.00 FROM THE STATE SCHOOL AID**  
 23 **FUND, THE SUM OF \$205,000,000.00 FROM THE GENERAL FUND, AN AMOUNT**  
 24 **NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION**  
 25 **TRUST FUND CREATED UNDER SECTION 12 OF THE MICHIGAN TRUST FUND ACT,**  
 26 **2000 PA 489, MCL 12.262, AND AN AMOUNT NOT TO EXCEED \$100.00 FROM**  
 27 **THE WATER EMERGENCY RESERVE FUND.** In addition, all ~~other~~ available

1 federal funds are appropriated each fiscal year for the fiscal  
2 years ending ~~September 30, 2016 and September 30, 2017~~ **AND**  
3 **SEPTEMBER 30, 2018.**

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

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

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

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

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

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

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

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

1 shall be expended only for purposes for which state school aid fund  
2 money may be expended.

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

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

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

24 (7) For 2016-2017 **AND FOR 2017-2018**, in addition to the  
25 appropriations in section 11, there is appropriated from the school  
26 aid stabilization fund to the state school aid fund the amount  
27 necessary to fully fund the allocations under this article.

1       Sec. 11j. From the appropriation in section 11, ~~there is~~  
 2 ~~allocated an amount not to exceed \$10,500,000.00 for 2015-2016 and~~  
 3 there is allocated an amount not to exceed ~~\$126,500,000.00~~  
 4 **\$125,500,000.00** for ~~2016-2017~~ **2017-2018** for payments to the school  
 5 loan bond redemption fund in the department of treasury on behalf  
 6 of districts and intermediate districts. Notwithstanding section  
 7 296 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 ~~2016-2017~~, **2017-2018**, 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 2015-2016 an amount not to exceed \$1,000,000.00 and~~  
 18 there is allocated for 2016-2017 an amount not to exceed  
 19 ~~\$3,000,000.00~~ **\$5,500,000.00 AND THERE IS ALLOCATED FOR 2017-2018 AN**  
 20 **AMOUNT NOT TO EXCEED \$6,500,000.00** for fiscal year cash-flow  
 21 borrowing costs solely related to the state school aid fund  
 22 established by section 11 of article IX of the state constitution  
 23 of 1963.

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

1 this section.

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

9 (3) Subject to subsection (4), a district is eligible to  
10 receive a grant from the distressed districts emergency grant fund  
11 if either of the following applies:

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

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

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

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

1 retirement system contributions, pupil transportation, food  
 2 services, special education, building security, and other costs  
 3 necessary to allow the district to operate schools directly and  
 4 provide public education services until the end of the current  
 5 school fiscal year. For a district that meets the eligibility  
 6 criteria under subsection (3)(b), the amount of the grant shall be  
 7 determined in the same manner as transition costs under section  
 8 20g.

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

17 (7) Except as otherwise provided in subsection (8), money in  
 18 the distressed districts emergency grant fund at the close of a  
 19 fiscal year shall remain in the distressed districts emergency  
 20 grant fund and shall not lapse to the state school aid fund or to  
 21 the general fund.

22 (8) For ~~2015-2016-2016-2017~~ only, ~~an amount not to exceed~~  
 23 ~~\$2,800,000.00~~ **THE REMAINING BALANCE IN THE WORK PROJECT THAT WAS**  
 24 **ESTABLISHED UNDER THIS SECTION FOR 2014-2015, ESTIMATED AT**  
 25 **\$1,000,000.00**, shall be lapsed from the distressed districts  
 26 emergency grant fund to the state school aid fund.

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

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

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



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

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

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

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

10 (3) From the allocation in subsection (1), there is allocated  
11 to an intermediate district that has a constituent district  
12 described in subsection (2) an amount not to exceed \$1,195,000.00  
13 **FOR 2016-2017 AND AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 2017-**  
14 **2018** to augment staff for the purpose of providing additional early  
15 childhood services and for nutritional services to children  
16 described in subsection (1), regardless of location of school of  
17 attendance. ~~The~~ **FOR 2016-2017, THE** early childhood services to be  
18 provided under this subsection are state early intervention  
19 services as described in subsection (4) and early literacy  
20 services. **BEGINNING WITH 2017-2018, THE EARLY CHILDHOOD SERVICES TO**  
21 **BE PROVIDED UNDER THIS SUBSECTION ARE STATE EARLY INTERVENTION**  
22 **SERVICES THAT ARE SIMILAR TO THE SERVICES DESCRIBED IN THE EARLY ON**  
23 **MICHIGAN STATE PLAN, INCLUDING ENSURING THAT ALL CHILDREN DESCRIBED**  
24 **IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF AGE AS OF SEPTEMBER**  
25 **1, 2016 ARE ASSESSED AND EVALUATED AT LEAST TWICE ANNUALLY.** In  
26 addition, funds allocated under this subsection may also be  
27 expended to provide informational resources to parents, educators,

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

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

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

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

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

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

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

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

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

6 (5) From the allocation in subsection (1), there is allocated  
 7 an amount not to exceed \$1,500,000.00 **FOR 2016-2017 AND AN AMOUNT**  
 8 **NOT TO EXCEED \$3,000,000.00 FOR 2017-2018** to intermediate districts  
 9 described in subsection (3) to enroll children described in  
 10 subsection (1) in school-day great start readiness programs,  
 11 regardless of household income eligibility requirements contained  
 12 in section 39. The department shall administer this funding  
 13 consistent with all other provisions of the great start readiness  
 14 programs contained in section 32d and section 39.

15 (6) **FOR 2017-2018, FROM THE ALLOCATION IN SUBSECTION (1),**  
 16 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$605,000.00 FOR**  
 17 **NUTRITIONAL SERVICES TO CHILDREN DESCRIBED IN SUBSECTION (1).**

18 (7) ~~(6)~~—In addition to other funding allocated and  
 19 appropriated in this section, there is appropriated an amount not  
 20 to exceed \$15,000,000.00 **EACH FISCAL YEAR** for 2016-2017 **AND 2017-**  
 21 **2018** for state restricted contingency funds. These contingency  
 22 funds are not available for expenditure until they have been  
 23 transferred to a section within this article under section 393(2)  
 24 of the management and budget act, 1984 PA 431, MCL 18.1393.

25 (8) **NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**  
 26 **SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

27 Sec. 15. (1) If a district or intermediate district fails to

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

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

1 department from the district, an intermediate district, the  
2 department of treasury, or the office of auditor general, shall be  
3 deducted from the district's apportionments when the adjustment is  
4 finalized. At the request of the district and upon the district  
5 presenting evidence satisfactory to the department of the hardship,  
6 the department may grant up to an additional 4—9 years for the  
7 adjustment and may advance payments to the district otherwise  
8 authorized under this article if the district would otherwise  
9 experience a significant hardship in satisfying its financial  
10 obligations. **AT THE REQUEST OF A DISTRICT AND UPON THE DISTRICT  
11 PRESENTING EVIDENCE SATISFACTORY TO THE DEPARTMENT OF THE HARDSHIP,  
12 THE DEPARTMENT MAY WAIVE ALL OR A PORTION OF THE ADJUSTMENTS UNDER  
13 THIS SUBSECTION IF THE DEPARTMENT DETERMINES THAT ALL OF THE  
14 FOLLOWING APPLY:**

15 (A) THE DISTRICT WOULD OTHERWISE EXPERIENCE A SIGNIFICANT  
16 HARDSHIP IN SATISFYING ITS FINANCIAL OBLIGATIONS.

17 (B) THE DISTRICT WOULD OTHERWISE EXPERIENCE A SIGNIFICANT  
18 HARDSHIP IN SATISFYING ITS RESPONSIBILITY TO PROVIDE INSTRUCTION TO  
19 ITS PUPILS.

20 (C) THE DISTRICT HAS TAKEN SUFFICIENT CORRECTIVE ACTION TO  
21 ENSURE THAT THE CIRCUMSTANCE OR CIRCUMSTANCES THAT NECESSITATED THE  
22 ADJUSTMENT UNDER THIS SUBSECTION DO NOT RECUR.

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

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

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

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

**(6) THE DEPARTMENT SHALL NOT DEDUCT ANY FUNDS FROM A DISTRICT DUE TO A PUPIL BEING COUNTED IN MEMBERSHIP BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6(4) (JJ) , OR OTHERWISE REDUCE AN ALLOCATION UNDER THIS ARTICLE TO A DISTRICT RELATIVE TO THE COUNTING OF A PUPIL IN MEMBERSHIP AS PROVIDED UNDER SECTION 6(4) (JJ) , IF THE DISTRICT SUBSTANTIALLY COMPLIED WITH THE**

1    **REQUIREMENTS UNDER SECTION 6(4) (JJ) IN A PREVIOUS FISCAL YEAR AS IF**  
2    **SECTION 6(4) (JJ) HAD BEEN IN EFFECT IN THE PREVIOUS FISCAL YEAR.**

3        (7) ~~(6)~~—In addition to funds appropriated in section 11 for all  
4    programs and services, there is appropriated for ~~2016–2017–2017–~~  
5    **2018** for obligations in excess of applicable appropriations an  
6    amount equal to the collection of overpayments, but not to exceed  
7    amounts available from overpayments.

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

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

1 following school fiscal year, or after a district board adopts a  
2 subsequent revision to that budget, the district shall make all of  
3 the following available through a link on its website homepage, or  
4 may make the information available through a link on its  
5 intermediate district's website homepage, in a form and manner  
6 prescribed by the department:

7 (a) The annual operating budget and subsequent budget  
8 revisions.

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

13 (i) A chart of personnel expenditures, broken into the  
14 following subcategories:

15 (A) Salaries and wages.

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

19 (C) Retirement benefit costs.

20 (D) All other personnel costs.

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

23 (A) Instruction.

24 (B) Support services.

25 (C) Business and administration.

26 (D) Operations and maintenance.

27 (c) Links to all of the following:



1           (i) The current collective bargaining agreement for each  
2 bargaining unit.

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

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

10          (iv) The bids required under section 5 of the public employees  
11 health benefits act, 2007 PA 106, MCL 124.75.

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

14          (vi) The district's written policy establishing specific  
15 categories of reimbursable expenses, as described in section  
16 1254(2) of the revised school code, MCL 380.1254.

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

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

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

27          (f) The annual amount spent on lobbying or lobbying services.

1 As used in this subdivision, "lobbying" means that term as defined  
2 in section 5 of 1978 PA 472, MCL 4.415.

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

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

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

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

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

25 (a) The department shall require that each district and  
26 intermediate district have an audit of the district's or  
27 intermediate district's financial and pupil accounting records

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

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

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

26 (d) The pupil and financial accounting records and reports,  
27 audits, and management letters are subject to requirements

1 established in the auditing and accounting manuals approved and  
2 published by the department.

3 (e) All of the following shall be done not later than November  
4 1 each year for reporting the prior fiscal year data:

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 1 each fiscal year, each district and  
25 intermediate district shall submit to the center, in a manner  
26 prescribed by the center, annual comprehensive financial data  
27 consistent with the district's or intermediate district's audited

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

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

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

27 (8) The department shall review its pupil accounting and pupil

auditing manuals at least annually and shall periodically update those manuals to reflect changes in this article.

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

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

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

(12) ~~Not later than~~ **BY** November 1 ~~, 2016,~~ **OF EACH YEAR,** if a district or intermediate district offers virtual learning under section 21f, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the virtual learning by vendor type. The report shall include at least all of the following information concerning the operation of virtual learning for the **IMMEDIATELY PRECEDING** school fiscal year: ~~ending June 30, 2016:~~

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

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

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

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

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

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

(g) The total cost to enroll a student in the program. This cost shall be reported on a per-pupil, per-course, per-semester or trimester basis by vendor type. The total shall include costs broken down by cost for content development, content licensing, training, virtual instruction and instructional support, personnel,

1 hardware and software, payment to each virtual learning provider,  
2 and other costs associated with operating virtual learning.

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

6 (13) ~~Not later than~~ **BY** March 31 ~~, 2017, OF EACH YEAR,~~ the  
7 department shall submit to the house and senate appropriations  
8 subcommittees on state school aid, the state budget director, and  
9 the house and senate fiscal agencies a report summarizing the per-  
10 pupil costs by vendor type of virtual courses available under  
11 section 21f.

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

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

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

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

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

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

26 **(16) BEGINNING OCTOBER 1, 2017, AND NOT LESS THAN ONCE EVERY 3**  
27 **MONTHS AFTER THAT DATE, THE DEPARTMENT SHALL SUBMIT TO THE SENATE**



1 AND HOUSE SUBCOMMITTEES ON SCHOOL AID AND TO THE SENATE AND HOUSE  
 2 STANDING COMMITTEES ON EDUCATION AN ITEMIZED LIST OF ALLOCATIONS  
 3 UNDER THIS ARTICLE TO ANY ASSOCIATION OR CONSORTIUM CONSISTING OF  
 4 ASSOCIATIONS. THE REPORT SHALL DETAIL THE RECIPIENT OR RECIPIENTS,  
 5 THE AMOUNT ALLOCATED, AND THE PURPOSE FOR WHICH THE FUNDS WERE  
 6 DISTRIBUTED.

7 Sec. 18c. Any contract, mortgage, loan, or other instrument of  
 8 indebtedness entered into by a public school academy ~~the~~  
 9 ~~achievement authority, or an achievement school~~ receiving funds  
 10 under this ~~act~~ **ARTICLE** and a third party does not constitute an  
 11 obligation, either general, special, or moral, of this state or of  
 12 an authorizing body. The full faith and credit or the taxing power  
 13 of this state or any agency of this state, or the full faith and  
 14 credit of an authorizing body, shall not be pledged for the payment  
 15 of any contract, mortgage, loan, or other instrument of  
 16 indebtedness entered into by a public school academy ~~the~~  
 17 ~~achievement authority, or an achievement school~~.

18 Sec. 20. (1) For ~~2016-2017,~~ **2017-2018**, both of the following  
 19 apply:

20 (a) The basic foundation allowance is ~~\$8,229.00.~~ **\$8,289.00.**

21 (b) The minimum foundation allowance is ~~\$7,511.00.~~ **\$7,631.00.**

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

25 (3) Except as otherwise provided in this section, the amount  
 26 of a district's foundation allowance shall be calculated as  
 27 follows, using in all calculations the total amount of the

1 district's foundation allowance as calculated before any proration:

2 (a) Except as otherwise provided in this subdivision, for a  
3 district that had a foundation allowance for the immediately  
4 preceding state fiscal year that was at least equal to the minimum  
5 foundation allowance for the immediately preceding state fiscal  
6 year, but less than the basic foundation allowance for the  
7 immediately preceding state fiscal year, the district shall receive  
8 a foundation allowance in an amount equal to the sum of the  
9 district's foundation allowance for the immediately preceding state  
10 fiscal year plus the difference between twice the dollar amount of  
11 the adjustment from the immediately preceding state fiscal year to  
12 the current state fiscal year made in the basic foundation  
13 allowance and [(the difference between the basic foundation  
14 allowance for the current state fiscal year and basic foundation  
15 allowance for the immediately preceding state fiscal year minus  
16 \$20.00) times (the difference between the district's foundation  
17 allowance for the immediately preceding state fiscal year and the  
18 minimum foundation allowance for the immediately preceding state  
19 fiscal year) divided by the difference between the basic foundation  
20 allowance for the current state fiscal year and the minimum  
21 foundation allowance for the immediately preceding state fiscal  
22 year.] However, the foundation allowance for a district that had  
23 less than the basic foundation allowance for the immediately  
24 preceding state fiscal year shall not exceed the basic foundation  
25 allowance for the current state fiscal year.

26 (b) Except as otherwise provided in this subsection, for a  
27 district that in the immediately preceding state fiscal year had a

1 foundation allowance in an amount equal to the amount of the basic  
2 foundation allowance for the immediately preceding state fiscal  
3 year, the district shall receive a foundation allowance for ~~2016-~~  
4 ~~2017-2017-2018~~ in an amount equal to the basic foundation allowance  
5 for ~~2016-2017-2017-2018~~.

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

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

23 **(E) FOR A DISTRICT THAT RECEIVED A FOUNDATION ALLOWANCE**  
24 **SUPPLEMENTAL PAYMENT CALCULATED UNDER SECTION 20M AND PAID UNDER**  
25 **SECTION 22B FOR 2016-2017, THE DISTRICT'S 2016-2017 FOUNDATION**  
26 **ALLOWANCE IS CONSIDERED TO HAVE BEEN AN AMOUNT EQUAL TO THE SUM OF**  
27 **THE DISTRICT'S ACTUAL 2016-2017 FOUNDATION ALLOWANCE AS OTHERWISE**

1 CALCULATED UNDER THIS SECTION PLUS THE LESSER OF THE PER PUPIL  
2 AMOUNT OF THE DISTRICT'S SUPPLEMENTAL PAYMENT FOR 2016-2017 AS  
3 CALCULATED UNDER SECTION 20M OR THE PRODUCT OF THE DISTRICT'S  
4 FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL  
5 YEAR TIMES THE PERCENTAGE INCREASE IN THE UNITED STATES CONSUMER  
6 PRICE INDEX IN THE CALENDAR YEAR ENDING IN THE IMMEDIATELY  
7 PRECEDING FISCAL YEAR AS REPORTED BY THE MAY REVENUE ESTIMATING  
8 CONFERENCE CONDUCTED UNDER SECTION 367B OF THE MANAGEMENT AND  
9 BUDGET ACT, 1984 PA 431, MCL 18.1367B.

10 (4) Except as otherwise provided in this subsection, beginning  
11 in 2014-2015, the state portion of a district's foundation  
12 allowance is an amount equal to the district's foundation allowance  
13 or the basic foundation allowance for the current state fiscal  
14 year, whichever is less, minus the local portion of the district's  
15 foundation allowance. For a district described in subsection  
16 (3)(c), beginning in 2014-2015, the state portion of the district's  
17 foundation allowance is an amount equal to \$6,962.00 plus the  
18 difference between the district's foundation allowance for the  
19 current state fiscal year and the district's foundation allowance  
20 for 1998-99, minus the local portion of the district's foundation  
21 allowance. For a district that has a millage reduction required  
22 under section 31 of article IX of the state constitution of 1963,  
23 the state portion of the district's foundation allowance shall be  
24 calculated as if that reduction did not occur. For a receiving  
25 district, if school operating taxes continue to be levied on behalf  
26 of a dissolved district that has been attached in whole or in part  
27 to the receiving district to satisfy debt obligations of the

1 dissolved district under section 12 of the revised school code, MCL  
2 380.12, the taxable value per membership pupil of property in the  
3 receiving district used for the purposes of this subsection does  
4 not include the taxable value of property within the geographic  
5 area of the dissolved district. For a community district, if school  
6 operating taxes continue to be levied by a qualifying school  
7 district under section 12b of the revised school code, MCL 380.12b,  
8 with the same geographic area as the community district, the  
9 taxable value per membership pupil of property in the community  
10 district to be used for the purposes of this subsection does not  
11 include the taxable value of property within the geographic area of  
12 the community district.

13 (5) The allocation calculated under this section for a pupil  
14 shall be based on the foundation allowance of the pupil's district  
15 of residence. For a pupil enrolled pursuant to section 105 or 105c  
16 in a district other than the pupil's district of residence, the  
17 allocation calculated under this section shall be based on the  
18 lesser of the foundation allowance of the pupil's district of  
19 residence or the foundation allowance of the educating district.  
20 For a pupil in membership in a K-5, K-6, or K-8 district who is  
21 enrolled in another district in a grade not offered by the pupil's  
22 district of residence, the allocation calculated under this section  
23 shall be based on the foundation allowance of the educating  
24 district if the educating district's foundation allowance is  
25 greater than the foundation allowance of the pupil's district of  
26 residence. The calculation under this subsection shall take into  
27 account a district's per-pupil allocation under section 20m.

1           (6) Except as otherwise provided in this subsection, for  
2 pupils in membership, other than special education pupils, in a  
3 public school academy, the allocation calculated under this section  
4 is an amount per membership pupil other than special education  
5 pupils in the public school academy equal to the foundation  
6 allowance of the district in which the public school academy is  
7 located or the state maximum public school academy allocation,  
8 whichever is less. ~~For~~**EXCEPT AS OTHERWISE PROVIDED IN THIS**  
9 **SUBSECTION, FOR** pupils in membership, other than special education  
10 pupils, in a public school academy that is a cyber school and is  
11 authorized by a school district, the allocation calculated under  
12 this section is an amount per membership pupil other than special  
13 education pupils in the public school academy equal to the  
14 foundation allowance of the district that authorized the public  
15 school academy or the state maximum public school academy  
16 allocation, whichever is less. However, a public school academy  
17 that had an allocation under this subsection before 2009-2010 that  
18 was equal to the sum of the local school operating revenue per  
19 membership pupil other than special education pupils for the  
20 district in which the public school academy is located and the  
21 state portion of that district's foundation allowance shall not  
22 have that allocation reduced as a result of the 2010 amendment to  
23 this subsection. Notwithstanding section 101, for a public school  
24 academy that begins operations after the pupil membership count  
25 day, the amount per membership pupil calculated under this  
26 subsection shall be adjusted by multiplying that amount per  
27 membership pupil by the number of hours of pupil instruction

1 provided by the public school academy after it begins operations,  
2 as determined by the department, divided by the minimum number of  
3 hours of pupil instruction required under section 101(3). The  
4 result of this calculation shall not exceed the amount per  
5 membership pupil otherwise calculated under this subsection.

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

1 ~~a pupil attending that public school is considered to be in~~  
2 ~~membership in the education achievement system and not in~~  
3 ~~membership in the district that operated the school before the~~  
4 ~~transfer.~~

5       (7) ~~(8)~~ Except as otherwise provided in this subsection, for  
6 pupils in membership, other than special education pupils, in a  
7 community district, the allocation calculated under this section is  
8 an amount per membership pupil other than special education pupils  
9 in the community district equal to the foundation allowance of the  
10 qualifying school district, as described in section 12b of the  
11 revised school code, MCL 380.12b, that is located within the same  
12 geographic area as the community district.

13       (8) ~~(9)~~ Subject to subsection (4), for a district that is  
14 formed or reconfigured after June 1, 2002 by consolidation of 2 or  
15 more districts or by annexation, the resulting district's  
16 foundation allowance under this section beginning after the  
17 effective date of the consolidation or annexation shall be the  
18 lesser of the sum of the average of the foundation allowances of  
19 each of the original or affected districts, calculated as provided  
20 in this section, weighted as to the percentage of pupils in total  
21 membership in the resulting district who reside in the geographic  
22 area of each of the original or affected districts plus \$100.00 or  
23 the highest foundation allowance among the original or affected  
24 districts. This subsection does not apply to a receiving district  
25 unless there is a subsequent consolidation or annexation that  
26 affects the district. The calculation under this subsection shall  
27 take into account a district's per-pupil allocation under section



1 20m.

2 (9) ~~(10)~~—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) ~~(11)~~—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) ~~(12)~~—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) ~~(13)~~ Payments to districts ~~, AND~~ public school academies  
 24 ~~, or the education achievement system~~ shall not be made under this  
 25 section. Rather, the calculations under this section shall be used  
 26 to determine the amount of state payments under section 22b.

27 (13) ~~(14)~~ If an amendment to section 2 of article VIII of the

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

5 (14) ~~(15)~~—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 allowance for  
27 the 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 allowance for the  
 3 immediately preceding state fiscal year minus \$20.00) 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 ~~2016-~~  
 11 ~~2017,~~ **2017-2018**, the maximum public school academy allocation is  
 12 ~~\$7,511.00.~~ **\$7,631.00.**

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

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

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

26 (n) "Receiving district" means a district to which all or part  
 27 of the territory of a dissolved district is attached under section

1 12 of the revised school code, MCL 380.12.

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

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

9 (q) "Tax increment financing acts" means 1975 PA 197, MCL  
10 125.1651 to 125.1681, the tax increment finance authority act, 1980  
11 PA 450, MCL 125.1801 to 125.1830, the local development financing  
12 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
13 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
14 or the corridor improvement authority act, 2005 PA 280, MCL  
15 125.2871 to 125.2899.

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

22 Sec. 20d. In making the final determination required under  
23 former section 20a of a district's combined state and local revenue  
24 per membership pupil in 1993-94 and in making calculations under  
25 section 20 for ~~2016-2017~~, **A SUBSEQUENT FISCAL YEAR**, the department  
26 and the department of treasury shall comply with all of the  
27 following:

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

17           (b) If a district had an adjustment made to its 1993-94 total  
18 state school aid that excluded payments made under former section  
19 146 and under section 147 on behalf of the district's employees who  
20 provided direct services for intermediate district center programs  
21 operated by the district under ~~article 5,~~ **SECTIONS 51 TO 56**, if  
22 nonresident pupils attending the center programs were included in  
23 the district's membership for purposes of calculating the combined  
24 state and local revenue per membership pupil for 1993-94, and if  
25 there is a signed agreement by all constituent districts of the  
26 intermediate district that an adjustment under this subdivision  
27 shall be made, the foundation allowances for 1995-96 and 1996-97 of

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

7 Sec. 20f. (1) From the funds appropriated in section 11, there  
8 is allocated an amount not to exceed \$18,000,000.00 for ~~2016-2017~~  
9 **2017-2018** for payments to eligible districts under this section.

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

15 (a) The increase in the district's foundation allowance or  
16 per-pupil payment as calculated under section 20 from 2012-2013 to  
17 2013-2014.

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

20 (c) The quotient of the district's allocation under section  
21 147a for 2012-2013 divided by the district's membership pupils for  
22 2012-2013 minus the quotient of the district's allocation under  
23 section 147a for 2013-2014 divided by the district's membership  
24 pupils for 2013-2014.

25 (3) The amount allocated to each eligible district under  
26 subsection (2) is an amount per membership pupil equal to the  
27 amount per membership pupil the district received under this



1 section in 2013-2014.

2 (4) The funding under this subsection is from the allocation  
3 under subsection (1). A district is eligible for funding under this  
4 subsection ~~for 2016-2017~~ if the sum of the following is less than  
5 \$25.00:

6 (a) The increase in the district's foundation allowance or  
7 per-pupil payment as calculated under section 20 from 2014-2015 to  
8 2015-2016.

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

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

13 (d) The quotient of the district's allocation under section  
14 31a for 2015-2016 divided by the district's membership pupils for  
15 2015-2016 minus the quotient of the district's allocation under  
16 section 31a for 2014-2015 divided by the district's membership  
17 pupils for 2014-2015.

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

21 (a) The increase in the district's foundation allowance or  
22 per-pupil payment as calculated under section 20 from 2014-2015 to  
23 2015-2016.

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

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

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

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

Sec. 20g. (1) From the money appropriated under section 11, there is allocated an amount not to exceed \$1,200,000.00 ~~each~~ ~~fiscal year for 2015-2016 and for 2016-2017~~ for grants to eligible districts that first received payments under this section in 2013-2014 for transition costs related to the enrollment of pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, allocated as provided under subsection (3). Payments under this section shall continue for a total of 4 fiscal years following the dissolution of a district, after which the payments shall cease.

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

(3) The amount allocated to each eligible district under this section is an amount equal to the product of the number of membership pupils enrolled in the eligible district who were previously enrolled in the dissolved school district in the school year immediately preceding the dissolution, or who reside in the

1 geographic area of the dissolved school district and are entering  
2 kindergarten, times 10.0% of the lesser of the foundation allowance  
3 of the eligible district as calculated under section 20 or the  
4 basic foundation allowance under section 20(1).

5 (4) It is the intent of the legislature that an amount not to  
6 exceed \$660,000.00 be lapsed from the \$2,500,000.00 that was  
7 available for a qualifying intermediate district under this section  
8 as it was in effect for the 2013-2014 fiscal year. In addition to  
9 the money allocated under subsection (1), from the funds  
10 appropriated in section 11, there is allocated for 2016-2017 an  
11 amount not to exceed \$660,000.00 to a qualifying intermediate  
12 district for paying outstanding debt of a dissolved school  
13 district. For purposes of this subsection, an intermediate district  
14 is a qualifying intermediate district if it is required to perform  
15 the functions and satisfy the responsibilities of a dissolved  
16 school district under section 12(3) of the revised school code, MCL  
17 380.12, if the authorization for that dissolved school district to  
18 levy mills for school operating purposes under section 1211 of the  
19 revised school code, MCL 380.1211, was not renewed after the school  
20 district was dissolved, and if the intermediate district is located  
21 in a county with a population of less than 250,000.

22 (5) **NOTWITHSTANDING SECTION 17B, PAYMENTS MADE UNDER THIS**  
23 **SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

24 (6) ~~(5)~~—As used in this section, "dissolved school district"  
25 means a school district that has been declared dissolved under  
26 section 12 of the revised school code, 1976 PA 451, MCL 380.12.

27 Sec. 20m. (1) Foundation allowance supplemental payments for

1 ~~2016-2017-2017-2018~~ to districts that in the 2015-2016 fiscal year  
2 had a foundation allowance greater than \$8,169.00 shall be  
3 calculated under this section.

4 (2) The per-pupil allocation to each district under this  
5 section shall be the difference between the dollar amount of the  
6 adjustment from the ~~immediately preceding-2015-2016~~ state fiscal  
7 year to the current state fiscal year in the basic foundation  
8 allowance minus the dollar amount of the adjustment from the  
9 ~~immediately preceding-2015-2016~~ fiscal year to the current state  
10 fiscal year in a qualifying district's foundation allowance.

11 (3) If a district's local revenue per pupil does not exceed  
12 the sum of its foundation allowance under section 20 plus the per-  
13 pupil allocation under subsection (2), the total payment to the  
14 district calculated under this section shall be the product of the  
15 per-pupil allocation under subsection (2) multiplied by the  
16 district's membership excluding special education pupils. If a  
17 district's local revenue per pupil exceeds the foundation allowance  
18 under section 20 but does not exceed the sum of the foundation  
19 allowance under section 20 plus the per-pupil allocation under  
20 subsection (2), the total payment to the district calculated under  
21 this section shall be the product of the difference between the sum  
22 of the foundation allowance under section 20 plus the per-pupil  
23 allocation under subsection (2) minus the local revenue per pupil  
24 multiplied by the district's membership excluding special education  
25 pupils. If a district's local revenue per pupil exceeds the sum of  
26 the foundation allowance under section 20 plus the per-pupil  
27 allocation under subsection (2), there is no payment calculated

1 under this section for the district.

2 (4) Payments to districts shall not be made under this  
3 section. Rather, the calculations under this section shall be made  
4 and used to determine the amount of state payments under section  
5 22b.

6 SEC. 21H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
7 ALLOCATED \$100.00 FOR 2017-2018 FOR ASSISTING DISTRICTS ASSIGNED BY  
8 THE SUPERINTENDENT TO PARTICIPATE IN A PARTNERSHIP TO IMPROVE  
9 STUDENT ACHIEVEMENT. THE PURPOSE OF THE PARTNERSHIP IS TO IDENTIFY  
10 DISTRICT NEEDS, DEVELOP INTERVENTION PLANS, AND PARTNER WITH  
11 PUBLIC, PRIVATE, AND NONPROFIT ORGANIZATIONS TO COORDINATE  
12 RESOURCES AND IMPROVE STUDENT ACHIEVEMENT. ASSIGNMENT OF A DISTRICT  
13 TO A PARTNERSHIP IS AT THE SOLE DISCRETION OF THE SUPERINTENDENT.

14 (2) A DISTRICT ASSIGNED TO A PARTNERSHIP BY THE SUPERINTENDENT  
15 IS ELIGIBLE FOR FUNDING UNDER THIS SECTION IF THE DISTRICT INCLUDES  
16 AT LEAST 1 SCHOOL THAT HAS BEEN RATED WITH A GRADE OF "F", OR  
17 COMPARABLE PERFORMANCE RATING, IN THE MOST RECENT STATE  
18 ACCOUNTABILITY SYSTEM RATING, THAT IS NOT UNDER THE SUPERVISION OF  
19 THE STATE SCHOOL REFORM/REDESIGN OFFICE, AND THAT DOES ALL OF THE  
20 FOLLOWING:

21 (A) COMPLETES A COMPREHENSIVE NEEDS EVALUATION IN  
22 COLLABORATION WITH AN INTERMEDIATE SCHOOL DISTRICT, COMMUNITY  
23 MEMBERS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS,  
24 AS APPLICABLE AND APPROVED BY THE SUPERINTENDENT, WITHIN 90 DAYS OF  
25 ASSIGNMENT TO THE PARTNERSHIP DESCRIBED IN THIS SECTION. THE  
26 COMPREHENSIVE NEEDS EVALUATION SHALL INCLUDE AT LEAST ALL OF THE  
27 FOLLOWING:

1           (i) A REVIEW OF THE DISTRICT'S IMPLEMENTATION AND UTILIZATION  
2 OF A MULTI-TIERED SYSTEM OF SUPPORTS TO ENSURE THAT IT IS USED TO  
3 APPROPRIATELY INFORM INSTRUCTION.

4           (ii) A REVIEW OF THE DISTRICT AND SCHOOL BUILDING LEADERSHIP  
5 AND EDUCATOR CAPACITY TO SUBSTANTIALLY IMPROVE STUDENT OUTCOMES.

6           (iii) A REVIEW OF CLASSROOM, INSTRUCTIONAL, AND OPERATIONAL  
7 PRACTICES AND CURRICULUM TO ENSURE ALIGNMENT WITH RESEARCH-BASED  
8 INSTRUCTIONAL PRACTICES AND STATE CURRICULUM STANDARDS.

9           (B) DEVELOPS AN INTERVENTION PLAN THAT HAS BEEN APPROVED BY  
10 THE SUPERINTENDENT AND THAT ADDRESSES THE NEEDS IDENTIFIED IN THE  
11 COMPREHENSIVE NEEDS EVALUATION COMPLETED UNDER SUBDIVISION (A). THE  
12 INTERVENTION PLAN SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

13           (i) SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE DISTRICT AND  
14 EACH OF ITS PARTNERS TO IMPROVE STUDENT ACHIEVEMENT.

15           (ii) SPECIFIC MEASURABLE BENCHMARKS THAT WILL BE MET WITHIN 18  
16 MONTHS TO IMPROVE STUDENT ACHIEVEMENT AND IDENTIFICATION OF  
17 EXPECTED STUDENT ACHIEVEMENT OUTCOMES TO BE ATTAINED WITHIN 3 YEARS  
18 AFTER ASSIGNMENT TO THE PARTNERSHIP.

19           (3) UPON APPROVAL OF THE INTERVENTION PLAN DEVELOPED UNDER  
20 SUBSECTION (2), THE DEPARTMENT SHALL ASSIGN A TEAM OF INDIVIDUALS  
21 WITH EXPERTISE IN COMPREHENSIVE SCHOOL AND DISTRICT REFORM TO  
22 PARTNER WITH THE DISTRICT, THE INTERMEDIATE DISTRICT, COMMUNITY  
23 ORGANIZATIONS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY  
24 INSTITUTIONS IDENTIFIED IN THE INTERVENTION PLAN TO REVIEW THE  
25 DISTRICT'S USE OF EXISTING FINANCIAL RESOURCES TO ENSURE THAT THOSE  
26 RESOURCES ARE BEING USED AS EFFICIENTLY AND EFFECTIVELY AS POSSIBLE  
27 TO IMPROVE STUDENT ACADEMIC ACHIEVEMENT.

(4) FUNDS ALLOCATED UNDER THIS SECTION MAY BE USED TO PAY FOR DISTRICT EXPENDITURES APPROVED BY THE SUPERINTENDENT TO IMPROVE STUDENT ACHIEVEMENT. FUNDS MAY BE USED FOR PROFESSIONAL DEVELOPMENT FOR TEACHERS OR DISTRICT OR SCHOOL LEADERSHIP, INCREASED INSTRUCTIONAL TIME, TEACHER MENTORS, OR OTHER EXPENDITURES THAT DIRECTLY IMPACT STUDENT ACHIEVEMENT AND CANNOT BE PAID FROM EXISTING DISTRICT FINANCIAL RESOURCES. AN ELIGIBLE DISTRICT SHALL NOT RECEIVE FUNDS UNDER THIS SECTION FOR MORE THAN 3 YEARS. NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

(5) THE DEPARTMENT SHALL ANNUALLY REPORT TO THE LEGISLATURE ON THE ACTIVITIES FUNDED UNDER THIS SECTION AND HOW THOSE ACTIVITIES IMPACTED STUDENT ACHIEVEMENT IN ELIGIBLE DISTRICTS THAT RECEIVED FUNDS UNDER THIS SECTION.

SEC. 21J. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2017-2018 FOR COMPETITIVE GRANTS TO DISTRICTS FOR THE DESIGN AND IMPLEMENTATION OF COMPETENCY-BASED EDUCATION PROGRAMS TO PROVIDE ENHANCED CHOICE TO PUPILS AND PARENTS FOR THE COMPLETION OF THE REQUIREMENTS FOR KINDERGARTEN THROUGH A HIGH SCHOOL DIPLOMA, INCLUDING THE MICHIGAN MERIT STANDARD UNDER SECTIONS 1278A AND 1278B OF THE REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B.

(2) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL APPLY IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. APPLICATIONS UNDER THIS SECTION SHALL CONTAIN ALL OF THE FOLLOWING:

(A) AN EDUCATIONAL MODEL THAT ALLOWS THE USE OF MULTIPLE AND

1 INNOVATIVE METHODS TO DETERMINE PUPILS' ACHIEVEMENT OF GRADE-LEVEL  
2 COMPETENCIES AND CREDIT UNDER THE MICHIGAN MERIT CURRICULUM IN A  
3 SUBJECT AREA OR COMBINED SUBJECT AREAS, INCLUDING, AT LEAST, PUBLIC  
4 PRESENTATIONS, SUBMISSION OF RESEARCH PAPERS, ATTAINING MARKETABLE  
5 WORKFORCE CREDENTIALS, AND MENTORING OTHER STUDENTS. COMPETENCY  
6 ASSESSMENTS USED TO DETERMINE MASTERY MUST BE ALIGNED TO MICHIGAN'S  
7 ACADEMIC STANDARDS.

8 (B) CURRICULUM THAT ALLOWS FOR A MAJORITY OF INSTRUCTIONAL  
9 TIME TO BE SPENT ON STUDENT-DRIVEN PROJECTS, INCLUDING A CAPSTONE  
10 PROJECT AS PART OF HIGH SCHOOL GRADUATION REQUIREMENTS, IF  
11 APPLICABLE. THESE PROJECTS SHALL INCLUDE MULTIPLE SUBJECT AREAS AND  
12 21ST CENTURY SKILLS SUCH AS LEADERSHIP, TEAMWORK, PROBLEM SOLVING,  
13 AND COMMUNICATION. INSTRUCTION TIME MAY BE DURING A NONTRADITIONAL  
14 SCHOOL CALENDAR.

15 (C) A COMPREHENSIVE FORMATIVE ASSESSMENT SYSTEM TO MONITOR  
16 STUDENT ACADEMIC ACHIEVEMENT PACE AND ENSURE THAT STUDENTS RECEIVE  
17 TIMELY, DIFFERENTIATED ACADEMIC SUPPORT BASED ON THEIR INDIVIDUAL  
18 LEARNING NEEDS IN DIFFERENT SUBJECT AREAS.

19 (D) AN INNOVATIVE PARTNERSHIP WITH EMPLOYERS OR INSTITUTES OF  
20 HIGHER EDUCATION, OR BOTH, TO PROVIDE CONTEXTUALIZED LEARNING  
21 OPPORTUNITIES THAT EMPHASIZE ATTAINMENT OF COMPETENCIES THAT  
22 INCLUDE APPLICATION AND CREATION OF KNOWLEDGE, ALONG WITH THE  
23 DEVELOPMENT OF WORK-READY SKILLS.

24 (E) A PLAN FOR THE TRANSITION AWAY FROM A GRADE-LEVEL SYSTEM  
25 OF STUDENT PROMOTION TO A COMPETENCY-BASED SYSTEM OF STUDENT  
26 PROMOTION. THIS PLAN SHALL INCLUDE MESSAGING TO PARENTS DESCRIBING  
27 THE BENEFITS OF, AND STEPS TAKEN TO IMPLEMENT, A COMPETENCY-BASED



1 INSTRUCTIONAL MODEL.

2 (F) A PLAN FOR A SCOPE AND TIMELINE OF PROFESSIONAL  
3 DEVELOPMENT FOR SCHOOL INSTRUCTIONAL AND ADMINISTRATIVE STAFF.

4 (G) A COMMITMENT TO MAINTAIN PARTICIPATION IN STATEWIDE  
5 ASSESSMENT AND ACCOUNTABILITY SYSTEMS FOR STUDENTS BEING SERVED BY  
6 PROGRAMS FUNDED UNDER THIS SECTION.

7 (H) ANY OTHER INFORMATION DETERMINED BY THE DEPARTMENT TO BE  
8 NECESSARY TO EVALUATE THE GRANT PROPOSALS.

9 (3) NOT LATER THAN MARCH 31, 2018, THE DEPARTMENT SHALL  
10 ANNOUNCE GRANT RECIPIENTS. THE DEPARTMENT SHALL PROVIDE ANY  
11 NECESSARY AND APPLICABLE WAIVERS TO GRANT RECIPIENTS FOR THE  
12 PURPOSE OF IMPLEMENTING THE PROPOSALS.

13 (4) GRANTS FUNDED UNDER THIS SECTION FOR 2017-2018 ARE  
14 INTENDED TO BE THE FIRST OF 3 YEARS OF FUNDING. UPON COMPLETION OF  
15 THE PLANNING PHASE DESCRIBED IN THIS SECTION, THE DEPARTMENT SHALL  
16 COLLECT INFORMATION NECESSARY FROM GRANT RECIPIENTS TO COMPILE A  
17 REPORT. THE REPORT SHALL INCLUDE, AT LEAST, THE FOLLOWING  
18 INFORMATION:

19 (A) A DESCRIPTION OF PROGRAM IMPLEMENTATION, INCLUDING WHEN  
20 IMPLEMENTATION WILL BEGIN, IDENTIFICATION OF COMPETENCIES TO BE  
21 INCLUDED, IDENTIFIED BEST PRACTICES FOR ADOPTION AND  
22 IMPLEMENTATION, AND TYPES OF ASSESSMENTS USED TO EVALUATE A  
23 STUDENT'S MASTERY OF THOSE COMPETENCIES.

24 (B) THE NUMBER OF STUDENTS PARTICIPATING.

25 (C) IDENTIFICATION OF SPECIFIC BARRIERS FOR STUDENTS AND  
26 DISTRICTS IN IMPLEMENTING A COMPETENCY-BASED LEARNING INSTRUCTIONAL  
27 MODEL AND WAYS TO ADDRESS THOSE BARRIERS.

1 (D) THE FEASIBILITY OF EXPANDING COMPETENCY-BASED EDUCATION  
2 MODELS STATEWIDE, INCLUDING NEEDED POLICY CHANGES.

3 (E) INCREASES IN STUDENT ACHIEVEMENT, POSTSECONDARY  
4 ATTAINMENT, EMPLOYMENT, AND 21ST CENTURY SKILLS ACQUISITION AS A  
5 RESULT OF THE TRANSITION TO COMPETENCY-BASED LEARNING AND HOW THESE  
6 OUTCOMES CAN BE IMPROVED BY OTHER DISTRICTS ADOPTING THE MODEL.

7 (5) THE REPORT REQUIRED UNDER THIS SECTION SHALL BE PROVIDED  
8 BY THE DEPARTMENT TO THE HOUSE AND SENATE APPROPRIATIONS  
9 SUBCOMMITTEES ON SCHOOL AID AND THE STATE BUDGET DIRECTOR NO LATER  
10 THAN DECEMBER 1, 2018.

11 Sec. 22a. (1) From the appropriation in section 11, there is  
12 allocated ~~an amount not to exceed \$5,260,000,000.00 for 2015-2016~~  
13 ~~and an amount not to exceed \$5,205,000,000.00~~ **\$5,207,000,000.00** for  
14 2016-2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**  
15 **\$5,181,800,000.00 FOR 2017-2018** for payments to districts and  
16 qualifying public school academies to guarantee each district and  
17 qualifying public school academy an amount equal to its 1994-95  
18 total state and local per pupil revenue for school operating  
19 purposes under section 11 of article IX of the state constitution  
20 of 1963. Pursuant to section 11 of article IX of the state  
21 constitution of 1963, this guarantee does not apply to a district  
22 in a year in which the district levies a millage rate for school  
23 district operating purposes less than it levied in 1994. However,  
24 subsection (2) applies to calculating the payments under this  
25 section. Funds allocated under this section that are not expended  
26 in the state fiscal year for which they were allocated, as  
27 determined by the department, may be used to supplement the

1 allocations under sections 22b and 51c in order to fully fund those  
2 calculated allocations for the same fiscal year.

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

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

1 value per membership pupil of all property in the receiving  
2 district that is nonexempt property and taxable value per  
3 membership pupil of property in the receiving district that is  
4 commercial personal property do not include property within the  
5 geographic area of the dissolved district; ad valorem property tax  
6 revenue of the receiving district captured under tax increment  
7 financing acts does not include ad valorem property tax revenue  
8 captured within the geographic boundaries of the dissolved district  
9 under tax increment financing acts; and certified mills do not  
10 include the certified mills of the dissolved district. **FOR A**  
11 **COMMUNITY DISTRICT, THE ALLOCATION AS OTHERWISE CALCULATED UNDER**  
12 **THIS SECTION SHALL BE REDUCED BY AN AMOUNT EQUAL TO THE AMOUNT OF**  
13 **LOCAL SCHOOL OPERATING TAX REVENUE THAT WOULD OTHERWISE BE DUE TO**  
14 **THE COMMUNITY DISTRICT IF NOT FOR THE OPERATION OF SECTION 386 OF**  
15 **THE REVISED SCHOOL CODE, MCL 380.386, AND THE AMOUNT OF THIS**  
16 **REDUCTION SHALL BE OFFSET BY THE INCREASE IN FUNDING UNDER SECTION**  
17 **22B(2) .**

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

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

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

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

25 (5) Except as otherwise provided in this subsection, for a  
26 district that is formed or reconfigured after June 1, 2000 by  
27 consolidation of 2 or more districts or by annexation, the

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

16 (6) Payments under this section are subject to section  
17 ~~25f.~~ **25G.**

18 (7) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

26 (l) "School operating taxes" means local ad valorem property  
27 taxes levied under section 1211 of the revised school code, MCL



1 380.1211, and retained for school operating purposes as defined in  
2 section 20.

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

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

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

1 dissolved district.

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

13 Sec. 22b. (1) For discretionary nonmandated payments to  
 14 districts under this section, ~~there is allocated from the~~  
 15 ~~appropriation in section 11 an amount not to exceed~~  
 16 ~~\$3,692,000,000.00 for 2015-2016, and there is allocated for 2016-~~  
 17 ~~2017 an amount not to exceed \$3,828,000,000.00~~ **\$3,841,000,000.00**  
 18 from the state school aid fund and general fund appropriations in  
 19 section 11 and an amount not to exceed \$72,000,000.00 from the  
 20 community district education trust fund appropriation in section  
 21 11, **AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED**  
 22 **\$3,965,500,000.00 FROM THE STATE SCHOOL AID FUND AND GENERAL FUND**  
 23 **APPROPRIATIONS IN SECTION 11 AND AN AMOUNT NOT TO EXCEED**  
 24 **\$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND**  
 25 **APPROPRIATION IN SECTION 11.** Except for money allocated from the  
 26 community district trust fund, money allocated under this section  
 27 that is not expended in the state fiscal year for which it was

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

4 (2) Subject to subsection (3) and section 296, the allocation  
5 to a district under this section shall be an amount equal to the  
6 sum of the amounts calculated under sections 20, 20m, 51a(2),  
7 51a(3), and 51a(11), minus the sum of the allocations to the  
8 district under sections 22a and 51c. **FOR A COMMUNITY DISTRICT, THE**  
9 **ALLOCATION AS OTHERWISE CALCULATED UNDER THIS SECTION SHALL BE**  
10 **INCREASED BY AN AMOUNT EQUAL TO THE AMOUNT OF LOCAL SCHOOL**  
11 **OPERATING TAX REVENUE THAT WOULD OTHERWISE BE DUE TO THE COMMUNITY**  
12 **DISTRICT IF NOT FOR THE OPERATION OF SECTION 386 OF THE REVISED**  
13 **SCHOOL CODE, MCL 380.386, AND THIS INCREASE SHALL BE PAID FROM THE**  
14 **COMMUNITY DISTRICT EDUCATION TRUST FUND ALLOCATION IN SUBSECTION**  
15 **(1) IN ORDER TO OFFSET THE ABSENCE OF LOCAL SCHOOL OPERATING**  
16 **REVENUE IN A COMMUNITY DISTRICT IN THE FUNDING OF THE STATE PORTION**  
17 **OF THE FOUNDATION ALLOWANCE UNDER SECTION 20(4).**

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

20 (a) Comply with section 1280b of the revised school code, MCL  
21 380.1280b.

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

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

27 (d) Comply with section 1230g of the revised school code, MCL

1 380.1230g.

2 (e) Comply with section 21f.

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

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

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

21 (7) It is the intent of the legislature that all  
22 constitutional obligations of this state have been fully funded  
23 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by  
24 an entity receiving funds under this article that challenges the  
25 legislative determination of the adequacy of this funding or  
26 alleges that there exists an unfunded constitutional requirement,  
27 the state budget director may escrow or allocate from the

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

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

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

26 (10) If payments resulting from a final determination by the  
27 local claims review board or a court of competent jurisdiction that

1 there has been a violation of section 29 of article IX of the state  
2 constitution of 1963 exceed the amount allocated for discretionary  
3 nonmandated payments under this section, the legislature shall  
4 provide for adequate funding for this state's constitutional  
5 obligations at its next legislative session.

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

24 Sec. 22d. (1) From the appropriation in section 11, an amount  
25 not to exceed \$5,000,000.00 is allocated for ~~2016-2017~~**2017-2018**  
26 for supplemental payments to rural districts under this section.

27 (2) From the allocation under subsection (1), there is

1 allocated for ~~2016-2017~~**2017-2018** an amount not to exceed  
2 \$957,300.00 for payments under this subsection to districts that  
3 meet all of the following:

4 (a) Operates grades K to 12.

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

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

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

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

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

1           (4) Subject to subsection (6), from the allocation in  
2 subsection (1), there is allocated for ~~2016-2017~~**2017-2018** an  
3 amount not to exceed \$4,042,700.00 for payments under this  
4 subsection to districts that have 7.3 or fewer pupils per square  
5 mile as determined by the department.

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

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

10          Sec. 22g. (1) From the funds appropriated in section 11, there  
11 is allocated for 2016-2017 only an amount not to exceed \$500,000.00  
12 for competitive assistance grants to districts and intermediate  
13 districts.

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

21          (3) In addition to the amount allocated under subsection (1),  
22 from the funds appropriated in section 11, there is allocated for  
23 2016-2017 an amount not to exceed \$2,500,000.00 for grants to  
24 districts or intermediate districts that received a grant under  
25 this section as it was in effect for 2015-2016 for reimbursement of  
26 remaining transition costs associated with a dissolution,  
27 consolidation, or annexation that was approved during 2015-2016 by



1 the school electors of the applicable district or intermediate  
2 district.

3 (4) NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS UNDER THIS  
4 SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

5 SEC. 22M. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS  
6 ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$1,200,000.00 FOR  
7 SUPPORTING THE INTEGRATION OF LOCAL DATA SYSTEMS INTO THE MICHIGAN  
8 DATA HUB NETWORK BASED ON COMMON STANDARDS AND APPLICATIONS THAT  
9 ARE IN COMPLIANCE WITH SECTION 19(7).

10 (2) AN ENTITY THAT IS THE FISCAL AGENT FOR NO MORE THAN 5  
11 CONSORTIA OF INTERMEDIATE DISTRICTS THAT PREVIOUSLY RECEIVED  
12 FUNDING FROM THE TECHNOLOGY READINESS INFRASTRUCTURE GRANT UNDER  
13 FORMER SECTION 22I FOR THE PURPOSE OF ESTABLISHING REGIONAL DATA  
14 HUBS THAT ARE PART OF THE MICHIGAN DATA HUB NETWORK IS ELIGIBLE FOR  
15 FUNDING UNDER THIS SECTION.

16 (3) THE CENTER SHALL WORK WITH AN ADVISORY COMMITTEE COMPOSED  
17 OF REPRESENTATIVES FROM INTERMEDIATE DISTRICTS WITHIN EACH OF THE  
18 DATA HUB REGIONS TO COORDINATE THE ACTIVITIES OF THE MICHIGAN DATA  
19 HUB NETWORK.

20 (4) THE CENTER, IN COLLABORATION WITH THE MICHIGAN DATA HUB  
21 NETWORK, SHALL DETERMINE THE AMOUNT OF FUNDS DISTRIBUTED UNDER THIS  
22 SECTION TO EACH PARTICIPATING REGIONAL DATA HUB WITHIN THE NETWORK,  
23 BASED UPON A COMPETITIVE GRANT PROCESS. ENTITIES RECEIVING FUNDING  
24 UNDER THIS SECTION SHALL REPRESENT GEOGRAPHICALLY DIVERSE AREAS IN  
25 THIS STATE.

26 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION  
27 SHALL BE MADE ON A SCHEDULE DETERMINED BY THE CENTER.

1           (6) TO RECEIVE FUNDING UNDER THIS SECTION, A REGIONAL DATA HUB  
2 MUST HAVE A GOVERNANCE MODEL THAT ENSURES LOCAL CONTROL OF DATA,  
3 DATA SECURITY, AND STUDENT PRIVACY ISSUES. THE INTEGRATION OF DATA  
4 WITHIN EACH OF THE REGIONAL DATA HUBS SHALL PROVIDE FOR THE  
5 ACTIONABLE USE OF DATA BY DISTRICTS AND INTERMEDIATE DISTRICTS  
6 THROUGH COMMON REPORTS AND DASHBOARDS AND FOR EFFICIENTLY PROVIDING  
7 INFORMATION TO MEET STATE AND FEDERAL REPORTING PURPOSES.

8           (7) PARTICIPATION BY A DATA HUB REGION OR AN INTERMEDIATE  
9 DISTRICT IN THE MICHIGAN DATA HUB NETWORK UNDER THIS SECTION IS  
10 VOLUNTARY AND IS NOT REQUIRED.

11           (8) ENTITIES RECEIVING FUNDING UNDER THIS SECTION SHALL USE  
12 THE FUNDS FOR ALL OF THE FOLLOWING:

13           (A) CREATING AN INFRASTRUCTURE THAT EFFECTIVELY MANAGES THE  
14 MOVEMENT OF DATA BETWEEN DATA SYSTEMS USED BY INTERMEDIATE  
15 DISTRICTS, DISTRICTS, AND OTHER EDUCATIONAL ORGANIZATIONS IN  
16 MICHIGAN BASED ON COMMON DATA STANDARDS TO IMPROVE STUDENT  
17 ACHIEVEMENT.

18           (B) UTILIZING THE INFRASTRUCTURE TO PUT IN PLACE COMMONLY  
19 NEEDED INTEGRATIONS, REDUCING COST AND EFFORT TO DO THAT WORK WHILE  
20 INCREASING DATA ACCURACY AND USABILITY.

21           (C) PROMOTING THE USE OF A MORE COMMON SET OF APPLICATIONS BY  
22 PROMOTING SYSTEMS THAT INTEGRATE WITH THE MICHIGAN DATA HUB  
23 NETWORK.

24           (D) PROMOTING 100% DISTRICT ADOPTION OF THE MICHIGAN DATA HUB  
25 NETWORK BY SEPTEMBER 30, 2018.

26           (E) ENSURING LOCAL CONTROL OF DATA, DATA SECURITY, AND STUDENT  
27 DATA PRIVACY.

1 (F) UTILIZING THE INFRASTRUCTURE TO PROMOTE THE ACTIONABLE USE  
 2 OF DATA THROUGH COMMON REPORTS AND DASHBOARDS THAT ARE CONSISTENT  
 3 STATEWIDE.

4 (G) CREATING A GOVERNANCE MODEL TO FACILITATE SUSTAINABLE  
 5 OPERATIONS OF THE INFRASTRUCTURE IN THE FUTURE, INCLUDING  
 6 ADMINISTRATION, LEGAL AGREEMENTS, DOCUMENTATION, STAFFING, HOSTING,  
 7 AND FUNDING.

8 (H) EVALUATING FUTURE DATA INITIATIVES AT ALL LEVELS TO  
 9 DETERMINE WHETHER THE INITIATIVES CAN BE ENHANCED BY USING THE  
 10 STANDARDIZED ENVIRONMENT IN THE MICHIGAN DATA HUB NETWORK.

11 (9) NOT LATER THAN JANUARY 1, 2018, THE DEPARTMENT SHALL  
 12 PREPARE A SUMMARY REPORT OF INFORMATION PROVIDED BY EACH ENTITY  
 13 THAT RECEIVED FUNDS UNDER THIS SECTION THAT INCLUDES MEASURABLE  
 14 OUTCOMES BASED ON THE OBJECTIVES DESCRIBED UNDER THIS SECTION. THE  
 15 REPORT SHALL INCLUDE A SUMMARY OF COMPILED DATA FROM EACH ENTITY TO  
 16 PROVIDE A MEANS TO EVALUATE THE EFFECTIVENESS OF THE PROJECT. THE  
 17 DEPARTMENT SHALL SUBMIT THE REPORT TO THE HOUSE AND SENATE  
 18 APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID AND ON THE  
 19 DEPARTMENT BUDGET AND TO THE HOUSE AND SENATE FISCAL AGENCIES.

20 (10) THE CENTER AND THE ADVISORY COMMITTEE ESTABLISHED UNDER  
 21 SUBSECTION (3) SHALL WORK TO ACHIEVE 100% DISTRICT ADOPTION OF THE  
 22 MICHIGAN DATA HUB NETWORK BY SEPTEMBER 30, 2018.

23 Sec. 24. (1) From the appropriation in section 11, there is  
 24 allocated for ~~2016-2017-2017-2018~~ an amount not to exceed  
 25 \$8,000,000.00 for payments to the educating district or  
 26 intermediate district for educating pupils assigned by a court or  
 27 the department of health and human services to reside in or to

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

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

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

27 (b) "Department's approved per-pupil allocation" for a

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

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

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

17 Sec. 24a. From the appropriation in section 11, ~~there is~~  
 18 ~~allocated an amount not to exceed \$1,301,000.00 for 2015-2016 and~~  
 19 ~~there is allocated an amount not to exceed \$1,328,100.00 for 2016-~~  
 20 ~~2017-\$1,339,000.00 FOR 2017-2018~~ for payments to intermediate  
 21 districts for pupils who are placed in juvenile justice service  
 22 facilities operated by the department of health and human services.  
 23 Each intermediate district shall receive an amount equal to the  
 24 state share of those costs that are clearly and directly  
 25 attributable to the educational programs for pupils placed in  
 26 facilities described in this section that are located within the  
 27 intermediate district's boundaries. The intermediate districts

1 receiving payments under this section shall cooperate with the  
2 department of health and human services to ensure that all funding  
3 allocated under this section is utilized by the intermediate  
4 district and department of health and human services for  
5 educational programs for pupils described in this section. Pupils  
6 described in this section are not eligible to be funded under  
7 section 24. However, a program responsibility or other fiscal  
8 responsibility associated with these pupils shall not be  
9 transferred from the department of health and human services to a  
10 district or intermediate district unless the district or  
11 intermediate district consents to the transfer.

12 Sec. 24c. From the appropriation in section 11, there is  
13 allocated an amount not to exceed ~~\$1,632,400.00 for 2016-2017~~  
14 **\$1,528,400.00 FOR 2017-2018** for payments to districts for pupils  
15 who are enrolled in a nationally administered community-based  
16 education and youth mentoring program, known as the youth challenge  
17 program, that is administered by the department of military and  
18 veterans affairs. Both of the following apply to a district  
19 receiving payments under this section:

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

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

27 Sec. 25f. (1) From the state school aid fund money

1 appropriated in section 11, there is allocated an amount not to  
2 exceed \$750,000.00 for ~~2016-2017~~**2017-2018** for payments to strict  
3 discipline academies established under sections 1311b to 1311m of  
4 the revised school code, MCL 380.1311b to 380.1311m, as provided  
5 under this section.

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

10 (3) The total amount allocated to a strict discipline academy  
11 under this section is an amount equal to the lesser of the strict  
12 discipline academy's added cost or the department's approved per-  
13 pupil allocation for the strict discipline academy. However, the  
14 sum of the amounts received by a strict discipline academy under  
15 this section and under section 24 shall not exceed the product of  
16 the strict discipline academy's per-pupil allocation calculated  
17 under section 20 multiplied by the strict discipline academy's  
18 full-time equated membership. The department shall allocate funds  
19 to strict discipline academies under this section on a monthly  
20 basis. For the purposes of this subsection:

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

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

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

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

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

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

19 Sec. 25g. (1) From the state school aid fund money  
20 appropriated in section 11, there is allocated an amount not to  
21 exceed \$750,000.00 for ~~2016-2017~~**2017-2018** for the purposes of this  
22 section. If the operation of the special membership counting  
23 provisions under section 6(4)(dd) and the other membership counting  
24 provisions under section 6(4) result in a pupil being counted as  
25 more than 1.0 FTE in a fiscal year, then the payment made for the  
26 pupil under sections 22a and 22b shall not be based on more than  
27 1.0 FTE for that pupil, and that portion of the FTE that exceeds



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

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

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

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

11 Sec. 26a. From the funds appropriated in section 11, ~~there is~~  
 12 ~~allocated an amount not to exceed \$20,000,000.00 for 2015-2016 and~~  
 13 ~~there is allocated an amount not to exceed \$20,000,000.00~~  
 14 **\$17,000,000.00 EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018** to  
 15 reimburse districts and intermediate districts pursuant to section  
 16 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,  
 17 for taxes levied in ~~2015 and 2016 as applicable.~~ **2016 AND 2017 AS**  
 18 **APPLICABLE.** The allocations shall be made not later than 60 days  
 19 after the department of treasury certifies to the department and to  
 20 the state budget director that the department of treasury has  
 21 received all necessary information to properly determine the  
 22 amounts due to each eligible recipient.

23 Sec. 26b. (1) From the appropriation in section 11, there is  
 24 allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed  
 25 \$4,405,100.00 for payments to districts, intermediate districts,  
 26 and community college districts for the portion of the payment in  
 27 lieu of taxes obligation that is attributable to districts,

intermediate districts, and community college districts pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

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

Sec. 26c. (1) From the appropriation in section 11, ~~there is allocated an amount not to exceed \$278,000.00 for 2015-2016 and there is allocated an amount not to exceed \$1,000,000.00 for 2016-2017~~ **\$1,500,000.00 FOR 2017-2018** to the promise zone fund created in subsection (3). **THE FUNDS ALLOCATED UNDER THIS SECTION REFLECT THE AMOUNT OF REVENUE FROM THE COLLECTION OF THE STATE EDUCATION TAX CAPTURED UNDER SECTION 17(2) OF THE MICHIGAN PROMISE ZONE AUTHORITY ACT, 2008 PA 549, MCL 390.1677.**

(2) Funds allocated to the promise zone fund under this section shall be used solely for payments to eligible districts and intermediate districts, **IN ACCORDANCE WITH SECTION 17(3) OF THE MICHIGAN PROMISE ZONE AUTHORITY ACT, 2008 PA 549, MCL 390.1677,** that have a promise zone development plan approved by the department of treasury under section 7 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1667. **ELIGIBLE DISTRICTS AND INTERMEDIATE DISTRICTS SHALL USE PAYMENTS MADE UNDER THIS SECTION FOR REIMBURSEMENT FOR QUALIFIED EDUCATIONAL EXPENSES AS DEFINED IN SECTION 3 OF THE MICHIGAN PROMISE ZONE AUTHORITY ACT, 2008 PA 549, MCL 390.1663.**

(3) The promise zone fund is created as a separate account

1 within the state school aid fund to be used solely for the purposes  
 2 of the Michigan promise zone authority act, 2008 PA 549, MCL  
 3 390.1661 to 390.1679. All of the following apply to the promise  
 4 zone fund:

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

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

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

17 **(5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**  
 18 **SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

19 Sec. 31a. (1) From the state school aid fund money  
 20 appropriated in section 11, there is allocated for ~~2016-2017-2017-~~  
 21 **2018** an amount not to exceed ~~\$389,695,500.00~~ **\$510,207,300.00** for  
 22 payments to eligible districts ~~, AND~~ eligible public school  
 23 academies ~~, and the education achievement system~~ for the purposes  
 24 of ensuring that pupils are proficient in ~~reading~~ **ENGLISH LANGUAGE**  
 25 **ARTS** by the end of grade 3, ~~and THAT PUPILS ARE PROFICIENT IN~~  
 26 **MATHEMATICS BY THE END OF GRADE 8, THAT PUPILS ARE ATTENDING SCHOOL**  
 27 **REGULARLY**, that high school graduates are career and college ready,

and for the purposes under subsections (7) and (8).

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

**(2) FOR A DISTRICT THAT HAS COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL UNDER SECTIONS 20 AND 20M THAT IS GREATER THAN THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT FISCAL YEAR, THE ALLOCATION UNDER THIS SECTION SHALL BE AN AMOUNT EQUAL TO 30% OF THE ALLOCATION FOR WHICH IT WOULD OTHERWISE BE ELIGIBLE UNDER THIS SECTION BEFORE ANY PRORATION UNDER SUBSECTION (12).**

~~(3) For a district or public school academy that operates grades K to 3, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (7) or (8), the district or public school academy, or the education achievement system, must implement, for~~ **GRADES K TO 3, SHALL COMPLY WITH THE REQUIREMENTS UNDER SECTION 1280F OF THE REVISED SCHOOL CODE, MCL 380.1280F, AND USE RESOURCES TO ADDRESS EARLY LITERACY, AND FOR** at least grades ~~K to 3,~~ **4 TO 8 OR, IF THE DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT OPERATE ALL OF GRADES 4 TO 8, FOR ALL OF THE GRADES IT OPERATES, MUST IMPLEMENT** a multi-

1 tiered system of supports that is an evidence-based model that uses  
2 data-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. This 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:

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

13 (ii) Targeted group interventions.

14 (iii) Intense individual interventions.

15 (d) Monitors pupil progress to inform instruction.

16 (e) Uses data to make instructional decisions.

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

19 (g) Engages families and the community.

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

22 (i) Implements instruction and intervention practices with  
23 fidelity.

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

25 (4) Except as otherwise provided in this subsection, an  
26 eligible district or eligible public school academy ~~or the~~  
27 ~~education achievement system~~ shall receive under this section for

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

~~lunch act and~~ **WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED,**  
as reported to the ~~department~~ **CENTER IN THE FORM AND MANNER**  
**PRESCRIBED BY THE CENTER** not later than the fifth Wednesday after  
the pupil membership count day of the current fiscal year, ~~and~~  
~~adjusted not later than December 31 of the current fiscal year,~~ an  
amount per pupil equal to 11.5% of the ~~public school academy's, the~~  
~~education achievement system's, or the community district's per~~  
~~membership pupil amount calculated under section 20 for the current~~  
~~state fiscal year.~~ **STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE.**

(5) Except as otherwise provided in this section, a district  
or public school academy ~~, or the education achievement system,~~  
receiving funding under this section shall use that money only to  
provide instructional programs and direct noninstructional  
services, including, but not limited to, medical, mental health, or  
counseling services, for at-risk pupils; for school health clinics;  
and for the purposes of subsection (6), (7), **OR** (8). ~~, or (11).~~ In  
addition, a district that is a school district of the first class  
or a district or public school academy in which at least 50% of the  
pupils in membership ~~met the income eligibility criteria for free~~  
~~breakfast, lunch, or milk~~ **WERE DETERMINED TO BE ECONOMICALLY**  
**DISADVANTAGED** in the immediately preceding state fiscal year, as  
determined and reported as described in subsection (4), ~~or the~~  
~~education achievement system if it meets this requirement,~~ may use  
not more than 20% of the funds it receives under this section for  
school security. A district ~~, the~~ **OR** public school academy ~~, or the~~  
~~education achievement system~~ shall not use any of that money for  
administrative costs. The instruction or direct noninstructional

1 services provided under this section may be conducted before or  
 2 after regular school hours or by adding extra school days to the  
 3 school year.

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

13 (7) From the funds allocated under subsection (1), there is  
 14 allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed  
 15 ~~\$5,557,300.00~~ **\$6,057,300.00** to support ~~child and adolescent health~~  
 16 ~~centers. These grants shall be awarded for 5 consecutive years~~  
 17 ~~beginning with 2003-2004~~ **PRIMARY HEALTH CARE SERVICES PROVIDED TO**  
 18 **CHILDREN AND ADOLESCENTS UP TO AGE 21. THESE FUNDS SHALL BE**  
 19 **EXPENDED** in a form and manner ~~approved~~ **DETERMINED** jointly by the  
 20 department and the department of health and human services. ~~Each~~  
 21 ~~grant recipient shall remain in compliance with the terms of the~~  
 22 ~~grant award or shall forfeit the grant award for the duration of~~  
 23 ~~the 5-year period after the noncompliance. To continue to receive~~  
 24 ~~funding for a child and adolescent health center under this section~~  
 25 ~~a grant recipient shall ensure that the child and adolescent health~~  
 26 ~~center has an advisory committee and that at least one third of the~~  
 27 ~~members of the advisory committee are parents or legal guardians of~~



~~school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any~~  
 funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (12) for that fiscal year.

(8) From the funds allocated under subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed \$5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan ~~administrative code.~~ **ADMINISTRATIVE CODE.** Funds shall be awarded in a form and manner approved jointly by the department and the department of health and human services. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(9) Each district or public school academy receiving funds under this section ~~and the education achievement system shall~~ submit to the department by July 15 of each fiscal year a report, ~~not to exceed 10 pages, on the usage by the district or public~~

1 ~~school academy or the education achievement system of funds under~~  
 2 ~~this section, which report shall include~~ **IN THE FORM AND MANNER**  
 3 **PRESCRIBED BY THE DEPARTMENT, THAT INCLUDES** a brief description of  
 4 each program conducted or services performed by the district or  
 5 public school academy ~~or the education achievement system~~ using  
 6 funds under this section, the amount of funds under this section  
 7 allocated to each of those programs or services, the total number  
 8 of at-risk pupils served by each of those programs or services, and  
 9 the data necessary for the department and the department of health  
 10 and human services to verify matching funds for the temporary  
 11 assistance for needy families program. **IN PRESCRIBING THE FORM AND**  
 12 **MANNER OF THE REPORT, THE DEPARTMENT SHALL ENSURE THAT DISTRICTS**  
 13 **ARE ALLOWED TO EXPEND FUNDS RECEIVED UNDER THIS SECTION ON ANY**  
 14 **ACTIVITIES THAT ARE PERMISSIBLE UNDER THIS SECTION.** If a district  
 15 or public school academy ~~or the education achievement system~~ does  
 16 not comply with this subsection, the department shall withhold an  
 17 amount equal to the August payment due under this section until the  
 18 district or public school academy ~~or the education achievement~~  
 19 ~~system~~ complies with this subsection. If the district or public  
 20 school academy ~~or the education achievement system~~ does not comply  
 21 with this subsection by the end of the state fiscal year, the  
 22 withheld funds shall be forfeited to the school aid fund.

23 (10) In order to receive funds under this section, a district  
 24 or public school academy ~~or the education achievement system~~ shall  
 25 allow access for the department or the department's designee to  
 26 audit all records related to the program for which it receives  
 27 those funds. The district or public school academy ~~or the education~~

1 ~~achievement system~~ shall reimburse the state for all disallowances  
2 found in the audit.

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

9           **(11) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS**  
10 **UNDER THIS SECTION MAY USE UP TO 3% OF THOSE FUNDS TO PROVIDE**  
11 **RESEARCH-BASED PROFESSIONAL DEVELOPMENT TO DISTRICT AND SCHOOL**  
12 **LEADERSHIP AND TEACHERS THAT IS ALIGNED TO PROFESSIONAL LEARNING**  
13 **STANDARDS; IS INTEGRATED INTO DISTRICT, SCHOOL BUILDING, AND**  
14 **CLASSROOM PRACTICES; AND IS SOLELY RELATED TO THE FOLLOWING:**

15           **(A) IMPLEMENTING THE MULTI-TIERED SYSTEM OF SUPPORTS REQUIRED**  
16 **IN SUBSECTION (3) WITH FIDELITY AND UTILIZING THE DATA FROM THAT**  
17 **SYSTEM TO INFORM CURRICULUM AND INSTRUCTION.**

18           **(B) IMPLEMENTING SECTION 1280F OF THE REVISED SCHOOL CODE, MCL**  
19 **380.1280F, AS REQUIRED UNDER SUBSECTION (3), WITH FIDELITY.**

20           (12) If necessary, and before any proration required under  
21 section 296, the department shall prorate payments under this  
22 section by reducing the amount of the ~~per pupil payment under this~~  
23 ~~section by a dollar amount calculated by determining the amount by~~  
24 ~~which the amount necessary to fully fund the requirements of this~~  
25 ~~section exceeds the maximum amount allocated under this section and~~  
26 ~~then dividing that amount by the total statewide number of pupils~~  
27 ~~who met the income eligibility criteria for free breakfast, lunch,~~

~~or milk in the immediately preceding fiscal year, as described in~~  
~~subsection (4).~~ **ALLOCATION AS OTHERWISE CALCULATED UNDER THIS**  
**SECTION BY AN EQUAL PERCENTAGE PER DISTRICT.**

(13) ~~If a district is formed by consolidation after June 1,~~  
~~1995, and if 1 or more of the original districts were not eligible~~  
~~before the consolidation for an additional allowance under this~~  
~~section, the amount of the additional allowance under this section~~  
~~for the consolidated district shall be based on the number of~~  
~~pupils described in subsection (1) enrolled in the consolidated~~  
~~district who reside in the territory of an original district that~~  
~~was eligible before the consolidation for an additional allowance~~  
~~under this section. In addition, if~~ **IF** ~~a district is dissolved~~  
~~pursuant to section 12 of the revised school code, MCL 380.12, the~~  
~~intermediate district to which the dissolved school district was~~  
~~constituent shall determine the estimated number of pupils that~~  
~~meet the income eligibility criteria for free breakfast, lunch, or~~  
~~milk, as described under subsection (4),~~ **ARE ECONOMICALLY**  
**DISADVANTAGED AND THAT ARE** ~~enrolled in each of the other districts~~  
~~within the intermediate district and provide that estimate to the~~  
~~department for the purposes of distributing funds under this~~  
~~section within 60 days after the school district is declared~~  
~~dissolved.~~

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

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

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

~~1 (c) Has a family history of school failure, incarceration, or  
2 substance abuse.~~

~~3 (d) For pupils for whom the results of the state summative  
4 assessment have been received, is a pupil who did not achieve  
5 proficiency on the English language arts, mathematics, science, or  
6 social studies content area assessment.~~

~~7 (e) Is a pupil who is at risk of not meeting the district's  
8 core academic curricular objectives in English language arts or  
9 mathematics, as demonstrated on local assessments.~~

~~10 (f) The pupil is enrolled in a priority or priority-successor  
11 school, as defined in the elementary and secondary education act of  
12 2001 flexibility waiver approved by the United States Department of  
13 Education.~~

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

~~17 (i) The pupil is eligible for free or reduced price breakfast,  
18 lunch, or milk.~~

~~19 (ii) The pupil is absent more than 10% of enrolled days or 10  
20 school days during the school year.~~

~~21 (iii) The pupil is homeless.~~

~~22 (iv) The pupil is a migrant.~~

~~23 (v) The pupil is an English language learner.~~

~~24 (vi) The pupil is an immigrant who has immigrated within the  
25 immediately preceding 3 years.~~

~~26 (vii) The pupil did not complete high school in 4 years and is  
27 still continuing in school as identified in the Michigan cohort~~

~~graduation and dropout report.~~

(14) ~~(15)~~ Beginning in 2018-2019, if a district, public school academy, or the education achievement system does not demonstrate to the satisfaction of the department that at least 50% of at-risk pupils are proficient in English language arts by the end of grade 3 as measured by the state assessment for the immediately preceding school year and demonstrate to the satisfaction of the department improvement over each of the 3 immediately preceding school years in the percentage of at-risk pupils that are career- and college-ready as determined by proficiency on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, the district, public school academy, or education achievement system shall ensure all of the following:

(a) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represents the number of pupils in grade 3 that are not proficient in English language arts by the end of grade 3, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 English language arts proficiency.

(b) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represent the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on the English language arts, mathematics, and science content area

assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

**(15)** ~~(16)~~ As used in subsection ~~(15)~~, **(14)**, "total at-risk pupils" means the sum of the number of pupils in grade 3 that are not proficient in English language arts by the end of third grade as measured on the state assessment and the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g.

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

**(17)** ~~(18)~~ The department shall collaborate with the department of health and human services to prioritize assigning Pathways to Potential Success coaches to elementary schools that have a high percentage of pupils in grades K to 3 who are not ~~reading at grade level~~. **PROFICIENT IN ENGLISH LANGUAGE ARTS, BASED UPON STATE ASSESSMENTS FOR PUPILS IN THOSE GRADES.**

**(18) FOR THE PURPOSE OF DETERMINING THE NUMBER OF ECONOMICALLY**

1 DISADVANTAGED PUPILS ENROLLED IN A COMMUNITY DISTRICT FOR 2017-  
2 2018, DISADVANTAGED PUPILS WHO WERE ENROLLED IN THE EDUCATION  
3 ACHIEVEMENT SYSTEM FOR 2016-2017 SHALL BE CONSIDERED TO HAVE BEEN  
4 ENROLLED IN THE COMMUNITY DISTRICT FOR 2016-2017.

5 (19) AS USED IN THIS SECTION:

6 (A) "AT-RISK PUPIL" MEANS A PUPIL WHO IS ECONOMICALLY  
7 DISADVANTAGED OR AN ENGLISH LANGUAGE LEARNER FOR WHOM THE DISTRICT  
8 HAS DOCUMENTATION THAT THE PUPIL MEETS ANY OF THE FOLLOWING  
9 CRITERIA:

10 (i) THE PUPIL DID NOT ACHIEVE PROFICIENCY ON THE ENGLISH  
11 LANGUAGE ARTS STATE ASSESSMENT FOR GRADE 3 OR IS AT RISK OF NOT  
12 ACHIEVING PROFICIENCY, AS DETERMINED BY THE DISTRICT OR PUBLIC  
13 SCHOOL ACADEMY USING DATA PROVIDED AS PART OF THE MULTI-TIERED  
14 SYSTEM OF SUPPORTS DESCRIBED IN SUBSECTION (3).

15 (ii) THE PUPIL DID NOT ACHIEVE PROFICIENCY ON THE MATHEMATICS  
16 STATE ASSESSMENT FOR GRADE 8 OR IS AT RISK OF NOT ACHIEVING  
17 PROFICIENCY, AS DETERMINED BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY  
18 USING DATA PROVIDED AS PART OF THE MULTI-TIERED SYSTEM OF SUPPORTS  
19 DESCRIBED IN SUBSECTION (3).

20 (iii) THE PUPIL IS CHRONICALLY ABSENT AS DEFINED BY AND  
21 REPORTED TO THE CENTER.

22 (B) "ECONOMICALLY DISADVANTAGED" MEANS A PUPIL WHO HAS BEEN  
23 DETERMINED ELIGIBLE FOR FREE OR REDUCED-PRICE MEALS AS DETERMINED  
24 UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751  
25 TO 1769; WHO IS IN A HOUSEHOLD RECEIVING SUPPLEMENTAL NUTRITION  
26 ASSISTANCE PROGRAM OR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES  
27 ASSISTANCE; OR WHO IS HOMELESS, MIGRANT, OR IN FOSTER CARE, AS



1 REPORTED TO THE CENTER.

2 (C) "ENGLISH LANGUAGE LEARNER" MEANS LIMITED ENGLISH  
3 PROFICIENT PUPILS WHO SPEAK A LANGUAGE OTHER THAN ENGLISH AS THEIR  
4 PRIMARY LANGUAGE AND HAVE DIFFICULTY SPEAKING, READING, WRITING, OR  
5 UNDERSTANDING ENGLISH AS REPORTED TO THE CENTER.

6 (D) "STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE" MEANS  
7 THE NUMBER THAT IS CALCULATED BY ADDING TOGETHER THE RESULT OF EACH  
8 DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S FOUNDATION ALLOWANCE OR PER  
9 PUPIL PAYMENT CALCULATED UNDER SECTION 20 MULTIPLIED BY THE NUMBER  
10 OF PUPILS IN MEMBERSHIP IN THAT DISTRICT OR PUBLIC SCHOOL ACADEMY,  
11 AND THEN DIVIDING THAT TOTAL BY THE STATEWIDE NUMBER OF PUPILS IN  
12 MEMBERSHIP. FOR THE PURPOSES OF THIS CALCULATION, A DISTRICT'S  
13 FOUNDATION ALLOWANCE SHALL NOT EXCEED THE BASIC FOUNDATION  
14 ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL YEAR.

15 Sec. 31b. (1) From the appropriations in section 11, there is  
16 allocated an amount not to exceed \$1,500,000.00 ~~for 2016-2017~~ **FOR**  
17 **2017-2018** for grants to at-risk districts for implementing a ~~year-~~  
18 ~~round-~~ **BALANCED CALENDAR** instructional program for at least 1 of its  
19 schools.

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

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

24 (i) Is eligible in ~~2016-2017~~ **2017-2018** for the community  
25 eligibility option for free and reduced price lunch under 42 USC  
26 1759a.

27 (ii) At least 50% of the pupils in membership in the district

1 met the income eligibility criteria for free breakfast, lunch, or  
 2 milk in the immediately preceding state fiscal year, as determined  
 3 under the Richard B. Russell national school lunch act, 42 USC 1751  
 4 to ~~1769i~~.**1769J**.

5 (b) The board of the district has adopted a resolution stating  
 6 that the district will implement for the first time a ~~year-round~~  
 7 **BALANCED CALENDAR** instructional ~~calendar~~ **PROGRAM** that will begin in  
 8 ~~2017-2018~~ **2018-2019** for at least 1 school operated by the district  
 9 and committing to providing the ~~year-round~~ **BALANCED CALENDAR**  
 10 instructional ~~calendar~~ **PROGRAM** in each of those schools for at  
 11 least 3 school years.

12 (3) A district seeking a grant under this section shall apply  
 13 to the department in the form and manner prescribed by the  
 14 department not later than December 1, ~~2016~~.**2017**. The department  
 15 shall select districts for grants and make notification not later  
 16 than February 1, ~~2017~~.**2018**.

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

20 (a) Giving priority to districts that, ~~as of June 30, 2016~~, **IN**  
 21 **THE IMMEDIATELY PRECEDING FISCAL YEAR**, had lower general fund  
 22 balances as a percentage of revenues.

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

26 (c) Ensuring that grant funding includes both rural and urban  
 27 districts.

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

3 (6) A grant payment under this section to a district shall be  
4 used for necessary modifications to instructional facilities and  
5 other nonrecurring costs of preparing for the operation of a ~~year-~~  
6 ~~round-~~**BALANCED CALENDAR** instructional program as approved by the  
7 department.

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

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

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

24 Sec. 31d. (1) From the appropriations in section 11, there is  
25 allocated an amount not to exceed \$22,495,100.00 for ~~2016-2017~~  
26 **2017-2018** 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 ~~104458-104492-456~~ **MICH 175 (1997)**.

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 ~~2016-2017~~ **2017-2018** all available federal funding,  
22 estimated at ~~\$510,000,000.00~~ **\$520,000,000.00** for the national  
23 school lunch program and all available federal funding, estimated  
24 at \$3,200,000.00 for 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 \$2,500,000.00 for 2015-2016 and~~  
7 ~~there is allocated an amount not to exceed \$2,500,000.00 for 2016-~~  
8 ~~2017-~~**\$4,500,000.00 EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018**  
9 for the purpose of making payments to districts to reimburse for  
10 the cost of providing breakfast.

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

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

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

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

27 (4) Notwithstanding section 17b, payments under this section

1 may be made pursuant to an agreement with the department.

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

6 Sec. 31j. (1) From the general fund money appropriated in  
7 section 11, there is allocated an amount not to exceed ~~\$250,000.00~~  
8 **\$375,000.00** for ~~2016-2017~~ **2017-2018** for a pilot project to support  
9 districts in the purchase of locally grown fruits and vegetables as  
10 described in this section.

11 (2) The department shall provide funding to prosperity regions  
12 2, ~~and 4~~, **AND 9** for the pilot project described under this section.  
13 From the funding identified in subsection (1), funding retained by  
14 the prosperity regions for administration of the project shall not  
15 exceed 10%, and funding retained by the department for  
16 administration shall not exceed 6%.

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

1 electronic information on Michigan agriculture.

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

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

10 (a) Are purchased on or after the date the district received  
11 notification from the department of the amount to be distributed to  
12 the district under this subsection, including purchases made to  
13 launch meals in September ~~2016-2017~~ for the ~~2016-2017-2017-2018~~  
14 school year.

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

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

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

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

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

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

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

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

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



1 products, and the name and Michigan location of the farm that grew  
2 the products. The district shall also provide to the prosperity  
3 region monthly lunch numbers and lunch participation rates, and  
4 calendars or monthly menus noting when and how Michigan-grown  
5 products were used in meals. The district and school food service  
6 director or directors also shall agree to respond to brief online  
7 surveys and to provide a report that shows the percentage  
8 relationship of Michigan spending compared to total food spending.  
9 Not later than March 1, ~~2017~~, **2018**, each prosperity region office  
10 shall submit a report to the department on expected outcomes and  
11 related measurements for economic development and children's  
12 nutrition and readiness to learn based on progress so far. The  
13 report shall include at least all of the following:

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

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

27 (ii) The prosperity region office shall use purchasing data

1 collected for the project and surveys of school food service  
2 directors on the impact and success of the project as the source  
3 for the data described in subparagraph (i).

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

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

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

17 (12) The department shall compile the reports provided by  
18 prosperity region offices under subsection (11) into 1 legislative  
19 report. The department shall provide this report not later than  
20 April 1, ~~2017-2018~~ to the house and senate subcommittees  
21 responsible for school aid, the house and senate fiscal agencies,  
22 and the state budget director.

23 Sec. 32d. (1) From the funds appropriated in section 11, there  
24 is allocated to eligible intermediate districts and consortia of  
25 intermediate districts for great start readiness programs an amount  
26 not to exceed \$243,600,000.00 for ~~2016-2017.~~ **2017-2018**. Funds  
27 allocated under this section for great start readiness programs

1 shall be used to provide part-day, school-day, or ~~GSRP/head start~~  
2 **GSRP/HEAD START** blended comprehensive free compensatory classroom  
3 programs designed to improve the readiness and subsequent  
4 achievement of educationally disadvantaged children who meet the  
5 participant eligibility and prioritization guidelines as defined by  
6 the department. For a child to be eligible to participate in a  
7 program under this section, the child shall be at least 4, but less  
8 than 5, years of age as of September 1 of the school year in which  
9 the program is offered and shall meet those eligibility and  
10 prioritization guidelines.

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

21 (3) In addition to the allocation under subsection (1), from  
22 the general fund money appropriated under section 11, there is  
23 allocated an amount not to exceed \$300,000.00 for ~~2016-2017-2017-~~  
24 **2018** for a competitive grant to continue a longitudinal evaluation  
25 of children who have participated in great start readiness  
26 programs.

27 (4) To be eligible for funding under this section, a program

1 shall prepare children for success in school through comprehensive  
2 part-day, school-day, or ~~GSRP/head start~~ **GSRP/HEAD START** blended  
3 programs that contain all of the following program components, as  
4 determined by the department:

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

9 (b) An age-appropriate educational curriculum that is in  
10 compliance with the early childhood standards of quality for  
11 prekindergarten children adopted by the state board, **INCLUDING, AT**  
12 **LEAST, THE CONNECT4LEARNING CURRICULUM.**

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

15 (d) Physical and dental health and developmental screening  
16 services for all program participants.

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

20 (f) Active and continuous involvement of the parents or  
21 guardians of the program participants.

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

25 (h) Participation in a school readiness advisory committee  
26 convened as a workgroup of the great start collaborative that  
27 provides for the involvement of classroom teachers, parents or

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

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

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

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

15 (a) Ensure compliance with all program components described in  
16 subsection (4).

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

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

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

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

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

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

27           (6) For a grant recipient that enrolls pupils in a school-day

1 program funded under this section, each child enrolled in the  
2 school-day program shall be counted as described in section 39 for  
3 purposes of determining the amount of the grant award.

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

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

16 (9) An intermediate district or consortium of intermediate  
17 districts may retain for administrative services provided by the  
18 intermediate district or consortium of intermediate districts an  
19 amount not to exceed 4% of the grant amount. Expenses incurred by  
20 subrecipients engaged by the intermediate district or consortium of  
21 intermediate districts for directly running portions of the program  
22 shall be considered program costs or a contracted program fee for  
23 service.

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

27 (11) Each grant recipient shall enroll children identified



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

25 (12) An intermediate district or consortium of intermediate  
26 districts receiving a grant under this section shall allow parents  
27 of eligible children who are residents of the intermediate district

1 or within the consortium to choose a program operated by or  
2 contracted with another intermediate district or consortium of  
3 intermediate districts and shall enter into a written agreement  
4 regarding payment, in a manner prescribed by the department.

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

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

14 (a) The intermediate district or consortium notified each  
15 nonparticipating licensed child care center located in the service  
16 area of the intermediate district or consortium regarding the  
17 center's eligibility to participate, in a manner prescribed by the  
18 department.

19 (b) The intermediate district or consortium provided to each  
20 nonparticipating licensed child care center located in the service  
21 area of the intermediate district or consortium information  
22 regarding great start readiness program requirements and a  
23 description of the application and selection process for community-  
24 based providers.

25 (c) The intermediate district or consortium provided to the  
26 public and to participating families a list of community-based  
27 great start readiness program subrecipients with a great start to

1 quality rating of at least 3 stars.

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

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

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

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

25 (c) Ensure that all intermediate district, district, community  
26 college or university, ~~head-start~~ **HEAD START** grantee or delegate,  
27 private for-profit, and private nonprofit providers are subject to

1 a single great start to quality rating system. The rating system  
2 shall ensure that regulators process all prospective providers at  
3 the same pace on a first-come, first-served basis and shall not  
4 allow 1 type of provider to receive a great start to quality rating  
5 ahead of any other type of provider.

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

15 (16) A recipient of funds under this section shall report to  
16 the department in a form and manner prescribed by the department  
17 the number of children participating in the program who meet the  
18 income eligibility criteria under subsection (5)(b) and the total  
19 number of children participating in the program. For children  
20 participating in the program who meet the income eligibility  
21 criteria specified under subsection (5)(b), a recipient shall also  
22 report whether or not a parent is available to provide care based  
23 on employment status. For the purposes of this subsection,  
24 "employment status" shall be defined by the department of health  
25 and human services in a manner consistent with maximizing the  
26 amount of spending that may be claimed for temporary assistance for  
27 needy families maintenance of effort purposes.

(17) As used in this section:

(a) ~~"GSRP/head start"~~ **"GSRP/HEAD START** blended program" means a part-day program funded under this section and a head start program, which are combined for a school-day program.

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

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

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

(19) From the amount appropriated in subsection (1), there is allocated an amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending great start

1 readiness programs funded under this section. To receive  
 2 reimbursement under this subsection, not later than November 1,  
 3 ~~2016,~~ **2017**, a program funded under this section that provides  
 4 transportation shall submit to the intermediate district that is  
 5 the fiscal agent for the program a projected transportation budget.  
 6 The amount of the reimbursement for transportation under this  
 7 subsection shall be no more than the projected transportation  
 8 budget or ~~\$150.00~~ **\$300.00** multiplied by the number of ~~slots~~  
 9 **CHILDREN** funded for the program under this section. If the amount  
 10 allocated under this subsection is insufficient to fully reimburse  
 11 the transportation costs for all programs that provide  
 12 transportation and submit the required information, the  
 13 reimbursement shall be prorated in an equal amount per ~~slot~~ **CHILD**  
 14 funded. Payments shall be made to the intermediate district that is  
 15 the fiscal agent for each program, and the intermediate district  
 16 shall then reimburse the program provider for transportation costs  
 17 as prescribed under this subsection.

18 **(20) THE DEPARTMENT SHALL IMPLEMENT A PROCESS TO REVIEW AND**  
 19 **APPROVE AGE-APPROPRIATE COMPREHENSIVE CLASSROOM LEVEL QUALITY**  
 20 **ASSESSMENTS FOR GSRP GRANTEEES THAT SUPPORT THE EARLY CHILDHOOD**  
 21 **STANDARDS OF QUALITY FOR PREKINDERGARTEN CHILDREN ADOPTED BY THE**  
 22 **STATE BOARD. THE DEPARTMENT SHALL COMPLETE THE APPROVAL PROCESS AND**  
 23 **MAKE AVAILABLE TO INTERMEDIATE DISTRICTS AT LEAST 2 APPROVED**  
 24 **CLASSROOM LEVEL QUALITY ASSESSMENTS NO LATER THAN APRIL 1, 2018.**

25 **(21) AN INTERMEDIATE DISTRICT THAT IS A GSRP GRANTEE MAY**  
 26 **APPROVE THE USE OF A SUPPLEMENTAL CURRICULUM THAT ALIGNS WITH AND**  
 27 **ENHANCES THE AGE-APPROPRIATE EDUCATIONAL CURRICULUM IN THE**

1 CLASSROOM. IF THE DEPARTMENT OBJECTS TO THE USE OF A SUPPLEMENTAL  
2 CURRICULUM APPROVED BY AN INTERMEDIATE DISTRICT, THE SUPERINTENDENT  
3 OF PUBLIC INSTRUCTION SHALL ESTABLISH A REVIEW COMMITTEE  
4 INDEPENDENT OF THE DEPARTMENT. THE REVIEW COMMITTEE SHALL MEET  
5 WITHIN 60 DAYS OF THE DEPARTMENT REGISTERING ITS OBJECTION IN  
6 WRITING AND PROVIDE A FINAL DETERMINATION ON THE VALIDITY OF THE  
7 OBJECTION WITHIN 60 DAYS OF THE REVIEW COMMITTEE'S FIRST MEETING.

8 Sec. 32p. (1) From the ~~school aid fund~~ appropriation in  
9 section 11, there is allocated an amount not to exceed  
10 \$13,400,000.00 to intermediate districts for ~~2016-2017~~ **2017-2018**  
11 for the purpose of providing early childhood funding to  
12 intermediate school districts to support the activities under  
13 subsection (2) and subsection (4), and to provide early childhood  
14 programs for children from birth through age 8. The funding  
15 provided to each intermediate district under this section shall be  
16 determined by the distribution formula established by the  
17 department's office of great start to provide equitable funding  
18 statewide. In order to receive funding under this section, each  
19 intermediate district shall provide an application to the office of  
20 great start not later than September 15 of the immediately  
21 preceding fiscal year indicating the activities planned to be  
22 provided.

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



1 infrastructure and programs that allow every child in the community  
2 to achieve the following outcomes:

3 (a) Children born healthy.

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

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

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

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

15 (a) Physical health.

16 (b) Social-emotional health.

17 (c) Family supports and basic needs.

18 (d) Parent education.

19 (e) Early education, including the child's ~~vocabulary~~  
20 development **OF SKILLS LINKED TO SUCCESS IN FOUNDATIONAL LITERACY,**  
21 and care.

22 (4) From the funds allocated in subsection (1), at least  
23 \$2,500,000.00 shall be used for the purpose of providing home  
24 visits to at-risk children and their families. The home visits  
25 shall be conducted as part of a locally coordinated, family-  
26 centered, evidence-based, data-driven home visit strategic plan  
27 that is approved by the department. The goals of the home visits

1 funded under this subsection shall be to improve school readiness  
2 using evidence-based methods, including ~~vocabulary development, A~~  
3 **FOCUS ON DEVELOPMENTALLY APPROPRIATE OUTCOMES FOR EARLY LITERACY,**  
4 to reduce the number of pupils retained in grade level, and to  
5 reduce the number of pupils requiring special education services.  
6 The department shall coordinate the goals of the home visit  
7 strategic plans approved under this subsection with other state  
8 agency home visit programs in a way that strengthens Michigan's  
9 home visiting infrastructure and maximizes federal funds available  
10 for the purposes of at-risk family home visits. The coordination  
11 among departments and agencies is intended to avoid duplication of  
12 state services and spending, and should emphasize efficient service  
13 delivery of home visiting programs.

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

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

9           Sec. 32q. From the state school aid fund allocation under  
10 section 11, there is allocated to an eligible intermediate district  
11 an amount equal to \$175,000.00 in ~~2016-2017~~ **2017-2018** for the  
12 purpose of this section. An intermediate district receiving a grant  
13 under this section shall partner with an early childhood  
14 collaborative to conduct a pilot program as provided under this  
15 section. It is the intent of the legislature that this is the ~~first~~  
16 **SECOND** of 3 years of funding, and that funding shall continue in  
17 ~~2017-2018 and~~ 2018-2019. Funding allocated to an intermediate  
18 district shall be used in partnership with a collaborative to  
19 conduct a pilot program to evaluate the relative impact on  
20 vulnerable children of 1 versus 2 years of preschool education. All  
21 of the following apply to the pilot program funded under this  
22 section:

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

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

3 (c) In order to be eligible to receive the allocated funds,  
4 the early learning collaborative, in partnership with the  
5 intermediate district, shall provide the funding for all eligible  
6 children included in the pilot program.

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

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

14 (f) A child participating in the pilot program shall meet the  
15 participant eligibility and prioritization guidelines as defined by  
16 the department.

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

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

23 (i) By December 1, 2019, the early learning collaborative, in  
24 partnership with the intermediate district, shall provide a pilot  
25 program report and evaluation to the office of great start. The  
26 office of great start shall review the pilot program report and  
27 evaluation and, by February 15, 2020, provide a report to the

senate and house appropriations subcommittees on state school aid and to the senate and house fiscal agencies of its evaluation of the pilot program.

Sec. 35a. (1) ~~From the appropriations in section 11, there is allocated for 2015-2016 for the purposes of this section an amount not to exceed \$19,000,000.00 from the state school aid fund appropriation and an amount not to exceed \$1,500,000.00 from the general fund appropriation.~~ From the appropriations in section 11, there is allocated for ~~2016-2017~~ **2017-2018** for the purposes of this section an amount not to exceed ~~\$22,900,000.00~~ **\$26,900,000.00** from the state school aid fund and an amount not to exceed ~~\$1,000,000.00~~ **\$2,500,000.00** from the general fund.

(2) ~~From the allocations~~ **A DISTRICT THAT RECEIVES FUNDS** under subsection (1), ~~there is allocated an amount not to exceed \$950,000.00 each fiscal year for 2015-2016 and for 2016-2017 for professional development purposes under this subsection. The 2016-2017 allocation represents the second of 2 years of funding for the purposes of this subsection. All of the following apply to funding under this subsection:~~

~~—— (a) The department shall award grants to districts to support~~

**(5) MAY SPEND UP TO 5% OF THOSE FUNDS FOR** professional development for educators in a department-approved research-based training program related to current state literacy standards for pupils in grades K to 3. The professional development shall also include training in the use of screening and diagnostic tools, progress monitoring, and intervention methods used to address barriers to learning and delays in learning that are diagnosed through the use

of these tools. ~~The department shall determine the amount of the grant awards.~~

~~— (b) In addition to other methods of professional development delivery, the department shall collaborate with the Michigan Virtual University to provide this training online to all educators of pupils in grades K to 3.~~

~~— (c) The funds allocated under this subsection for 2015-2016 are a work project appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-2017. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2017.~~

~~— (d) The funds allocated under this subsection for 2016-2017 are a work project appropriation, and any unexpended funds for 2016-2017 are carried forward into 2017-2018. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2018.~~

~~— (3) From the allocations under subsection (1), there is allocated an amount not to exceed \$1,450,000.00 each fiscal year for 2015-2016 and for 2016-2017 for grants under this subsection. The 2016-2017 allocation represents the second of 2 years of funding. All of the following apply to grants under this subsection:~~

~~(3) (a) The department shall award grants to districts **A**~~  
**DISTRICT THAT RECEIVES FUNDS UNDER SUBSECTION (5) MAY USE UP TO 5%**  
**OF THOSE FUNDS** to administer department-approved screening and

1 diagnostic tools to monitor the development of early literacy and  
2 early reading skills of pupils in grades K to 3 and to support  
3 research-based professional development for educators in  
4 administering screening and diagnostic tools and in data  
5 interpretation of the results obtained through the use of those  
6 tools for the purpose of implementing a multi-tiered system of  
7 support to improve reading proficiency among pupils in grades K to  
8 3. ~~The department shall award grants to eligible districts in an~~  
9 ~~amount determined by the department.~~

10 ~~—— (b) A department-approved screening and diagnostic tool~~  
11 ~~administered by a district using funding under this section must~~  
12 ~~include all of the following components: phonemic awareness,~~  
13 ~~phonics, fluency, and comprehension. Further, all of the following~~  
14 ~~sub-skills must be assessed within each of these components:~~

15 ~~(A) (i) Phonemic awareness - segmentation, blending, and sound~~  
16 ~~manipulation (deletion and substitution).~~

17 ~~(B) (ii) Phonics - decoding (reading) and encoding (spelling).~~

18 ~~(C) (iii) Fluency - reading rate, accuracy, and expression.~~

19 ~~(D) (iv) Comprehension - making meaning of text.~~

20 ~~—— (c) In addition to other methods of professional development~~  
21 ~~delivery, the department shall collaborate with the Michigan~~  
22 ~~Virtual University to provide this training online to all educators~~  
23 ~~of pupils in grades K to 3.~~

24 ~~—— (d) The funds allocated under this subsection for 2015-2016~~  
25 ~~are a work project appropriation, and any unexpended funds for~~  
26 ~~2015-2016 are carried forward into 2016-2017. The purpose of the~~  
27 ~~work project is to continue to implement the professional~~

~~development training described in this subsection. The estimated completion date of the work project is September 30, 2017.~~

~~—— (c) The funds allocated under this subsection for 2016-2017 are a work project appropriation, and any unexpended funds for 2016-2017 are carried forward into 2017-2018. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2018.~~

(4) From the allocations under subsection (1), there is allocated an amount not to exceed ~~\$3,000,000.00 each fiscal year for 2015-2016 and for 2016-2017~~ **\$6,000,000.00 FOR 2017-2018** for the purpose of providing early literacy coaches at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3. All of the following apply to funding under this subsection:

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

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

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



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

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

10           (i) Each intermediate district shall be awarded grant funding  
11 to support the cost of 1 early literacy coach in an equal amount  
12 per early literacy coach, not to exceed ~~\$37,500.00~~ **\$75,000.00**.

13           (ii) After distribution of the grant funding under  
14 subparagraph (i), the department shall distribute the remainder of  
15 grant funding for additional early literacy coaches in an amount  
16 not to exceed ~~\$37,500.00~~ **\$75,000.00** per early literacy coach. The  
17 number of funded early literacy coaches for each intermediate  
18 district shall be based on the percentage of the total statewide  
19 number of pupils in grades K to 3 who meet the income eligibility  
20 standards for the federal free and reduced-price lunch programs who  
21 are enrolled in districts in the intermediate district. For each  
22 additional early literacy coach funded under this subparagraph, the  
23 department shall not make an award to an intermediate district  
24 under this subparagraph in an amount that is less than the amount  
25 necessary to pay 1/2 of the total cost of that additional early  
26 literacy coach.

27       ~~— (c) The funds allocated under this subsection for 2015-2016~~

~~are a work project appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-2017. The purpose of the work project is to continue to provide early literacy coaches as described in this subsection. The estimated completion date of the work project is September 30, 2017.~~

~~—— (d) The funds allocated under this subsection for 2016-2017 are a work project appropriation, and any unexpended funds for 2016-2017 are carried forward into 2017-2018. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2018.~~

(5) From the allocations under subsection (1), there is allocated an amount not to exceed ~~\$13,600,000.00 for 2015-2016 and an amount not to exceed \$17,500,000.00~~ **\$20,900,000.00** for ~~2016-2017~~ **2017-2018** to districts that provide additional instructional time to those pupils in grades K to 3 who have been identified by using department-approved screening and diagnostic tools as needing additional supports and interventions in order to be reading at grade level by the end of grade 3. Additional instructional time may be provided before, during, and after regular school hours or as part of a year-round balanced school calendar. All of the following apply to funding under this subsection:

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

(i) Implemented a multi-tiered system of support instructional delivery model that is an evidence-based model that uses data-

1 driven problem solving to integrate academic and behavioral  
2 instruction and that uses intervention delivered to all pupils in  
3 varying intensities based on pupil needs. The multi-tiered system  
4 of supports must provide at least all of the following essential  
5 elements:

6 (A) Implements effective instruction for all learners.

7 (B) Intervenes early.

8 (C) Provides a multi-tiered model of instruction and  
9 intervention that provides the following: a core curriculum and  
10 classroom interventions available to all pupils that meet the needs  
11 of most pupils; targeted group interventions; and intense  
12 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 (ii) Used department-approved research-based diagnostic tools  
24 to identify individual pupils in need of additional instructional  
25 time.

26 (iii) Used a reading instruction method that focuses on the 5  
27 fundamental building blocks of reading: phonics, phonemic

1 awareness, fluency, vocabulary, and comprehension and content  
2 knowledge.

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

6 (v) **COMPLIED WITH THE REQUIREMENTS UNDER SECTION 1280F OF THE**  
7 **REVISED SCHOOL CODE, MCL 380.1280F.**

8 (b) Funding allocated under this subsection shall be  
9 distributed to eligible districts by multiplying the number of  
10 full-time-equivalent pupils in grade 1 in the district by  
11 ~~\$165.00.~~ **\$210.00.**

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

16 (6) From the general fund money allocated in subsection (1),  
17 the department shall allocate the amount of ~~\$1,000,000.00 each~~  
18 ~~fiscal year for 2015-2016 and for 2016-2017~~ **\$2,500,000.00 FOR 2017-**  
19 **2018** to the Michigan Education Corps. All of the following apply to  
20 funding under this subsection:

21 (a) By August 1 of the ~~applicable~~ **CURRENT** fiscal year, the  
22 Michigan Education Corps shall provide a report concerning its use  
23 of the funding to the senate and house appropriations subcommittees  
24 on state school aid, the senate and house fiscal agencies, and the  
25 senate and house caucus policy offices on outcomes and performance  
26 measures of the Michigan Education Corps, including, but not  
27 limited to, the degree to which the Michigan Education Corps's

1 replication of the Michigan Reading Corps program is demonstrating  
2 sufficient efficacy and impact. The report must include data  
3 pertaining to at least all of the following:

4 (i) The current impact of the Michigan Reading Corps on this  
5 state in terms of numbers of children and programs receiving  
6 support. This portion of the report shall specify the number of  
7 children tutored, including dosage and completion, and the  
8 demographics of those children.

9 (ii) Whether the assessments and interventions are implemented  
10 with fidelity. This portion of the report shall include details on  
11 the total number of assessments and interventions completed and the  
12 range, median, mean, and standard deviation for all assessments.

13 (iii) Whether the literacy improvement of children  
14 participating in the Michigan Reading Corps is consistent with  
15 expectations. This portion of the report shall detail at least all  
16 of the following:

17 (A) Growth rate by grade level, in comparison to targeted  
18 growth rate.

19 (B) Average linear growth rates.

20 (C) Exit rates.

21 (D) Percentage of children who exit who also meet or exceed  
22 spring benchmarks.

23 (iv) The impact of the Michigan Reading Corps on organizations  
24 and stakeholders, including, but not limited to, school  
25 administrators, internal coaches, and AmeriCorps members.

26 (b) If the department determines that the Michigan Education  
27 Corps has misused the funds allocated under this subsection, the

1 Michigan Education Corps shall reimburse this state for the amount  
2 of state funding misused.

3 (C) THE DEPARTMENT MAY NOT RESERVE ANY PORTION OF THE  
4 ALLOCATION PROVIDED UNDER THIS SUBSECTION FOR AN EVALUATION OF THE  
5 MICHIGAN EDUCATION CORPS, THE MICHIGAN EDUCATION CORPS' FUNDING, OR  
6 THE MICHIGAN EDUCATION CORPS' PROGRAMMING. THE DEPARTMENT SHALL  
7 AWARD THE ENTIRE \$2,500,000.00 ALLOCATED UNDER THIS SUBSECTION TO  
8 THE MICHIGAN EDUCATION CORPS AND SHALL NOT CONDITION THE AWARDED  
9 OF THIS FUNDING ON THE IMPLEMENTATION OF AN INDEPENDENT EVALUATION.-

10 ~~(7) From the general fund money allocated under subsection (1),~~  
11 ~~there is allocated to the department an amount not to exceed~~  
12 ~~\$500,000.00 for 2015-2016 for the adoption of a certification test~~  
13 ~~to ensure that all newly certificated elementary teachers have the~~  
14 ~~skills to deliver evidence-based literacy instruction.~~

15 Sec. 39. (1) An eligible applicant receiving funds under  
16 section 32d shall submit an application, in a form and manner  
17 prescribed by the department, by a date specified by the department  
18 in the immediately preceding state fiscal year. The application  
19 shall include ~~a comprehensive needs assessment using aggregated~~  
20 ~~data from the applicant's entire service area and a community~~  
21 ~~collaboration plan that is endorsed by the local great start~~  
22 ~~collaborative and is part of the community's great start strategic~~  
23 ~~plan that includes, but is not limited to, great start readiness~~  
24 ~~program and head start providers, and shall identify all of the~~  
25 following:

26 (a) ~~The~~ **FOR 2017-2018 CALCULATIONS, THE** estimated total number  
27 of children in the community who meet the criteria of section 32d,

1 ~~and how that calculation was made.~~ **AS PROVIDED TO THE APPLICANT BY**  
2 **THE DEPARTMENT UTILIZING THE MOST RECENT POPULATION DATA AVAILABLE**  
3 **FROM THE AMERICAN COMMUNITY SURVEY CONDUCTED BY THE UNITED STATES**  
4 **CENSUS BUREAU. BEGINNING IN 2018-2019, THE DEPARTMENT SHALL ENSURE**  
5 **THAT IT PROVIDES UPDATED AMERICAN COMMUNITY SURVEY POPULATION DATA**  
6 **AT LEAST ONCE EVERY 3 YEARS.**

7 (b) The estimated number of children in the community who meet  
8 the criteria of section 32d and are being served ~~by other early~~  
9 ~~childhood development programs operating in the community, and how~~  
10 ~~that calculation was made.~~ **EXCLUSIVELY BY HEAD START PROGRAMS**  
11 **OPERATING IN THE COMMUNITY.**

12 (c) The number of slots ~~CHILDREN WHOM~~ the applicant ~~will be~~  
13 ~~able to fill with children~~ **HAS THE CAPACITY TO SERVE** who meet the  
14 criteria of section 32d including a verification of physical  
15 facility and staff resources capacity.

16 ~~— (d) The estimated number of slots that will remain unfilled~~  
17 ~~and children who meet the criteria of section 32d who will remain~~  
18 ~~unserved after the applicant and community early childhood programs~~  
19 ~~have met their funded enrollments. The applicant shall maintain a~~  
20 ~~waiting list of identified unserved eligible children who would be~~  
21 ~~served when openings are available.~~

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

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

~~(3) (4) The initial allocation for each fiscal year to each eligible applicant under section 32d shall be determined by multiplying the number of slots determined by the formula under subsection (3) or the number of slots the applicant indicates it will be able to fill under subsection (1)(c), whichever is less, by \$3,625.00 and shall be distributed among applicants in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of slots an applicant indicates it will be able to fill under subsection (1)(c) includes children able to be served in a school-day program, then the number of slots for a school-day program shall be doubled for the purposes of making this calculation. A district may contract with a head start agency to serve children enrolled in head start with a school-day program by blending head start funds with a part-day~~



~~great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.~~ **THE LESSER OF THE FOLLOWING:**

**(A) THE SUM OF THE NUMBER OF CHILDREN SERVED IN A SCHOOL-DAY PROGRAM IN THE PRECEDING SCHOOL YEAR MULTIPLIED BY \$7,250.00 AND THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD START BLENDED PROGRAM OR A PART-DAY PROGRAM IN THE PRECEDING SCHOOL YEAR MULTIPLIED BY \$3,625.00.**

**(B) THE SUM OF THE NUMBER OF CHILDREN THE APPLICANT HAS THE CAPACITY TO SERVE IN 2017-2018 IN A SCHOOL-DAY PROGRAM MULTIPLIED BY \$7,250.00 AND THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD START BLENDED PROGRAM OR A PART-DAY PROGRAM THE APPLICANT HAS THE CAPACITY TO SERVE IN 2017-2018 MULTIPLIED BY \$3,625.00.**

~~—— (5) If funds allocated for eligible applicants under section 32d remain after the initial allocation under subsection (4), the allocation under this subsection shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of slots in each district within the applicant's service area filled in the immediately preceding fiscal year or the number of slots the applicant indicates it will be able to fill under subsection (1)(c), whichever is less, minus the number of slots for which the applicant received funding in subsection (4) by \$3,625.00.~~

**(4)** ~~(6) If funds allocated for eligible applicants under section 32d remain after the allocations under subsections (4) and~~

~~(5), remaining funds shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of slots the applicant indicates it will be able to fill under subsection (1)(c) exceeds the number of slots for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of slots the applicant indicates it will be able to fill under subsection (1)(c) less the number of slots for which funds have been received under subsections (4) and (5) by \$3,625.00 until the funds allocated for eligible applicants in section 32d are~~

**SUBSECTION (3), THE DEPARTMENT SHALL DISTRIBUTE THE REMAINING FUNDS TO EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS THAT SERVES LESS THAN THE STATE PERCENTAGE BENCHMARK DETERMINED UNDER SUBSECTION (5). THESE REMAINING FUNDS SHALL BE DISTRIBUTED TO EACH ELIGIBLE APPLICANT BASED UPON EACH APPLICANT'S PROPORTIONATE SHARE OF THE REMAINING UNSERVED CHILDREN NECESSARY TO MEET THE STATEWIDE PERCENTAGE BENCHMARK IN INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS SERVING LESS THAN THE STATE PERCENTAGE BENCHMARK. WHEN ALL APPLICANTS HAVE BEEN GIVEN THE OPPORTUNITY TO REACH THE STATEWIDE PERCENTAGE BENCHMARK, THE STATEWIDE PERCENTAGE BENCHMARK MAY BE RESET, AS DETERMINED BY THE DEPARTMENT, UNTIL GREATER EQUITY OF OPPORTUNITY TO SERVE ELIGIBLE CHILDREN ACROSS ALL INTERMEDIATE SCHOOL DISTRICTS HAS BEEN ACHIEVED.**

**(5) FOR THE PURPOSES OF SUBSECTION (4), FOR THE 2017-2018 PROGRAM YEAR, THE DEPARTMENT SHALL CALCULATE A PERCENTAGE OF**

1 CHILDREN SERVED BY EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF  
2 INTERMEDIATE DISTRICTS BY DIVIDING THE NUMBER OF CHILDREN SERVED IN  
3 THE IMMEDIATELY PRECEDING YEAR BY THAT INTERMEDIATE DISTRICT OR  
4 CONSORTIUM BY THE TOTAL NUMBER OF CHILDREN WITHIN THE INTERMEDIATE  
5 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS WHO MEET THE  
6 CRITERIA OF SECTION 32D AS DETERMINED BY THE DEPARTMENT UTILIZING  
7 THE MOST RECENT POPULATION DATA AVAILABLE FROM THE AMERICAN  
8 COMMUNITY SURVEY CONDUCTED BY THE UNITED STATES CENSUS BUREAU. THE  
9 DEPARTMENT SHALL COMPARE THE RESULTING PERCENTAGE OF ELIGIBLE  
10 CHILDREN SERVED TO A STATEWIDE PERCENTAGE BENCHMARK TO DETERMINE IF  
11 THE INTERMEDIATE DISTRICT OR CONSORTIUM IS ELIGIBLE FOR ADDITIONAL  
12 FUNDS UNDER SUBSECTION (4). FOR 2017-2018, THE STATEWIDE PERCENTAGE  
13 BENCHMARK IS 60%.

14 (6) ~~(7)~~—If, taking into account the total amount to be  
15 allocated to the applicant as calculated under this section, an  
16 applicant determines that it is able to include additional eligible  
17 children in the great start readiness program without additional  
18 funds under section 32d, the applicant may include additional  
19 eligible children but shall not receive additional funding under  
20 section 32d for those children.

21 (7) THE DEPARTMENT SHALL REVIEW THE PROGRAM COMPONENTS UNDER  
22 SECTION 32D AND UNDER THIS SECTION AT LEAST BIENNIALY. THE  
23 DEPARTMENT ALSO SHALL CONVENE A COMMITTEE OF INTERNAL AND EXTERNAL  
24 STAKEHOLDERS AT LEAST ONCE EVERY 5 YEARS TO ENSURE THAT THE FUNDING  
25 STRUCTURE UNDER THIS SECTION REFLECTS CURRENT SYSTEM NEEDS UNDER  
26 SECTION 32D.

27 (8) AS USED IN THIS SECTION, "SCHOOL-DAY PROGRAM", "GSRP/HEAD

1 **START BLENDED PROGRAM", AND "PART-DAY PROGRAM" MEAN THOSE TERMS AS**  
 2 **DEFINED IN SECTION 32D.**

3       Sec. 39a. (1) From the federal funds appropriated in section  
 4 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-**  
 5 **2018** to districts, intermediate districts, and other eligible  
 6 entities all available federal funding, estimated at  
 7 ~~\$821,939,900.00~~ **\$744,039,900.00 FOR 2016-2017 AND \$731,600,000.00**  
 8 **FOR 2017-2018** for the federal programs under the no child left  
 9 behind act of 2001, Public Law 107-110, or the every student  
 10 succeeds act, Public Law 114-95. These funds are allocated as  
 11 follows:

12       (a) An amount estimated at ~~\$2,000,000.00~~ **\$1,200,000.00 EACH**  
 13 **FISCAL YEAR** to provide students with drug- and violence-prevention  
 14 programs and to implement strategies to improve school safety,  
 15 funded from DED-OESE, drug-free schools and communities funds.

16       (b) An amount estimated at \$111,111,900.00 **FOR 2016-2017 AND**  
 17 **\$100,000,000.00 FOR 2017-2018** for the purpose of preparing,  
 18 training, and recruiting high-quality teachers and class size  
 19 reduction, funded from DED-OESE, improving teacher quality funds.

20       (c) An amount estimated at \$12,200,000.00 **FOR 2016-2017 AND**  
 21 **\$11,000,000.00 FOR 2017-2018** for programs to teach English to  
 22 limited English proficient (LEP) children, funded from DED-OESE,  
 23 language acquisition state grant funds.

24       (d) An amount estimated at \$250,000.00 **FOR 2016-2017 ONLY** for  
 25 the Michigan charter school subgrant program, funded from DED-OESE,  
 26 charter school funds.

27       (e) An amount estimated at \$3,000,000.00 **FOR 2016-2017 AND**

1    **\$2,800,000.00 FOR 2017-2018** for rural and low income schools,  
 2    funded from DED-OESE, rural and low income school funds.

3            (f) An amount estimated at ~~\$565,000,000.00~~ **\$535,000,000.00**  
 4    **EACH FISCAL YEAR** to provide supplemental programs to enable  
 5    educationally disadvantaged children to meet challenging academic  
 6    standards, funded from DED-OESE, title I, disadvantaged children  
 7    funds.

8            (g) An amount estimated at \$8,878,000.00 **FOR 2016-2017 AND**  
 9    **\$9,200,000.00 FOR 2017-2018** for the purpose of identifying and  
 10   serving migrant children, funded from DED-OESE, title I, migrant  
 11   education funds.

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

17           (i) An amount estimated at ~~\$24,600,000.00~~ **\$18,000,000.00 EACH**  
 18   **FISCAL YEAR** to help support local school improvement efforts,  
 19   funded from DED-OESE, title I, local school improvement grants.

20           (j) An amount estimated at ~~\$55,900,000.00~~ **\$15,400,000.00 EACH**  
 21   **FISCAL YEAR** to improve the academic achievement of students, funded  
 22   from DED-OESE, title IV, student support and academic enrichment  
 23   grants.

24           (2) From the federal funds appropriated in section 11, there  
 25   is allocated for 2016-2017 **AND FOR 2017-2018** to districts,  
 26   intermediate districts, and other eligible entities all available  
 27   federal funding, estimated at \$30,800,000.00 **FOR 2016-2017 AND**

1   **\$30,000,000.00 FOR 2017-2018** for the following programs that are  
2 funded by federal grants:

3       (a) An amount estimated at \$200,000.00 **FOR 2016-2017 AND**  
4 **\$100,000.00 FOR 2017-2018** for acquired immunodeficiency syndrome  
5 education grants, funded from HHS - Centers for Disease Control and  
6 Prevention, AIDS funding.

7       (b) An amount estimated at \$2,600,000.00 **FOR 2016-2017 AND**  
8 **\$1,900,000.00 FOR 2017-2018** to provide services to homeless  
9 children and youth, funded from DED-OVAE, homeless children and  
10 youth funds.

11       (c) An amount estimated at \$4,000,000.00 **EACH FISCAL YEAR** to  
12 provide mental health, substance abuse, or violence prevention  
13 services to students, funded from HHS-SAMHSA.

14       (d) An amount estimated at \$24,000,000.00 **EACH FISCAL YEAR** for  
15 providing career and technical education services to pupils, funded  
16 from DED-OVAE, basic grants to states.

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

21 Notwithstanding section 17b, payments of federal funds to  
22 districts, intermediate districts, and other eligible entities  
23 under this section shall be paid on a schedule determined by the  
24 department.

25       (4) For the purposes of applying for federal grants  
26 appropriated under this article, the department shall allow an  
27 intermediate district to submit a consortium application on behalf

1 of 2 or more districts with the agreement of those districts as  
2 appropriate according to federal rules and guidelines.

3 (5) For the purposes of funding federal title I grants under  
4 this article, in addition to any other federal grants for which a  
5 strict discipline academy is eligible, the department shall  
6 allocate to strict discipline academies out of title I, part A  
7 funds equal to what a strict discipline academy would have received  
8 if included and calculated under title I, part D, or what it would  
9 receive under the formula allocation under title I, part A,  
10 whichever is greater.

11 (6) As used in this section:

12 (a) "DED" means the United States Department of Education.

13 (b) "DED-OESE" means the DED Office of Elementary and  
14 Secondary Education.

15 (c) "DED-OVAE" means the DED Office of Vocational and Adult  
16 Education.

17 (d) "HHS" means the United States Department of Health and  
18 Human Services.

19 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental  
20 Health Services Administration.

21 Sec. 41. ~~(1) From the appropriation in section 11, there is~~  
22 ~~allocated an amount not to exceed \$1,200,000.00 for 2016-2017 to~~  
23 ~~applicant districts and intermediate districts offering programs of~~  
24 ~~instruction for pupils of limited English-speaking ability under~~  
25 ~~section 1153 of the revised school code, MCL 380.1153.~~  
26 ~~Reimbursement shall be on a per pupil basis and shall be based on~~  
27 ~~the number of pupils of limited English-speaking ability in~~

~~membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.~~ FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, THE DISTRICT OR PUBLIC SCHOOL ACADEMY MUST ADMINISTER TO ENGLISH LANGUAGE LEARNERS THE ENGLISH LANGUAGE PROFICIENCY ASSESSMENT KNOWN AS THE "WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS" OR THE "WIDA ALTERNATE ACCESS". FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$6,000,000.00 FOR 2017-2018 FOR PAYMENTS TO ELIGIBLE DISTRICTS AND ELIGIBLE PUBLIC SCHOOL ACADEMIES FOR SERVICES FOR ENGLISH LANGUAGE LEARNERS WHO HAVE BEEN ADMINISTERED THE WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS.

(2) FUNDING ALLOCATED UNDER THIS SECTION SHALL BE DISTRIBUTED TO ELIGIBLE DISTRICTS AND ELIGIBLE PUBLIC SCHOOL ACADEMIES BASED ON THE NUMBER OF FULL-TIME EQUIVALENT ENGLISH LANGUAGE LEARNERS AS FOLLOWS:

(A) \$620.00 PER FULL-TIME EQUIVALENT ENGLISH LANGUAGE LEARNER WHO HAS BEEN ASSESSED UNDER THE WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS OR THE WIDA ALTERNATE ACCESS WITH A WIDA ACCESS OR WIDA ALTERNATE ACCESS COMPOSITE SCORE BETWEEN 1.0 AND 1.9, OR LESS, AS APPLICABLE TO EACH ASSESSMENT.

(B) \$410.00 PER FULL-TIME EQUIVALENT ENGLISH LANGUAGE LEARNER WHO HAS BEEN ASSESSED UNDER THE WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS OR THE WIDA ALTERNATE ACCESS WITH A WIDA ACCESS OR WIDA ALTERNATE ACCESS COMPOSITE SCORE BETWEEN 2.0 AND 2.9, OR LESS, AS



1   APPLICABLE TO EACH ASSESSMENT.

2           (3) IF FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT TO  
3   FULLY FUND THE PAYMENTS AS PRESCRIBED UNDER SUBSECTION (2) ,  
4   PAYMENTS SHALL BE PRORATED ON AN EQUAL PERCENTAGE BASIS, WITH THE  
5   SAME PERCENTAGE PRORATION APPLIED TO BOTH FUNDING CATEGORIES.

6           (4) EACH DISTRICT OR PUBLIC SCHOOL ACADEMY RECEIVING FUNDS  
7   UNDER THIS SECTION SHALL SUBMIT TO THE DEPARTMENT BY JULY 15 OF  
8   EACH FISCAL YEAR A REPORT, NOT TO EXCEED 10 PAGES, ON THE USAGE BY  
9   THE DISTRICT OR PUBLIC SCHOOL ACADEMY OF FUNDS UNDER THIS SECTION,  
10   IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, WHICH SHALL  
11   INCLUDE A BRIEF DESCRIPTION OF EACH PROGRAM CONDUCTED OR SERVICES  
12   PERFORMED BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY USING FUNDS  
13   UNDER THIS SECTION AND THE AMOUNT OF FUNDS UNDER THIS SECTION  
14   ALLOCATED TO EACH OF THOSE PROGRAMS OR SERVICES. IF A DISTRICT OR  
15   PUBLIC SCHOOL ACADEMY DOES NOT COMPLY WITH THIS SECTION, THE  
16   DEPARTMENT SHALL WITHHOLD AN AMOUNT EQUAL TO THE AUGUST PAYMENT DUE  
17   UNDER THIS SECTION UNTIL THE DISTRICT OR PUBLIC SCHOOL ACADEMY  
18   COMPLIES WITH THIS SUBSECTION. IF THE DISTRICT OR PUBLIC SCHOOL  
19   ACADEMY DOES NOT COMPLY WITH THIS SECTION BY THE END OF THE STATE  
20   FISCAL YEAR, THE WITHHELD FUNDS SHALL BE FORFEITED TO THE SCHOOL  
21   AID FUND.

22           (5) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A DISTRICT  
23   OR PUBLIC SCHOOL ACADEMY SHALL ALLOW ACCESS FOR THE DEPARTMENT OR  
24   THE DEPARTMENT'S DESIGNEE TO AUDIT ALL RECORDS RELATED TO THE  
25   PROGRAM FOR WHICH IT RECEIVES THOSE FUNDS. THE DISTRICT OR PUBLIC  
26   SCHOOL ACADEMY SHALL REIMBURSE THIS STATE FOR ALL DISALLOWANCES  
27   FOUND IN THE AUDIT.

(6) BEGINNING JULY 1, 2020, AND EVERY 3 YEARS THEREAFTER, THE DEPARTMENT SHALL REVIEW THE PER-PUPIL DISTRIBUTION UNDER SUBSECTION (2), TO ENSURE THAT FUNDING LEVELS ARE APPROPRIATE AND MAKE RECOMMENDATIONS FOR ADJUSTMENTS TO THE MEMBERS OF THE SENATE AND HOUSE SUBCOMMITTEES ON K-12 SCHOOL AID APPROPRIATIONS.

Sec. 51a. (1) From the appropriation in section 11, there is allocated ~~an amount not to exceed \$945,246,100.00 for 2015-2016 and~~ an amount not to exceed ~~\$973,046,100.00~~ **\$941,946,100.00** for 2016-2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$956,246,100.00 FOR 2017-2018** from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00 each fiscal year for ~~2015-2016 and for 2016-2017~~ **AND FOR 2017-2018**, plus any carryover federal funds from previous year appropriations. **IN ADDITION, FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2017-2018 FOR THE PURPOSE OF SUBSECTION (16).** The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or

1 intermediate district may use money in general funds or special  
 2 education funds, not otherwise restricted, or contributions from  
 3 districts to intermediate districts, tuition payments, gifts and  
 4 contributions from individuals or other entities, or federal funds  
 5 that may be available for this purpose, as determined by the  
 6 intermediate district plan prepared pursuant to article 3 of the  
 7 revised school code, MCL 380.1701 to 380.1766. Notwithstanding  
 8 section 17b, payments of federal funds to districts, intermediate  
 9 districts, and other eligible entities under this section shall be  
 10 paid on a schedule determined by the department.

11 (2) From the funds allocated under subsection (1), there is  
 12 allocated the amount necessary, ~~estimated at \$263,500,000.00 for~~  
 13 ~~2015-2016 and estimated at \$271,600,000.00~~ **\$260,700,000.00** for  
 14 2016-2017 **AND ESTIMATED AT \$264,200,000.00 FOR 2017-2018**, for  
 15 payments toward reimbursing districts and intermediate districts  
 16 for 28.6138% of total approved costs of special education,  
 17 excluding costs reimbursed under section 53a, and 70.4165% of total  
 18 approved costs of special education transportation. Allocations  
 19 under this subsection shall be made as follows:

20 (a) The initial amount allocated to a district under this  
 21 subsection toward fulfilling the specified percentages shall be  
 22 calculated by multiplying the district's special education pupil  
 23 membership, excluding pupils described in subsection (11), times  
 24 the foundation allowance under section 20 of the pupil's district  
 25 of residence plus the amount of the district's per-pupil allocation  
 26 under section 20m, not to exceed the basic foundation allowance  
 27 under section 20 for the current fiscal year, or, for a special

1 education pupil in membership in a district that is a public school  
 2 academy, times an amount equal to the amount per membership pupil  
 3 calculated under section 20(6) or, for a pupil described in this  
 4 subsection who is counted in membership in the education  
 5 achievement system, times an amount equal to the amount per  
 6 membership pupil under section 20(7). For an intermediate district,  
 7 the amount allocated under this subdivision toward fulfilling the  
 8 specified percentages shall be an amount per special education  
 9 membership pupil, excluding pupils described in subsection (11),  
 10 and shall be calculated in the same manner as for a district, using  
 11 the foundation allowance under section 20 of the pupil's district  
 12 of residence, not to exceed the basic foundation allowance under  
 13 section 20 for the current fiscal year, and that district's per-  
 14 pupil allocation under section 20m.

15 (b) After the allocations under subdivision (a), districts and  
 16 intermediate districts for which the payments calculated under  
 17 subdivision (a) do not fulfill the specified percentages shall be  
 18 paid the amount necessary to achieve the specified percentages for  
 19 the district or intermediate district.

20 (3) From the funds allocated under subsection (1), ~~there is~~  
 21 ~~allocated for 2015-2016 an amount not to exceed \$1,000,000.00 and~~  
 22 there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018**  
 23 an amount not to exceed ~~\$1,100,000.00~~ **\$1,000,000.00** to make  
 24 payments to districts and intermediate districts under this  
 25 subsection. If the amount allocated to a district or intermediate  
 26 district for a fiscal year under subsection (2)(b) is less than the  
 27 sum of the amounts allocated to the district or intermediate

1 district for 1996-97 under sections 52 and 58, there is allocated  
2 to the district or intermediate district for the fiscal year an  
3 amount equal to that difference, adjusted by applying the same  
4 proration factor that was used in the distribution of funds under  
5 section 52 in 1996-97 as adjusted to the district's or intermediate  
6 district's necessary costs of special education used in  
7 calculations for the fiscal year. This adjustment is to reflect  
8 reductions in special education program operations or services  
9 between 1996-97 and subsequent fiscal years. Adjustments for  
10 reductions in special education program operations or services  
11 shall be made in a manner determined by the department and shall  
12 include adjustments for program or service shifts.

13 (4) If the department determines that the sum of the amounts  
14 allocated for a fiscal year to a district or intermediate district  
15 under subsection (2)(a) and (b) is not sufficient to fulfill the  
16 specified percentages in subsection (2), then the shortfall shall  
17 be paid to the district or intermediate district during the fiscal  
18 year beginning on the October 1 following the determination and  
19 payments under subsection (3) shall be adjusted as necessary. If  
20 the department determines that the sum of the amounts allocated for  
21 a fiscal year to a district or intermediate district under  
22 subsection (2)(a) and (b) exceeds the sum of the amount necessary  
23 to fulfill the specified percentages in subsection (2), then the  
24 department shall deduct the amount of the excess from the  
25 district's or intermediate district's payments under this article  
26 for the fiscal year beginning on the October 1 following the  
27 determination and payments under subsection (3) shall be adjusted

1 as necessary. However, if the amount allocated under subsection  
2 (2)(a) in itself exceeds the amount necessary to fulfill the  
3 specified percentages in subsection (2), there shall be no  
4 deduction under this subsection.

5 (5) State funds shall be allocated on a total approved cost  
6 basis. Federal funds shall be allocated under applicable federal  
7 requirements, except that an amount not to exceed \$3,500,000.00 may  
8 be allocated by the department each fiscal year ~~for 2015-2016 and~~  
9 for 2016-2017 **AND FOR 2017-2018** to districts, intermediate  
10 districts, or other eligible entities on a competitive grant basis  
11 for programs, equipment, and services that the department  
12 determines to be designed to benefit or improve special education  
13 on a statewide scale.

14 (6) From the amount allocated in subsection (1), there is  
15 allocated an amount not to exceed \$2,200,000.00 each fiscal year  
16 ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse 100%  
17 of the net increase in necessary costs incurred by a district or  
18 intermediate district in implementing the revisions in the  
19 administrative rules for special education that became effective on  
20 July 1, 1987. As used in this subsection, "net increase in  
21 necessary costs" means the necessary additional costs incurred  
22 solely because of new or revised requirements in the administrative  
23 rules minus cost savings permitted in implementing the revised  
24 rules. Net increase in necessary costs shall be determined in a  
25 manner specified by the department.

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

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

22           (b) Beginning with the 2004-2005 fiscal year, a district or  
23 intermediate district that employed special education support  
24 services staff to provide special education support services in  
25 2003-2004 or in a subsequent fiscal year and that in a fiscal year  
26 after 2003-2004 receives the same type of support services from  
27 another district or intermediate district shall report the cost of

1 those support services for special education reimbursement purposes  
2 under this article. This subdivision does not prohibit the transfer  
3 of special education classroom teachers and special education  
4 classroom aides if the pupils counted in membership associated with  
5 those special education classroom teachers and special education  
6 classroom aides are transferred and counted in membership in the  
7 other district or intermediate district in conjunction with the  
8 transfer of those teachers and aides.

9 (c) If the department determines before bookclosing for a  
10 fiscal year that the amounts allocated for that fiscal year under  
11 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56  
12 will exceed expenditures for that fiscal year under subsections  
13 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a  
14 district or intermediate district whose reimbursement for that  
15 fiscal year would otherwise be affected by subdivision (b),  
16 subdivision (b) does not apply to the calculation of the  
17 reimbursement for that district or intermediate district and  
18 reimbursement for that district or intermediate district shall be  
19 calculated in the same manner as it was for 2003-2004. If the  
20 amount of the excess allocations under subsections (2), (3), (6),  
21 and (11) and sections 53a, 54, and 56 is not sufficient to fully  
22 fund the calculation of reimbursement to those districts and  
23 intermediate districts under this subdivision, then the  
24 calculations and resulting reimbursement under this subdivision  
25 shall be prorated on an equal percentage basis. Beginning in 2015-  
26 2016, the amount of reimbursement under this subdivision for a  
27 fiscal year shall not exceed \$2,000,000.00 for any district or



1 intermediate district.

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

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

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

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

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

18 (11) From the funds allocated in subsection (1), there is  
19 allocated the amount necessary, estimated at ~~\$3,800,000.00 for~~  
20 ~~2015-2016 and estimated at \$3,700,000.00~~ **\$3,500,000.00** for 2016-  
21 2017, **AND ESTIMATED AT \$3,600,000.00 FOR 2017-2018**, to pay the  
22 foundation allowances for pupils described in this subsection. The  
23 allocation to a district under this subsection shall be calculated  
24 by multiplying the number of pupils described in this subsection  
25 who are counted in membership in the district times the sum of the  
26 foundation allowance under section 20 of the pupil's district of  
27 residence plus the amount of the district's per-pupil allocation

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

16 (a) Pupils described in section 53a.

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

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

24 (12) If it is determined that funds allocated under subsection  
25 (2) or (11) or under section 51c will not be expended, funds up to  
26 the amount necessary and available may be used to supplement the  
27 allocations under subsection (2) or (11) or under section 51c in

order to fully fund those allocations. After payments under subsections (2) and (11) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

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

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

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

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

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

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

(14) If a public school academy **THAT IS NOT A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551,** enrolls ~~pursuant to~~ **UNDER** this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the ~~provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has~~ **INTERMEDIATE DISTRICT IN WHICH THE PUBLIC SCHOOL ACADEMY IS LOCATED AND THE PUBLIC SCHOOL ACADEMY SHALL ENTER INTO a**

1 written agreement with the ~~district or intermediate~~ district in  
 2 which the pupil resides ~~or the public school academy~~ for the  
 3 purpose of providing the pupil with a free appropriate public  
 4 education, and the written agreement ~~includes~~ **SHALL INCLUDE** at  
 5 least an agreement on the responsibility for the payment of the  
 6 added costs of special education programs and services for the  
 7 pupil. **IF THE PUBLIC SCHOOL ACADEMY THAT ENROLLS THE PUPIL DOES NOT**  
 8 **ENTER INTO AN AGREEMENT UNDER THIS SUBSECTION, THE PUBLIC SCHOOL**  
 9 **ACADEMY SHALL NOT CHARGE THE PUPIL'S RESIDENT INTERMEDIATE DISTRICT**  
 10 **OR THE INTERMEDIATE DISTRICT IN WHICH THE PUBLIC SCHOOL ACADEMY IS**  
 11 **LOCATED THE ADDED COSTS OF SPECIAL EDUCATION PROGRAMS AND SERVICES**  
 12 **FOR THE PUPIL, AND THE PUBLIC SCHOOL ACADEMY IS NOT ELIGIBLE FOR**  
 13 **ANY PAYOUTS BASED ON THE FUNDING FORMULA OUTLINED IN THE RESIDENT**  
 14 **OR NONRESIDENT INTERMEDIATE DISTRICT'S PLAN. IF A PUPIL IS NOT**  
 15 **ENROLLED IN A PUBLIC SCHOOL ACADEMY UNDER THIS SUBSECTION, THE**  
 16 **PROVISION OF SPECIAL EDUCATION PROGRAMS AND SERVICES AND THE**  
 17 **PAYMENT OF THE ADDED COSTS OF SPECIAL EDUCATION PROGRAMS AND**  
 18 **SERVICES FOR A PUPIL DESCRIBED IN THIS SUBSECTION ARE THE**  
 19 **RESPONSIBILITY OF THE DISTRICT AND INTERMEDIATE DISTRICT IN WHICH**  
 20 **THE PUPIL RESIDES.**

21 ~~—— (15) Beginning in 2016-2017, a district, public school~~  
 22 ~~academy, or intermediate district that fails to comply with~~  
 23 ~~subsection (14) or with the requirements of federal regulations~~  
 24 ~~regarding the treatment of public school academics and public~~  
 25 ~~school academy pupils for the purposes of special education, 34 CFR~~  
 26 ~~300.209, forfeits from its total state aid an amount equal to 10%~~  
 27 ~~of its total state aid.~~

(15) FOR THE PURPOSE OF RECEIVING ITS FEDERAL ALLOCATION UNDER PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, AND IS IN COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL 380.553A, SHALL DIRECTLY RECEIVE THE FEDERAL ALLOCATION UNDER PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, FROM THE INTERMEDIATE DISTRICT IN WHICH THE CYBER SCHOOL IS LOCATED, AS THE SUBRECIPIENT. IF THE INTERMEDIATE DISTRICT DOES NOT DISTRIBUTE THE FUNDS DESCRIBED IN THIS SUBSECTION TO THE CYBER SCHOOL BY THE PART B APPLICATION DUE DATE OF JULY 1, THE DEPARTMENT MAY DISTRIBUTE THE FUNDS DESCRIBED IN THIS SUBSECTION DIRECTLY TO THE CYBER SCHOOL ACCORDING TO THE FORMULA PRESCRIBED IN 34 CFR 300.705 AND 34 CFR 300.816.

(16) FOR A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, AND IS IN COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL 380.553A, THAT ENROLLS A PUPIL UNDER THIS SECTION, THE INTERMEDIATE DISTRICT IN WHICH THE CYBER SCHOOL IS LOCATED SHALL ENSURE THAT THE CYBER SCHOOL COMPLIES WITH SECTIONS 1701A, 1703, 1704, 1751, 1752, 1756, AND 1757 OF THE REVISED SCHOOL CODE, MCL 380.1701A, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, AND 380.1757; APPLICABLE RULES; AND THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446. FROM THE GENERAL FUND APPROPRIATION UNDER SUBSECTION (1), THE DEPARTMENT SHALL PROVIDE APPROPRIATE ADMINISTRATIVE FUNDING TO THE INTERMEDIATE DISTRICT IN WHICH THAT CYBER SCHOOL IS LOCATED FOR THE PURPOSE OF ENSURING THAT COMPLIANCE.

(17) ~~(16)~~ For the purposes of this section, the department or the center shall only require a district or intermediate district to report information that is not already available from the financial information database maintained by the center.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, ~~Michigan supreme court docket no. 104458-104492, 456 MICH 175 (1997)~~, from the allocation under section 51a(1), there is allocated each fiscal year for ~~2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** the amount necessary, estimated at ~~\$624,800,000.00 for 2015-2016 and estimated at \$644,500,000.00~~ **\$624,600,000.00 for 2016-2017 AND \$635,300,000.00 FOR 2017-2018**, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018**, all available federal funding, estimated at ~~\$71,000,000.00,~~ **\$61,000,000.00 EACH FISCAL YEAR**, for special education programs and services that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible

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

3 (2) From the federal funds allocated under subsection (1), the  
4 following amounts are allocated **EACH FISCAL YEAR** for 2016-2017 **AND**  
5 **FOR 2017-2018:**

6 (a) An amount estimated at \$14,000,000.00 **EACH FISCAL YEAR** for  
7 handicapped infants and toddlers, funded from DED-OSERS,  
8 handicapped infants and toddlers funds.

9 (b) An amount estimated at \$12,000,000.00 **EACH FISCAL YEAR** for  
10 preschool grants (Public Law 94-142), funded from DED-OSERS,  
11 handicapped preschool incentive funds.

12 (c) An amount estimated at ~~\$45,000,000.00~~ **\$35,000,000.00 EACH**  
13 **FISCAL YEAR** for special education programs funded by DED-OSERS,  
14 handicapped program, individuals with disabilities act funds.

15 (3) As used in this section, "DED-OSERS" means the United  
16 States Department of Education Office of Special Education and  
17 Rehabilitative Services.

18 Sec. 53a. (1) For districts, reimbursement for pupils  
19 described in subsection (2) shall be 100% of the total approved  
20 costs of operating special education programs and services approved  
21 by the department and included in the intermediate district plan  
22 adopted pursuant to article 3 of the revised school code, MCL  
23 380.1701 to 380.1766, minus the district's foundation allowance  
24 calculated under section 20 and minus the district's per-pupil  
25 allocation under section 20m. For intermediate districts,  
26 reimbursement for pupils described in subsection (2) shall be  
27 calculated in the same manner as for a district, using the



1 foundation allowance under section 20 of the pupil's district of  
2 residence, not to exceed the basic foundation allowance under  
3 section 20 for the current fiscal year, and that district's per-  
4 pupil allocation under section 20m.

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

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

12 (b) Pupils who are residents of institutions operated by the  
13 department of health and human services.

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

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

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

25 (3) Only those costs that are clearly and directly  
26 attributable to educational programs for pupils described in  
27 subsection (2), and that would not have been incurred if the pupils

1 were not being educated in a district or intermediate district, are  
2 reimbursable under this section.

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

5 (5) Not more than \$10,500,000.00 of the allocation for ~~2016-~~  
6 ~~2017-2017-2018~~ in section 51a(1) shall be allocated under this  
7 section.

8 Sec. 54. Each intermediate district shall receive an amount  
9 per-pupil for each pupil in attendance at the Michigan schools for  
10 the deaf and blind. The amount shall be proportionate to the total  
11 instructional cost at each school. Not more than \$1,688,000.00 of  
12 the allocation for ~~2016-2017-2017-2018~~ in section 51a(1) shall be  
13 allocated under this section.

14 Sec. 54b. (1) From the general fund appropriation in section  
15 11, there is allocated an amount not to exceed ~~\$1,125,000.00 for~~  
16 ~~2016-2017 to begin~~ **\$1,600,000.00 FOR 2017-2018 TO CONTINUE THE**  
17 implementation of the recommendations of the special education  
18 reform task force published in January 2016.

19 (2) ~~From the allocation in subsection (1), there is allocated~~  
20 ~~for 2016-2017 an amount not to exceed \$625,000.00~~ **EXCEPT AS**  
21 **PROVIDED IN SUBSECTION (3), THE DEPARTMENT SHALL USE FUNDS**  
22 **ALLOCATED UNDER THIS SECTION** for the purpose of piloting statewide  
23 implementation of the Michigan Integrated Behavior and Learning  
24 Support Initiative (MiBLSI), a nationally recognized program that  
25 includes positive behavioral intervention and supports and provides  
26 a statewide structure to support local initiatives for an  
27 integrated behavior and reading program. With the assistance of the

1 intermediate districts involved in MiBLSI, the department shall  
2 identify ~~at least 3~~ **A NUMBER OF** intermediate districts to  
3 participate in the pilot **THAT IS SUFFICIENT** to ensure that MiBLSI  
4 can be implemented statewide with fidelity and sustainability. In  
5 addition, the department shall identify an intermediate district to  
6 act as a fiscal agent for these funds.

7 (3) ~~From the allocation in subsection (1), there is allocated~~  
8 ~~for 2016-2017 an amount not to exceed \$500,000.00~~ **IN ADDITION TO**  
9 **THE PURPOSE UNDER SUBSECTION (2), THE DEPARTMENT SHALL USE FUNDS**  
10 **ALLOCATED UNDER THIS SECTION** for the purpose of providing training  
11 to intermediate districts and districts related to the safe  
12 implementation of emergency restraints and seclusion. The  
13 department shall develop and implement a training program that is  
14 based on the state board's adopted standards and on any other  
15 legislation enacted by the legislature regarding the emergency use  
16 of seclusion and restraint.

17 Sec. 55. (1) From the money appropriated in section 11, there  
18 is allocated an amount not to exceed \$150,000.00 for ~~2016-2017~~  
19 **2017-2018** to Michigan State University, Department of Epidemiology,  
20 for a study of the Conductive Learning Center located at Aquinas  
21 College. This funding shall be used to develop and implement an  
22 evaluation of the effectiveness of conductive education for  
23 children with cerebral palsy. The evaluation shall be  
24 multidimensional and shall include a control group of children with  
25 cerebral palsy not enrolled in conductive education. It should  
26 include an assessment of the motor system itself as well as the  
27 impact of conductive education on each of the following:

1 (a) The acquisition of skills permitting complex motor  
2 functions.

3 (b) The performance of tasks essential to daily living.

4 (c) The attitudes and feelings of both children and parents.

5 (d) The long-term need for special education for children with  
6 cerebral palsy.

7 (2) This funding is for the ~~second of 2~~ **THIRD OF 3** years of  
8 funding for this purpose.

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

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

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

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

24 (2) From the allocation under section 51a(1), there is  
25 allocated an amount not to exceed \$37,758,100.00 each fiscal year  
26 ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse  
27 intermediate districts levying millages for special education

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

~~———— (3) Reimbursement for those millages levied in 2014-2015 shall be made in 2015-2016 at an amount per 2014-2015 membership pupil computed by subtracting from \$175,300.00 the 2014-2015 taxable value behind each membership pupil and multiplying the resulting difference by the 2014-2015 millage levied.~~

(3) ~~(4)~~ Reimbursement for those millages levied in 2015-2016 shall be made in 2016-2017 at an amount per 2015-2016 membership pupil computed by subtracting from ~~\$179,600.00~~ **\$180,900.00** the 2015-2016 taxable value behind each membership pupil and multiplying the resulting difference by the 2015-2016 millage levied.

**(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$183,200.00 THE 2016-2017 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL**

1 **FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE**  
2 **LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL**  
3 **123.1341 TO 123.1362.**

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

7 (6) The amount paid to a single intermediate district under  
8 this section shall not be less than 75% of the amount allocated to  
9 the intermediate district under this section for the immediately  
10 preceding fiscal year.

11 Sec. 61a. (1) From the appropriation in section 11, there is  
12 allocated an amount not to exceed \$36,611,300.00 for ~~2016-2017~~  
13 **2017-2018** to reimburse on an added cost basis districts, except for  
14 a district that served as the fiscal agent for a vocational  
15 education consortium in the 1993-94 school year and that has a  
16 foundation allowance as calculated under section 20 greater than  
17 the minimum foundation allowance under that section, and secondary  
18 area vocational-technical education centers for secondary-level  
19 career and technical education programs according to rules approved  
20 by the superintendent. Applications for participation in the  
21 programs shall be submitted in the form prescribed by the  
22 department. The department shall determine the added cost for each  
23 career and technical education program area. The allocation of  
24 added cost funds shall be prioritized based on the capital and  
25 program expenditures needed to operate the career and technical  
26 education programs provided; the number of pupils enrolled; the  
27 advancement of pupils through the instructional program; the

1 existence of an articulation agreement with at least 1  
2 postsecondary institution that provides pupils with opportunities  
3 to earn postsecondary credit during the pupil's participation in  
4 the career and technical education program and transfers those  
5 credits to the postsecondary institution upon completion of the  
6 career and technical education program; and the program rank in  
7 student placement, job openings, and wages, and shall not exceed  
8 75% of the added cost of any program. Notwithstanding any rule or  
9 department determination to the contrary, when determining a  
10 district's allocation or the formula for making allocations under  
11 this section, the department shall include the participation of  
12 pupils in grade 9 in all of those determinations and in all  
13 portions of the formula. With the approval of the department, the  
14 board of a district maintaining a secondary career and technical  
15 education program may offer the program for the period from the  
16 close of the school year until September 1. The program shall use  
17 existing facilities and shall be operated as prescribed by rules  
18 promulgated by the superintendent.

19 (2) Except for a district that served as the fiscal agent for  
20 a vocational education consortium in the 1993-94 school year,  
21 districts and intermediate districts shall be reimbursed for local  
22 career and technical education administration, shared time career  
23 and technical education administration, and career education  
24 planning district career and technical education administration.  
25 The definition of what constitutes administration and reimbursement  
26 shall be pursuant to guidelines adopted by the superintendent. Not  
27 more than \$800,000.00 of the allocation in subsection (1) shall be

1 distributed under this subsection.

2 (3) A career and technical education program funded under this  
3 section may provide an opportunity for participants who are  
4 eligible to be funded under section 107 to enroll in the career and  
5 technical education program funded under this section if the  
6 participation does not occur during regular school hours.

7 (4) In addition to the money allocated under subsection (1),  
8 from the general fund money appropriated in section 11, there is  
9 allocated for ~~2016-2017~~**-2017-2018** an amount not to exceed  
10 \$79,000.00 to an eligible Michigan-approved 501(c)(3) organization  
11 for the purposes of teaching or training restaurant management and  
12 culinary arts for career and professional development. The  
13 department shall oversee funds distributed to an eligible grantee  
14 under this section. As used in this subsection, "eligible Michigan-  
15 approved 501(c)(3) organization" means an organization that is  
16 exempt from taxation under section 501(c)(3) of the internal  
17 revenue code of 1986, 26 USC 501, that provides the ProStart  
18 curriculum and training to state-approved career and technical  
19 education programs with classification of instructional programs  
20 (CIP) codes in the 12.05xx category, and that administers national  
21 certification for the purpose of restaurant management and culinary  
22 arts for career and professional development.

23 **(5) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),**  
24 **FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN**  
25 **AMOUNT NOT TO EXCEED \$1,000,000.00 FOR COMPETITIVE GRANTS TO**  
26 **INTERMEDIATE DISTRICTS TO HIRE CAREER AND TECHNICAL EDUCATION**  
27 **COUNSELORS. ALL OF THE FOLLOWING APPLY TO THIS FUNDING:**



1 (A) AN INTERMEDIATE DISTRICT SEEKING A GRANT UNDER THIS  
2 SUBSECTION SHALL APPLY TO THE DEPARTMENT IN A FORM AND MANNER  
3 SPECIFIED BY THE DEPARTMENT.

4 (B) THE DEPARTMENT SHALL AWARD GRANTS UNDER THIS SUBSECTION ON  
5 A COMPETITIVE BASIS TO NO MORE THAN 3 INTERMEDIATE DISTRICTS BUT  
6 SHALL GIVE PRIORITY TO THE INTERMEDIATE DISTRICT THAT HAS THE  
7 GREATEST NUMBER OF PUPILS ENROLLED IN ITS CONSTITUENT DISTRICTS AND  
8 SHALL ENSURE THAT GRANTS ARE EQUITABLY DISTRIBUTED TO THE VARIOUS  
9 GEOGRAPHIC AREAS OF THIS STATE AND TO URBAN AND RURAL AREAS.

10 (C) TO BE ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, AN  
11 INTERMEDIATE DISTRICT SHALL DO ALL OF THE FOLLOWING:

12 (i) CATALOG ALL AVAILABLE K-12 AND OTHER WORKFORCE DEVELOPMENT  
13 PROGRAMS AND SERVICES, INCLUDING JOB SEARCH, JOB TRAINING, PRE-  
14 EMPLOYMENT CERTIFICATIONS, CAREER AWARENESS PROGRAMS, CAREER AND  
15 TECHNICAL EDUCATION PROGRAMS, AND OTHER RELATED PROGRAMS AND  
16 SERVICES OFFERED BY DISTRICTS OR INTERMEDIATE DISTRICTS,  
17 POSTSECONDARY INSTITUTIONS, AND OTHER PRIVATE OR PUBLIC SERVICE  
18 ORGANIZATIONS.

19 (ii) DEVELOP AN OUTREACH PROGRAM THAT EDUCATES STUDENTS ABOUT  
20 CAREER AND TECHNICAL EDUCATION OPTIONS AND CONNECTS STUDENTS TO THE  
21 SERVICES CATALOGED UNDER SUBPARAGRAPH (i) .

22 (iii) TRACK STUDENT PLACEMENT AND REPORT ON STUDENT PLACEMENT  
23 TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID  
24 NO LATER THAN JUNE 30, 2018 IN THE FORM AND MANNER PRESCRIBED BY  
25 THE DEPARTMENT.

26 Sec. 61b. (1) From the appropriation in section 11, there is  
27 ~~allocated an amount not to exceed \$1,000,000.00 for 2015-2016 and~~

1 ~~there is allocated an amount not to exceed \$9,000,000.00~~  
2 **\$8,000,000.00 EACH FISCAL YEAR** for 2016-2017 **AND 2017-2018** for CTE  
3 early/middle college and CTE dual enrollment programs authorized  
4 under this section **AND FOR PLANNING GRANTS FOR THE DEVELOPMENT OR**  
5 **EXPANSION OF CTE EARLY/MIDDLE COLLEGE PROGRAMS.** The purpose of  
6 these programs is to increase the number of Michigan residents with  
7 high-quality degrees or credentials, and to increase the number of  
8 students who are college and career ready upon high school  
9 graduation.

10 (2) From the funds allocated under subsection (1), an amount  
11 as determined under this subsection shall be allocated to each  
12 intermediate district serving as a fiscal agent for state-approved  
13 CTE early/middle college and CTE dual enrollment programs in each  
14 of the prosperity regions and subregions identified by the  
15 department. An intermediate district shall not use more than 5% of  
16 the funds allocated under this subsection for administrative costs  
17 for serving as the fiscal agent.

18 (3) To be an eligible fiscal agent, an intermediate district  
19 must agree to do all of the following in a form and manner  
20 determined by the department:

21 (a) Distribute funds to eligible CTE early/middle college and  
22 CTE dual enrollment programs in a prosperity region or subregion as  
23 described in this section.

24 (b) Collaborate with the talent district career council that  
25 is located in the prosperity region or subregion to develop a  
26 regional strategic plan under subsection (4) that aligns CTE  
27 programs and services into an efficient and effective delivery

1 system for high school students.

2 (c) Implement a regional process to rank career clusters in  
3 the prosperity region or subregion as described under subsection  
4 (4). Regional processes shall be approved by the department before  
5 the ranking of career clusters.

6 (d) Report CTE early/middle college and CTE dual enrollment  
7 program and student data and information as prescribed by the  
8 department.

9 (4) A regional strategic plan must be approved by the talent  
10 district career council before submission to the department. A  
11 regional strategic plan shall include, but not be limited to, the  
12 following:

13 (a) An identification of regional employer need based on a  
14 ranking of all career clusters in the prosperity region or  
15 subregion ranked by 10-year job openings projections and median  
16 wage for each standard occupational code in each career cluster as  
17 obtained from the United States Bureau of Labor Statistics.  
18 Standard occupational codes within high-ranking clusters also may  
19 be further ranked by median wage. The rankings shall be reviewed by  
20 the talent district career council located in the prosperity region  
21 or subregion and modified if necessary to accurately reflect  
22 employer demand for talent in the prosperity region or subregion. A  
23 talent district career council shall document that it has conducted  
24 this review and certify that it is accurate. These career cluster  
25 rankings shall be determined and updated once every 4 years.

26 (b) An identification of educational entities in the  
27 prosperity region or subregion that will provide eligible CTE

1 early/middle college and CTE dual enrollment programs including  
2 districts, intermediate districts, postsecondary institutions, and  
3 noncredit occupational training programs leading to an industry-  
4 recognized credential.

5 (c) A strategy to inform parents and students of CTE  
6 early/middle college and CTE dual enrollment programs in the  
7 prosperity region or subregion.

8 (d) Any other requirements as defined by the department.

9 (5) An eligible CTE program is a program that meets all of the  
10 following:

11 (a) Has been identified in the highest 5 career cluster  
12 rankings in any of the 10 regional strategic plans jointly approved  
13 by the Michigan talent investment agency in the department of  
14 talent and economic development and the department.

15 (b) Has a coherent sequence of courses that will allow a  
16 student to earn a high school diploma and achieve at least 1 of the  
17 following in a specific career cluster:

18 (i) An associate degree.

19 (ii) An industry-recognized technical certification approved  
20 by the Michigan talent investment agency in the department of  
21 talent and economic development.

22 (iii) Up to 60 transferable college credits.

23 (iv) Participation in a registered apprenticeship.

24 (c) Is aligned with the Michigan merit curriculum.

25 (d) Has an articulation agreement with at least 1  
26 postsecondary institution that provides students with opportunities  
27 to receive postsecondary credits during the student's participation

1 in the CTE early/middle college or CTE dual enrollment program and  
 2 transfers those credits to the postsecondary institution upon  
 3 completion of the CTE early/middle college or CTE dual enrollment  
 4 program.

5 (e) Provides instruction that is supervised, directed, or  
 6 coordinated by an appropriately certificated CTE teacher or, for  
 7 concurrent enrollment courses, a postsecondary faculty member.

8 (f) Provides for highly integrated student support services  
 9 that include at least the following:

10 (i) Teachers as academic advisors.

11 (ii) Supervised course selection.

12 (iii) Monitoring of student progress and completion.

13 (iv) Career planning services provided by a local one-stop  
 14 service center as described in the Michigan works one-stop service  
 15 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a  
 16 high school counselor or advisor.

17 (g) Has courses that are taught on a college campus, are  
 18 college courses offered at the high school and taught by college  
 19 faculty, or are courses taught in combination with online  
 20 instruction.

21 (6) Funds to eligible CTE early/middle college and CTE dual  
 22 enrollment programs shall be distributed as follows:

23 (a) The department shall ~~calculate~~ **DETERMINE** statewide average  
 24 CTE costs per pupil for each CIP code program by ~~dividing total~~  
 25 ~~prior year~~ **CALCULATING** statewide **AVERAGE** costs for each CIP code  
 26 program by ~~prior year pupils for each CIP code program~~. **FOR THE 3**  
 27 **MOST RECENT FISCAL YEARS.**

1 (b) Distribution to each eligible CTE early/middle college or  
2 CTE dual enrollment program shall be the product of 50% of CTE  
3 costs per pupil times the current year pupil enrollment of each  
4 eligible CTE early/middle college or CTE dual enrollment program.

5 (7) In order to receive funds under this section, a CTE  
6 early/middle college or CTE dual enrollment program shall furnish  
7 to the intermediate district that is the fiscal agent identified in  
8 subsection (1), in a form and manner determined by the department,  
9 all information needed to administer this program and meet federal  
10 reporting requirements; shall allow the department or the  
11 department's designee to review all records related to the program  
12 for which it receives funds; and shall reimburse the state for all  
13 disallowances found in the review, as determined by the department.

14 (8) There is allocated from the funds under subsection (1) an  
15 amount not to exceed \$500,000.00 ~~each fiscal year for 2015-2016 and~~  
16 ~~for 2016-2017~~ **FOR 2017-2018** for grants to intermediate districts or  
17 consortia of intermediate districts for the purpose of planning for  
18 new or expanded early middle college programs. Applications for  
19 grants shall be submitted in a form and manner determined by the  
20 department. The amount of a grant under this subsection shall not  
21 exceed \$50,000.00. To be eligible for a grant under this  
22 subsection, an intermediate district or consortia of intermediate  
23 districts must provide matching funds equal to the grant received  
24 under this subsection. Notwithstanding section 17b, payments under  
25 this subsection may be made as determined by the department.

26 (9) Funds distributed under this section may be used to fund  
27 program expenditures that would otherwise be paid from foundation

allowances. A program receiving funding under section 61a may receive funding under this section for allowable costs that exceed the reimbursement the program received under section 61a. The combined payments received by a program under section 61a and this section shall not exceed the total allowable costs of the program. A program provider shall not use more than 5% of the funds allocated under this section to the program for administrative costs.

(10) If the allocation under subsection (1) is insufficient to fully fund payments as otherwise calculated under this section, the department shall prorate payments under this section on an equal percentage basis.

(11) If pupils enrolled in a career cluster in an eligible CTE early/middle college or CTE dual enrollment program qualify to be reimbursed under this section, those pupils continue to qualify for reimbursement until graduation, even if the career cluster is no longer identified as being in the highest 5 career cluster rankings.

~~(12) It is the intent of the legislature to provide funds in 2017-2018 to reimburse districts with early/middle college programs for the added costs of providing both a high school diploma and an associate's degree, industry-recognized certification, up to 60 transferable college credits, or participation in a registered apprenticeship in less than 5 years.~~

**(12)** ~~(13)~~ As used in this section:

(a) "Allowable costs" means those costs directly attributable to the program as jointly determined by the Michigan talent

1 investment agency and the department.

2 (b) "CIP" means classification of instructional programs.

3 (c) "CTE" means career and technical education programs.

4 (d) "CTE dual enrollment program" means a 4-year high school  
5 program of postsecondary courses offered by eligible postsecondary  
6 educational institutions that leads to an industry-recognized  
7 certification or degree.

8 (e) "Early/middle college program" means a 5-year high school  
9 program.

10 (f) "Eligible postsecondary educational institution" means  
11 that term as defined in section 3 of the career and technical  
12 preparation act, 2000 PA 258, MCL 388.1903.

13 (g) "Talent district career council" means an advisory council  
14 to the local workforce development boards located in a prosperity  
15 region consisting of educational, employer, labor, and parent  
16 representatives.

17 Sec. 61c. (1) From the general fund appropriation in section  
18 11, there is allocated for ~~2016-2017~~**2017-2018** an amount not to  
19 exceed ~~\$3,000,000.00~~**\$7,000,000.00** to career education planning  
20 districts for the CTE skilled trades initiative under this section.

21 (2) To be eligible to receive funding under this section, each  
22 CEPD shall apply in a form and manner determined by the department.  
23 Funding to each CEPD shall be equal to the quotient of the  
24 allocation under subsection (1) and the sum of the number of career  
25 education planning districts applying for funding under this  
26 section.

27 (3) The funding allocated to each CEPD shall be used to update



1 equipment in current CTE programs that ~~are supporting and driving~~  
2 ~~economic development in their individual communities, or HAVE BEEN~~  
3 **IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER RANKINGS IN ANY OF THE**  
4 **10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED BY THE MICHIGAN TALENT**  
5 **INVESTMENT AGENCY IN THE DEPARTMENT OF TALENT AND ECONOMIC**  
6 **DEVELOPMENT AND THE DEPARTMENT, FOR TRAINING ON NEW EQUIPMENT, FOR**  
7 **PROFESSIONAL DEVELOPMENT RELATING TO COMPUTER SCIENCE OR CODING, OR**  
8 for new and emerging certified CTE programs to allow CEPD  
9 administrators to provide programming in communities that will  
10 enhance economic development. The funding for equipment should be  
11 used to support and enhance community areas that have sustained job  
12 growth, and act as a commitment to build a more qualified and  
13 skilled workforce. **IN ADDITION, EACH CEPD IS ENCOURAGED TO EXPLORE**  
14 **THE OPTION OF LEASING EQUIPMENT FROM LOCAL PRIVATE INDUSTRY TO**  
15 **ENCOURAGE THE USE OF THE MOST ADVANCED EQUIPMENT.**

16 (4) The allocation of funds at the local level shall be  
17 determined by CEPD administrators using data from the state,  
18 region, and local sources to make well-informed decisions on  
19 program equipment improvements. Grants awarded by CEPD  
20 administrators for capital infrastructure shall be used to ensure  
21 that CTE programs can deliver educational programs in high-wage,  
22 high-skill, and high-demand occupations. Each CEPD shall continue  
23 to ensure that program advisory boards make recommendations on  
24 needed improvements for equipment that support job growth and job  
25 skill development and retention for both the present and the  
26 future.

27 (5) Not later than September 15 of each fiscal year, each CEPD

1 receiving funding under this section shall annually report to the  
 2 department, the senate and house appropriations subcommittees on  
 3 state school aid, and the senate and house fiscal agencies and  
 4 legislature on equipment purchased under this section. In addition,  
 5 the report shall identify growth data on program involvement,  
 6 retention, and development of student skills.

7 ~~(6) In addition to the funds allocated~~ **FROM THE ALLOCATION**  
 8 under subsection (1), ~~from the funds appropriated under section 11,~~  
 9 there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed  
 10 ~~\$200,000.00~~ **\$300,000.00** to a district with fewer than 1,200 pupils  
 11 ~~in membership to support a~~ **DISTRICTS FOR A COMPETITIVE GRANT TO**  
 12 mechatronics program ~~PROGRAMS~~ that operated in ~~2015-2016~~ **2016-2017**  
 13 for updating mechatronics program equipment. ~~To be eligible to~~  
 14 ~~receive a grant under this subsection, a program shall be a~~  
 15 ~~flexible learning program that offered in 2015-2016 both classroom~~  
 16 ~~and hands-on training in mechatronics in at least 2 sites.~~

17 (7) As used in this section, "CEPD" means a career education  
 18 planning district described in this section.

19 Sec. 62. (1) For the purposes of this section:

20 (a) "Membership" means for a particular fiscal year the total  
 21 membership for the immediately preceding fiscal year of the  
 22 intermediate district and the districts constituent to the  
 23 intermediate district or the total membership for the immediately  
 24 preceding fiscal year of the area vocational-technical program.

25 (b) "Millage levied" means the millage levied for area  
 26 vocational-technical education pursuant to sections 681 to 690 of  
 27 the revised school code, MCL 380.681 to 380.690, including a levy

1 for debt service obligations incurred as the result of borrowing  
2 for capital outlay projects and in meeting capital projects fund  
3 requirements of area vocational-technical education.

4 (c) "Taxable value" means the total taxable value of the  
5 districts constituent to an intermediate district or area  
6 vocational-technical education program, except that if a district  
7 has elected not to come under sections 681 to 690 of the revised  
8 school code, MCL 380.681 to 380.690, the membership and taxable  
9 value of that district shall not be included in the membership and  
10 taxable value of the intermediate district. However, the membership  
11 and taxable value of a district that has elected not to come under  
12 sections 681 to 690 of the revised school code, MCL 380.681 to  
13 380.690, shall be included in the membership and taxable value of  
14 the intermediate district if the district meets both of the  
15 following:

16 (i) The district operates the area vocational-technical  
17 education program pursuant to a contract with the intermediate  
18 district.

19 (ii) The district contributes an annual amount to the  
20 operation of the program that is commensurate with the revenue that  
21 would have been raised for operation of the program if millage were  
22 levied in the district for the program under sections 681 to 690 of  
23 the revised school code, MCL 380.681 to 380.690.

24 (2) From the appropriation in section 11, there is allocated  
25 an amount not to exceed \$9,190,000.00 each fiscal year for ~~2015-~~  
26 ~~2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse intermediate  
27 districts and area vocational-technical education programs

established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

~~(3) Reimbursement for the millages levied in 2014-2015 shall be made in 2015-2016 at an amount per 2014-2015 membership pupil computed by subtracting from \$192,200.00 the 2014-2015 taxable value behind each membership pupil and multiplying the resulting difference by the 2014-2015 millage levied.~~

(3) ~~(4)~~ Reimbursement for the millages levied in 2015-2016 shall be made in 2016-2017 at an amount per 2015-2016 membership pupil computed by subtracting from ~~\$196,300.00~~ **\$198,100.00** the 2015-2016 taxable value behind each membership pupil and multiplying the resulting difference by the 2015-2016 millage levied.

**(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$199,000.00 THE 2016-2017 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO 123.1362.**

1           (5) The amount paid to a single intermediate district under  
2 this section shall not exceed 38.4% of the total amount allocated  
3 under subsection (2).

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

8           Sec. 64b. (1) From the appropriation in section 11, there is  
9 allocated an amount not to exceed \$1,750,000.00 ~~each fiscal year~~  
10 ~~for 2015-2016 and for 2016-2017~~ **FOR 2017-2018** for supplemental  
11 payments to districts that support the attendance of district  
12 pupils in grades 9 to 12 under the postsecondary enrollment options  
13 act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and  
14 technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913,  
15 consistent with section 21b, or that support the attendance of  
16 district pupils in a concurrent enrollment program if the district  
17 meets the requirements under subsection (3). Programs funded under  
18 this section are intended to increase the number of pupils who are  
19 college- and career-ready upon high school graduation.

20           (2) To be eligible for payments under this section for  
21 supporting the attendance of district pupils under the  
22 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
23 388.524, or under the career and technical preparation act, 2000 PA  
24 258, MCL 388.1901 to 388.1913, a district shall do all of the  
25 following:

26           (a) Provide information to all high school pupils on  
27 postsecondary enrollment options, including enrollment eligibility,

1 the institutions and types of courses that are eligible for  
2 participation, the decision-making process for granting academic  
3 credit, and an explanation of eligible charges that will be paid by  
4 the district.

5 (b) Enter into a written agreement with a postsecondary  
6 institution before the enrollment of district pupils.

7 (c) Agree to pay all eligible charges pursuant to section 21b.

8 (d) Award high school credit for the postsecondary course if  
9 the pupil successfully completes the course.

10 (3) To be eligible for payments under this section for pupils  
11 enrolled in a concurrent enrollment program, a district shall do  
12 all of the following:

13 (a) Provide information to all high school pupils on  
14 postsecondary enrollment options, including enrollment eligibility,  
15 the institutions and types of courses that are eligible for  
16 participation, the decision-making process for granting academic  
17 credit, and an explanation of eligible charges that will be paid by  
18 the district.

19 (b) Enter into a written agreement with a postsecondary  
20 institution establishing the concurrent enrollment program before  
21 the enrollment of district pupils in a postsecondary course through  
22 the postsecondary institution.

23 (c) Ensure that the course is taught by either a high school  
24 teacher or postsecondary faculty pursuant to standards established  
25 by the postsecondary institution with which the district has  
26 entered into a written agreement to operate the concurrent  
27 enrollment program.

1 (d) Ensure that the written agreement provides that the  
2 postsecondary institution agrees not to charge the pupil for any  
3 cost of the program.

4 (e) Ensure that the course is taught in the local district or  
5 intermediate district.

6 (f) Ensure that the pupil is awarded both high school and  
7 college credit at a community college or state public university in  
8 this state upon successful completion of the course as outlined in  
9 the agreement with the postsecondary institution.

10 (4) Funds shall be awarded to eligible districts under this  
11 section in the following manner:

12 (a) A payment of \$10.00 per credit, for up to 3 credits, for a  
13 credit-bearing course in which a pupil enrolls during the ~~2015-2016~~  
14 ~~or 2016-2017~~ **CURRENT** school year, ~~as applicable,~~ as described under  
15 either subsection (2) or (3).

16 (b) An additional payment of \$30.00 per-pupil per course  
17 identified in subdivision (a), if the pupil successfully completes,  
18 and is awarded both high school and postsecondary credit for, the  
19 course during the ~~2015-2016 or 2016-2017~~ **CURRENT** school year. ~~as~~  
20 ~~applicable.~~

21 (5) A district requesting payment under this section shall  
22 submit an application to the department in the form and manner  
23 prescribed by the department. Notwithstanding section 17b, payments  
24 under this section shall be made on a schedule determined by the  
25 department.

26 **SEC. 64D. (1) FROM THE GENERAL FUND APPROPRIATION UNDER**  
27 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**

1 \$1,000,000.00 FOR 2017-2018 FOR A COMPETITIVE GRANT TO PROVIDE  
2 INFORMATION TECHNOLOGY EDUCATION OPPORTUNITIES TO STUDENTS  
3 ATTENDING SCHOOLS OPERATING GRADES K-12, CAREER AND TECHNICAL  
4 CENTERS AND CAREER ACADEMIES, AND COMMUNITY COLLEGES AND  
5 UNIVERSITIES. IT IS THE INTENT OF THE LEGISLATURE THAT 2017-2018 IS  
6 THE FIRST OF 3 YEARS OF FUNDING FOR THE COMPETITIVE GRANT PROGRAM.  
7 FUNDS ALLOCATED UNDER THIS SECTION SHALL BE USED FOR INSTRUCTION IN  
8 INFORMATION TECHNOLOGY SKILLS AND COMPETENCIES THAT ARE ESSENTIAL  
9 FOR THE WORKPLACE AND REQUESTED BY EMPLOYERS AND SHALL ALLOW  
10 PARTICIPATING STUDENTS AND FACULTIES TO SECURE BROAD-BASED  
11 INFORMATION TECHNOLOGY CERTIFICATIONS AND, IF APPLICABLE, COLLEGE  
12 CREDIT.

13 (2) THE DEPARTMENT SHALL SELECT A PROVIDER USING A COMPETITIVE  
14 REQUEST FOR PROPOSALS PROCESS. PROPOSALS SUBMITTED UNDER THIS  
15 SUBSECTION SHALL INCLUDE AT LEAST THE FOLLOWING COMPONENTS:

16 (A) RESEARCH- AND SKILL-DEVELOPMENT-BASED AND INFORMATION  
17 TECHNOLOGY CURRICULUM.

18 (B) ONLINE ACCESS TO THE CURRICULUM.

19 (C) INSTRUCTIONAL SOFTWARE FOR CLASSROOM AND STUDENT USE.

20 (D) A PROGRAM THAT INCLUDES CODING CURRICULUM AND MATERIAL  
21 THAT ARE ALIGNED TO THE CS AP EXAM AND GRANTS A CERTIFICATE UPON  
22 COMPLETION OF THE PROGRAM.

23 (E) COMPONENTS FOR ALL GRADE LEVELS ON COMPUTATIONAL THINKING  
24 SKILLS DEVELOPMENT USING THE LATEST GAMING SOFTWARE.

25 (F) A PROCESS FOR STUDENTS TO OBTAIN CERTIFICATIONS OF SKILLS  
26 AND COMPETENCIES IN A BROAD BASE OF INFORMATION TECHNOLOGY-RELATED  
27 SKILL AREAS.



1 (G) PROFESSIONAL DEVELOPMENT FOR FACULTY.

2 (H) IMPLEMENTATION AND PROGRAM SUPPORT, INCLUDING, BUT NOT  
3 LIMITED TO, INTEGRATION WITH CURRENT CURRICULUM STANDARDS.

4 (I) METHODS FOR STUDENTS TO EARN COLLEGE CREDIT.

5 (3) THE DEPARTMENT SHALL GIVE PRIORITY TO PROPOSALS BY  
6 PROVIDERS THAT HAVE PREVIOUSLY DEMONSTRATED SUCCESS IN THIS STATE  
7 IN PROVIDING HIGH-QUALITY INFORMATION TECHNOLOGY EDUCATION  
8 OPPORTUNITIES TO STUDENTS.

9 (4) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2017-2018 ARE A  
10 WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2017-2018  
11 ARE TO BE CARRIED FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK  
12 PROJECT IS TO CONTINUE TO PROVIDE INFORMATION TECHNOLOGY EDUCATION  
13 OPPORTUNITIES DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION  
14 DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2020.

15 Sec. 65. (1) From the general fund money appropriated under  
16 section 11, there is allocated an amount not to exceed \$340,000.00  
17 for ~~2016-2017~~ 2017-2018 for a pre-college engineering K-12  
18 educational program that is focused on the development of a diverse  
19 future Michigan workforce, that serves multiple communities within  
20 southeast Michigan, that enrolls pupils from multiple districts,  
21 and that received funds appropriated for this purpose in the  
22 appropriations act that provided the Michigan strategic fund budget  
23 for 2014-2015.

24 (2) To be eligible for funding under this section, a program  
25 must have the ability to expose pupils to, and motivate and prepare  
26 pupils for, science, technology, engineering, and mathematics  
27 careers and postsecondary education with special attention given to

1 groups of pupils who are at-risk and underrepresented in technical  
2 professions and careers.

3 Sec. 67. (1) From the general fund amount appropriated in  
4 section 11, there is allocated an amount not to exceed  
5 ~~\$3,050,000.00 for 2016-2017~~ **\$3,000,000.00 FOR 2017-2018** for college  
6 ~~and career preparation activities.~~ **ACCESS PROGRAMS.** The programs  
7 funded under this section are intended to inform students of  
8 college and career options and to provide ~~a wide array of tools and~~  
9 resources intended to increase the number of pupils who are  
10 adequately prepared with the information needed to make informed  
11 decisions on college and career. The funds appropriated under this  
12 section are intended to be used to increase the number of Michigan  
13 residents with high-quality degrees or credentials. Funds  
14 appropriated under this section shall not be used to supplant  
15 funding for counselors already funded by districts.

16 (2) ~~From the amount allocated in subsection (1), an amount not~~  
17 ~~to exceed \$3,000,000.00 shall be used for the college access~~  
18 ~~program.~~ The talent investment agency of the department of talent  
19 and economic development shall administer ~~these funds~~ **ALLOCATED**  
20 **UNDER THIS SECTION** in collaboration with the Michigan college  
21 access network. These funds may be used for any of the following  
22 purposes:

23 (a) Michigan college access network operations, programming,  
24 and services to local college access networks.

25 (b) Local college access networks, which are community-based  
26 college access/success partnerships committed to increasing the  
27 college participation and completion rates within geographically

1 defined communities through a coordinated strategy.

2 (c) The Michigan college advising program, a program intended  
3 to place trained, recently graduated college advisors in high  
4 schools that serve significant numbers of low-income and first-  
5 generation college-going pupils. State funds used for this purpose  
6 may not exceed 33% of the total funds available under this  
7 subsection.

8 (d) Subgrants of up to \$5,000.00 to districts with  
9 comprehensive high schools that establish a college access team and  
10 implement specific strategies to create a college-going culture in  
11 a high school in a form and manner approved by the Michigan college  
12 access network and the Michigan talent investment agency.

13 (e) The Michigan college access portal, an online one-stop  
14 portal to help pupils and families plan and apply for college.

15 (f) Public awareness and outreach campaigns to encourage low-  
16 income and first-generation college-going pupils to take necessary  
17 steps toward college and to assist pupils and families in  
18 completing a timely and accurate free application for federal  
19 student aid.

20 (g) Subgrants to postsecondary institutions to recruit, hire,  
21 and train college student mentors and college advisors to assist  
22 high school pupils in navigating the postsecondary planning and  
23 enrollment process.

24 ~~—— (3) From the amount allocated in subsection (1), an amount not~~  
25 ~~to exceed \$50,000.00 shall be used for an outreach program to~~  
26 ~~provide information to pupils, parents, and educators on dual~~  
27 ~~enrollment and other opportunities available to high school pupils~~

1 ~~to earn postsecondary credits, industry-recognized technical~~  
 2 ~~certifications, and participation in registered apprenticeships at~~  
 3 ~~no cost.~~

4 (3) ~~(4)~~ For the purposes of this section, "college" means any  
 5 postsecondary educational opportunity that leads to a career,  
 6 including, but not limited to, a postsecondary degree, industry-  
 7 recognized technical certification, or registered apprenticeship.

8 SEC. 67A. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN  
 9 SECTION 11, THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO  
 10 EXCEED \$1,000,000.00 TO EXPAND AN ELIGIBLE WEB-BASED CAREER  
 11 PREPARATION AND READINESS PLATFORM TO PROSPERITY REGIONS BEYOND  
 12 WHERE THE PLATFORM IS CURRENTLY BEING UTILIZED.

13 (2) IN ORDER TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, A  
 14 CAREER PREPARATION AND READINESS PLATFORM SHALL MEET ALL OF THE  
 15 FOLLOWING:

16 (A) HAS A PARTNERSHIP WITH INTERMEDIATE DISTRICTS, COMMUNITY  
 17 COLLEGES, WORKFORCE DEVELOPMENT AGENCIES, AND COMMUNITY EMPLOYERS.

18 (B) ASSESSES STUDENT SKILLS, ABILITIES, AND PREFERENCES TO  
 19 MATCH THEM WITH CAREERS OF INTEREST.

20 (C) ALLOWS STUDENTS TO EXPLORE CAREERS WITH ACCESS TO MORE  
 21 THAN 600 CAREER PROFILES, INCLUDING, BUT NOT LIMITED TO, CAREER  
 22 DESCRIPTIONS, EDUCATION AND TRAINING REQUIREMENTS, AND EARNING  
 23 INFORMATION.

24 (D) CONNECTS WITH LOCAL COMPANIES THROUGH COMPANY PROFILES  
 25 THAT INCLUDE, BUT ARE NOT LIMITED TO, DESCRIPTION, LOCATION, CAREER  
 26 OPPORTUNITIES, AND WORK-BASED LEARNING ACTIVITIES.

27 (E) ALLOWS STUDENTS TO EXPERIENCE CAREERS FIRSTHAND BY

1 SEARCHING FOR JOB SHADOWING, MOCK INTERVIEWS, COMPANY TOURS,  
2 COMPANY EVENTS, AND INTERNSHIP OPPORTUNITIES OFFERED BY EMPLOYERS  
3 IN A STUDENT'S AREA.

4 (F) PROVIDES STUDENTS WITH STEP-BY-STEP HELP TO DEVELOP A JOB  
5 SEARCH PLAN, WRITE A RESUME AND COVER LETTER, AND PREPARE FOR JOB  
6 INTERVIEWS.

7 (G) PROVIDES STUDENTS WITH AN UNDERSTANDING OF THE EDUCATION  
8 AND TRAINING REQUIRED FOR A PARTICULAR CAREER, A COMPARISON OF  
9 SCHOOL DATA AND PROFILES, AND ACCESS TO COLLEGE PREPARATION,  
10 SCHOLARSHIP, AND FINANCIAL AID INFORMATION.

11 (3) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION  
12 SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

13 Sec. 74. (1) From the amount appropriated in section 11, there  
14 is allocated an amount not to exceed ~~\$3,320,600.00 for 2016-2017~~  
15 **\$3,730,300.00 FOR 2017-2018** for the purposes of this section.

16 (2) From the allocation in subsection (1), there is allocated  
17 for each fiscal year the amount necessary for payments to state  
18 supported colleges or universities and intermediate districts  
19 providing school bus driver safety instruction pursuant to section  
20 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The  
21 payments shall be in an amount determined by the department not to  
22 exceed the actual cost of instruction and driver compensation for  
23 each public or nonpublic school bus driver attending a course of  
24 instruction. For the purpose of computing compensation, the hourly  
25 rate allowed each school bus driver shall not exceed the hourly  
26 rate received for driving a school bus. Reimbursement compensating  
27 the driver during the course of instruction shall be made by the

1 department to the college or university or intermediate district  
2 providing the course of instruction.

3 (3) From the allocation in subsection (1), there is allocated  
4 for ~~2016-2017~~**2017-2018** the amount necessary to pay the reasonable  
5 costs of nonspecial education auxiliary services transportation  
6 provided pursuant to section 1323 of the revised school code, MCL  
7 380.1323. Districts funded under this subsection shall not receive  
8 funding under any other section of this article for nonspecial  
9 education auxiliary services transportation.

10 (4) From the funds allocated in subsection (1), there is  
11 allocated an amount not to exceed ~~\$1,695,600.00 for 2016-2017~~  
12 **\$1,705,300.00 FOR 2017-2018** for reimbursement to districts and  
13 intermediate districts for costs associated with the inspection of  
14 school buses and pupil transportation vehicles by the department of  
15 state police as required under section 715a of the Michigan vehicle  
16 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil  
17 transportation act, 1990 PA 187, MCL 257.1839. The department of  
18 state police shall prepare a statement of costs attributable to  
19 each district for which bus inspections are provided and submit it  
20 to the department and to an intermediate district serving as  
21 fiduciary in a time and manner determined jointly by the department  
22 and the department of state police. Upon review and approval of the  
23 statement of cost, the department shall forward to the designated  
24 intermediate district serving as fiduciary the amount of the  
25 reimbursement on behalf of each district and intermediate district  
26 for costs detailed on the statement within 45 days after receipt of  
27 the statement. The designated intermediate district shall make

1 payment in the amount specified on the statement to the department  
 2 of state police within 45 days after receipt of the statement. The  
 3 total reimbursement of costs under this subsection shall not exceed  
 4 the amount allocated under this subsection. Notwithstanding section  
 5 17b, payments to eligible entities under this subsection shall be  
 6 paid on a schedule prescribed by the department.

7 Sec. 81. (1) From the appropriation in section 11, there is  
 8 allocated for ~~2016-2017~~ **2017-2018** to the intermediate districts the  
 9 sum necessary, but not to exceed \$67,108,000.00 to provide state  
 10 aid to intermediate districts under this section.

11 (2) ~~From the allocation in subsection (1), there is allocated~~  
 12 ~~for 2016-2017 an amount not to exceed \$67,108,000.00 for~~  
 13 ~~allocations~~ **THE AMOUNT ALLOCATED UNDER THIS SECTION** to each  
 14 intermediate district ~~in~~ **IS** an amount equal to 100% of the amount  
 15 allocated to the intermediate district under this ~~subsection for~~  
 16 ~~2015-2016.~~ **SECTION FOR 2016-2017.** Funding provided under this  
 17 section shall be used to comply with requirements of this article  
 18 and the revised school code that are applicable to intermediate  
 19 districts, and for which funding is not provided elsewhere in this  
 20 article, and to provide technical assistance to districts as  
 21 authorized by the intermediate school board.

22 (3) Intermediate districts receiving funds under ~~subsection~~  
 23 ~~(2)~~ **THIS SECTION**, shall collaborate with the department to develop  
 24 expanded professional development opportunities for teachers to  
 25 update and expand their knowledge and skills needed to support the  
 26 Michigan merit curriculum.

27 (4) From the allocation in subsection (1), there is allocated

1 to an intermediate district, formed by the consolidation or  
2 annexation of 2 or more intermediate districts or the attachment of  
3 a total intermediate district to another intermediate school  
4 district or the annexation of all of the constituent K-12 districts  
5 of a previously existing intermediate school district which has  
6 disorganized, an additional allotment of \$3,500.00 each fiscal year  
7 for each intermediate district included in the new intermediate  
8 district for 3 years following consolidation, annexation, or  
9 attachment.

10 (5) In order to receive funding under ~~subsection (2)~~, **THIS**  
11 **SECTION**, an intermediate district shall do all of the following:

12 (a) Demonstrate to the satisfaction of the department that the  
13 intermediate district employs at least 1 person who is trained in  
14 pupil accounting and auditing procedures, rules, and regulations.

15 (b) Demonstrate to the satisfaction of the department that the  
16 intermediate district employs at least 1 person who is trained in  
17 rules, regulations, and district reporting procedures for the  
18 individual-level student data that serves as the basis for the  
19 calculation of the district and high school graduation and dropout  
20 rates.

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

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

26 (e) Comply with section 1230g of the revised school code, MCL  
27 380.1230g.



1 (f) Comply with section 761 of the revised school code, MCL  
2 380.761.

3 Sec. 94. (1) From the general fund appropriation in section  
4 11, there is allocated to the department for ~~2016-2017~~**2017-2018** an  
5 amount not to exceed ~~\$250,000.00~~**\$750,000.00** for efforts to  
6 increase the number of pupils who participate and succeed in  
7 advanced placement and international baccalaureate programs.

8 (2) From the funds allocated under this section, the  
9 department shall award funds to cover all or part of the costs of  
10 advanced placement test fees or international baccalaureate test  
11 fees and international baccalaureate registration fees for low-  
12 income pupils who take an advanced placement or an international  
13 baccalaureate test. Payments shall not exceed \$20.00 per test  
14 completed or \$150.00 per international baccalaureate registration  
15 fees per pupil registered.

16 (3) The department shall only award funds under this section  
17 if the department determines that all of the following criteria are  
18 met:

19 (a) Each pupil for whom payment is made meets eligibility  
20 requirements of the federal advanced placement test fee program  
21 under section 1701 of the no child left behind act of 2001, Public  
22 Law 107-110, or under a corresponding provision of the every  
23 student succeeds act, Public Law 114-95.

24 (b) The tests are administered by the college board, the  
25 international baccalaureate organization, or another test provider  
26 approved by the department.

27 (c) The pupil for whom payment is made pays at least \$5.00

1 toward the cost of each test for which payment is made.

2 (4) The department shall establish procedures for awarding  
3 funds under this section.

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

6 Sec. 94a. (1) There is created within the state budget office  
7 in the department of technology, management, and budget the center  
8 for educational performance and information. The center shall do  
9 all of the following:

10 (a) Coordinate the collection of all data required by state  
11 and federal law from districts, intermediate districts, and  
12 postsecondary institutions.

13 (b) Create, maintain, and enhance this state's P-20  
14 longitudinal data system and ensure that it meets the requirements  
15 of subsection (4).

16 (c) Collect data in the most efficient manner possible in  
17 order to reduce the administrative burden on reporting entities,  
18 including, but not limited to, electronic transcript services.

19 (d) Create, maintain, and enhance this state's web-based  
20 educational portal to provide information to school leaders,  
21 teachers, researchers, and the public in compliance with all  
22 federal and state privacy laws. Data shall include, but are not  
23 limited to, all of the following:

24 (i) Data sets that link teachers to student information,  
25 allowing districts to assess individual teacher impact on student  
26 performance and consider student growth factors in teacher and  
27 principal evaluation systems.

1           (ii) Data access or, if practical, data sets, provided for  
2 regional data ~~warehouses~~**HUBS** that, in combination with local data,  
3 can improve teaching and learning in the classroom.

4           (iii) Research-ready data sets for researchers to perform  
5 research that advances this state's educational performance.

6           (e) Provide data in a useful manner to allow state and local  
7 policymakers to make informed policy decisions.

8           (f) Provide public reports to the citizens of this state to  
9 allow them to assess allocation of resources and the return on  
10 their investment in the education system of this state.

11          (g) Other functions as assigned by the state budget director.

12          (2) Each state department, officer, or agency that collects  
13 information from districts, intermediate districts, or  
14 postsecondary institutions as required under state or federal law  
15 shall make arrangements with the center to ensure that the state  
16 department, officer, or agency is in compliance with subsection  
17 (1). This subsection does not apply to information collected by the  
18 department of treasury under the uniform budgeting and accounting  
19 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal  
20 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond  
21 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to  
22 388.1939; or section 1351a of the revised school code, MCL  
23 380.1351a.

24          (3) The center may enter into any interlocal agreements  
25 necessary to fulfill its functions.

26          (4) The center shall ensure that the P-20 longitudinal data  
27 system required under subsection (1)(b) meets all of the following:

1 (a) Includes data at the individual student level from  
2 preschool through postsecondary education and into the workforce.

3 (b) Supports interoperability by using standard data  
4 structures, data formats, and data definitions to ensure linkage  
5 and connectivity in a manner that facilitates the exchange of data  
6 among agencies and institutions within the state and between  
7 states.

8 (c) Enables the matching of individual teacher and student  
9 records so that an individual student may be matched with those  
10 teachers providing instruction to that student.

11 (d) Enables the matching of individual teachers with  
12 information about their certification and the institutions that  
13 prepared and recommended those teachers for state certification.

14 (e) Enables data to be easily generated for continuous  
15 improvement and decision-making, including timely reporting to  
16 parents, teachers, and school leaders on student achievement.

17 (f) Ensures the reasonable quality, validity, and reliability  
18 of data contained in the system.

19 (g) Provides this state with the ability to meet federal and  
20 state reporting requirements.

21 (h) For data elements related to preschool through grade 12  
22 and postsecondary, meets all of the following:

23 (i) Contains a unique statewide student identifier that does  
24 not permit a student to be individually identified by users of the  
25 system, except as allowed by federal and state law.

26 (ii) Contains student-level enrollment, demographic, and  
27 program participation information.

1           (iii) Contains student-level information about the points at  
2       which students exit, transfer in, transfer out, drop out, or  
3       complete education programs.

4           (iv) Has the capacity to communicate with higher education  
5       data systems.

6           (i) For data elements related to preschool through grade 12  
7       only, meets all of the following:

8           (i) Contains yearly test records of individual students for  
9       assessments approved by DED-OESE for accountability purposes under  
10      section 1111(b) of the elementary and secondary education act of  
11      1965, 20 USC 6311, including information on individual students not  
12      tested, by grade and subject.

13          (ii) Contains student-level transcript information, including  
14      information on courses completed and grades earned.

15          (iii) Contains student-level college readiness test scores.

16          (j) For data elements related to postsecondary education only:

17          (i) Contains data that provide information regarding the  
18      extent to which individual students transition successfully from  
19      secondary school to postsecondary education, including, but not  
20      limited to, all of the following:

21           (A) Enrollment in remedial coursework.

22           (B) Completion of 1 year's worth of college credit applicable  
23      to a degree within 2 years of enrollment.

24          (ii) Contains data that provide other information determined  
25      necessary to address alignment and adequate preparation for success  
26      in postsecondary education.

27          (5) From the general fund appropriation in section 11, there

1 is allocated an amount not to exceed ~~\$12,173,200.00 for 2016-2017~~  
2 **\$12,216,000.00 FOR 2017-2018** to the department of technology,  
3 management, and budget to support the operations of the center. In  
4 addition, from the federal funds appropriated in section 11 there  
5 is allocated for ~~2016-2017~~**2017-2018** the amount necessary,  
6 estimated at \$193,500.00, to support the operations of the center  
7 and to establish a P-20 longitudinal data system necessary for  
8 state and federal reporting purposes. The center shall cooperate  
9 with the department to ensure that this state is in compliance with  
10 federal law and is maximizing opportunities for increased federal  
11 funding to improve education in this state.

12 (6) From the funds allocated in subsection (5), the center may  
13 use an amount determined by the center for competitive grants for  
14 ~~2016-2017~~**2017-2018** to support collaborative efforts on the P-20  
15 longitudinal data system. All of the following apply to grants  
16 awarded under this subsection:

17 (a) The center shall award competitive grants to eligible  
18 intermediate districts or a consortium of intermediate districts  
19 based on criteria established by the center.

20 (b) Activities funded under the grant shall support the P-20  
21 longitudinal data system portal and may include portal hosting,  
22 hardware and software acquisition, maintenance, enhancements, user  
23 support and related materials, and professional learning tools and  
24 activities aimed at improving the utility of the P-20 longitudinal  
25 data system.

26 (c) An applicant that received a grant under this subsection  
27 for the immediately preceding fiscal year shall receive priority

1 for funding under this section. However, after 3 fiscal years of  
2 continuous funding, an applicant is required to compete openly with  
3 new applicants.

4 (7) Funds allocated under this section that are not expended  
5 in the fiscal year in which they were allocated may be carried  
6 forward to a subsequent fiscal year and are appropriated for the  
7 purposes for which the funds were originally allocated.

8 (8) The center may bill departments as necessary in order to  
9 fulfill reporting requirements of state and federal law. The center  
10 may also enter into agreements to supply custom data, analysis, and  
11 reporting to other principal executive departments, state agencies,  
12 local units of government, and other individuals and organizations.  
13 The center may receive and expend funds in addition to those  
14 authorized in subsection (5) to cover the costs associated with  
15 salaries, benefits, supplies, materials, and equipment necessary to  
16 provide such data, analysis, and reporting services.

17 (9) As used in this section:

18 (a) "DED-OESE" means the United States Department of Education  
19 Office of Elementary and Secondary Education.

20 (b) "State education agency" means the department.

21 **SEC. 95B. (1) FROM THE GENERAL FUND APPROPRIATION UNDER**  
22 **SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO**  
23 **EXCEED \$2,500,000.00 FOR 2017-2018 FOR THE DEPARTMENT TO DEVELOP A**  
24 **MODEL VALUE-ADDED GROWTH AND PROJECTION ANALYTICS SYSTEM AND TO**  
25 **INCORPORATE THAT MODEL INTO ITS REPORTING REQUIREMENTS UNDER THE**  
26 **EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95. THE ADOPTED MODEL**  
27 **SHALL DO AT LEAST ALL OF THE FOLLOWING:**

1 (A) UTILIZE EXISTING ASSESSMENTS AND ANY FUTURE ASSESSMENTS  
2 THAT ARE SUITABLE FOR MEASURING STUDENT GROWTH.

3 (B) REPORT STUDENT GROWTH MEASURES AT THE DISTRICT, SCHOOL,  
4 TEACHER, AND SUBGROUP LEVELS.

5 (C) RECOGNIZE THE GROWTH OF TESTED STUDENTS, INCLUDING THOSE  
6 WHO MAY HAVE MISSING ASSESSMENT DATA.

7 (D) INCLUDE ALL AVAILABLE PRIOR STANDARDIZED ASSESSMENT DATA  
8 THAT MEET INCLUSION CRITERIA ACROSS GRADES, SUBJECTS, AND STATE AND  
9 LOCAL ASSESSMENTS.

10 (E) ALLOW STUDENT GROWTH RESULTS TO BE DISAGGREGATED.

11 (F) PROVIDE INDIVIDUAL STUDENT PROJECTIONS SHOWING THE  
12 PROBABILITY OF A STUDENT REACHING SPECIFIC PERFORMANCE LEVELS ON  
13 FUTURE ASSESSMENTS.

14 (G) DEMONSTRATE ANY PRIOR SUCCESS WITH THIS STATE'S  
15 ASSESSMENTS THROUGH THE MICHIGAN COUNCIL OF EDUCATOR EFFECTIVENESS  
16 TEACHER EVALUATION PILOT.

17 (2) THE DEPARTMENT SHALL PROVIDE INTERNET-BASED ELECTRONIC  
18 STUDENT GROWTH AND PROJECTION REPORTING BASED ON THE MODEL ADOPTED  
19 UNDER SUBSECTION (1) TO EDUCATORS AT THE SCHOOL, DISTRICT, AND  
20 STATE LEVELS. THE MODEL SHALL INCLUDE ROLE-BASED PERMISSIONS THAT  
21 ALLOW EDUCATORS TO ACCESS INFORMATION ABOUT THE PERFORMANCE OF THE  
22 STUDENTS WITHIN THEIR IMMEDIATE RESPONSIBILITY IN ACCORDANCE WITH  
23 APPLICABLE PRIVACY LAWS.

24 (3) THE MODEL ADOPTED UNDER SUBSECTION (1) MUST NOT BE A  
25 MANDATORY PART OF TEACHER EVALUATION OR EDUCATOR PAY-FOR-  
26 PERFORMANCE SYSTEMS.

27 Sec. 98. (1) From the general fund money appropriated in



1 section 11, there is allocated an amount not to exceed  
2 ~~\$7,387,500.00~~ **\$6,500,000.00** for ~~2016-2017~~ **2017-2018** for the  
3 purposes described in this section. The Michigan Virtual University  
4 shall provide a report to the legislature not later than November  
5 1, ~~2016~~ **2017** that includes its mission, its plans, and proposed  
6 benchmarks it must meet, which shall include a plan to achieve a  
7 50% increase in documented improvement in each requirement of the  
8 Michigan Virtual Learning Research Institute and Michigan Virtual  
9 School, and all other organizational priorities identified in this  
10 section, in order to receive full funding for ~~2017-2018~~ **2018-2019**.  
11 Not later than March 1, ~~2017~~ **2018**, the Michigan Virtual University  
12 shall provide an update to the house and senate appropriations  
13 subcommittees on school aid to show the progress being made to meet  
14 the benchmarks identified.

15 (2) The Michigan Virtual University shall operate the Michigan  
16 Virtual Learning Research Institute. The Michigan Virtual Learning  
17 Research Institute shall do all of the following:

18 (a) Support and accelerate innovation in education through the  
19 following activities:

20 (i) Test, evaluate, and recommend as appropriate new  
21 technology-based instructional tools and resources.

22 (ii) Research, design, and recommend virtual education  
23 delivery models for use by pupils and teachers that include age-  
24 appropriate multimedia instructional content.

25 (iii) Research, develop, and recommend annually to the  
26 department criteria by which cyber schools and virtual course  
27 providers should be monitored and evaluated to ensure a quality

1 education for their pupils.

2 (iv) Based on pupil completion and performance data reported  
3 to the department or the center for educational performance and  
4 information from cyber schools and other virtual course providers  
5 operating in this state, analyze the effectiveness of virtual  
6 learning delivery models in preparing pupils to be college- and  
7 career-ready and publish a report that highlights enrollment  
8 totals, completion rates, and the overall impact on pupils. The  
9 report shall be submitted to the house and senate appropriations  
10 subcommittees on state school aid, the state budget director, the  
11 house and senate fiscal agencies, the department, districts, and  
12 intermediate districts not later than March 31, ~~2017~~**2018**.

13 (v) ~~Before August 31, 2017, provide~~ **PROVIDE** an extensive  
14 professional development program to at least 30,000 educational  
15 personnel, including teachers, school administrators, and school  
16 board members, that focuses on the effective integration of virtual  
17 learning into curricula and instruction. The Michigan Virtual  
18 Learning Research Institute is encouraged to work with the MiSTEM  
19 advisory council created under section 99s to coordinate  
20 professional development of teachers in applicable fields. In  
21 addition, the Michigan Virtual Learning Research Institute and  
22 external stakeholders are encouraged to coordinate with the  
23 department for professional development in this state. Not later  
24 than December 1, ~~2017~~**2018**, the Michigan Virtual Learning Research  
25 Institute shall submit a report to the house and senate  
26 appropriations subcommittees on state school aid, the state budget  
27 director, the house and senate fiscal agencies, and the department

1 on the number and percentage of teachers, school administrators,  
2 and school board members who have received professional development  
3 services from the Michigan Virtual University. The report shall  
4 also identify barriers and other opportunities to encourage the  
5 adoption of virtual learning in the public education system.

6 (vi) Identify and share best practices for planning,  
7 implementing, and evaluating virtual and blended education delivery  
8 models with intermediate districts, districts, and public school  
9 academies to accelerate the adoption of innovative education  
10 delivery models statewide.

11 (b) Provide leadership for this state's system of virtual  
12 learning education by doing the following activities:

13 (i) Develop and report policy recommendations to the governor  
14 and the legislature that accelerate the expansion of effective  
15 virtual learning in this state's schools.

16 (ii) Provide a clearinghouse for research reports, academic  
17 studies, evaluations, and other information related to virtual  
18 learning.

19 (iii) Promote and distribute the most current instructional  
20 design standards and guidelines for virtual teaching.

21 (iv) In collaboration with the department and interested  
22 colleges and universities in this state, support implementation and  
23 improvements related to effective virtual learning instruction.

24 (v) Pursue public/private partnerships that include districts  
25 to study and implement competency-based technology-rich virtual  
26 learning models.

27 (vi) Create a statewide network of school-based mentors

1 serving as liaisons between pupils, virtual instructors, parents,  
2 and school staff, as provided by the department or the center, and  
3 provide mentors with research-based training and technical  
4 assistance designed to help more pupils be successful virtual  
5 learners.

6 (vii) Convene focus groups and conduct annual surveys of  
7 teachers, administrators, pupils, parents, and others to identify  
8 barriers and opportunities related to virtual learning.

9 (viii) Produce an annual consumer awareness report for schools  
10 and parents about effective virtual education providers and  
11 education delivery models, performance data, cost structures, and  
12 research trends.

13 (ix) Research and establish an internet-based platform that  
14 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  
19 virtual resources that align to Michigan's K-12 curriculum  
20 standards for use by students, educators, and parents.

21 (x) Create and maintain a public statewide catalog of virtual  
22 learning courses being offered by all public schools and community  
23 colleges in this state. The Michigan Virtual Learning Research  
24 Institute shall identify and develop a list of nationally  
25 recognized best practices for virtual learning and use this list to  
26 support reviews of virtual course vendors, courses, and  
27 instructional practices. The Michigan Virtual Learning Research

1 Institute shall also provide a mechanism for intermediate districts  
2 to use the identified best practices to review content offered by  
3 constituent districts. The Michigan Virtual Learning Research  
4 Institute shall review the virtual course offerings of the Michigan  
5 Virtual University, and make the results from these reviews  
6 available to the public as part of the statewide catalog. The  
7 Michigan Virtual Learning Research Institute shall ensure that the  
8 statewide catalog is made available to the public on the Michigan  
9 Virtual University website and shall allow the ability to link it  
10 to each district's website as provided for in section 21f. The  
11 statewide catalog shall also contain all of the following:

12 (A) The number of enrollments in each virtual course in the  
13 immediately preceding school year.

14 (B) The number of enrollments that earned 60% or more of the  
15 total course points for each virtual course in the immediately  
16 preceding school year.

17 (C) The completion rate for each virtual course.

18 (xi) Develop prototype and pilot registration, payment  
19 services, and transcript functionality to the statewide catalog and  
20 train key stakeholders on how to use new features.

21 (xii) Collaborate with key stakeholders to examine district  
22 level accountability and teacher effectiveness issues related to  
23 virtual learning under section 21f and make findings and  
24 recommendations publicly available.

25 (xiii) Provide a report on the activities of the Michigan  
26 Virtual Learning Research Institute.

27 (3) To further enhance its expertise and leadership in virtual

1 learning, the Michigan Virtual University shall continue to operate  
2 the Michigan Virtual School as a statewide laboratory and quality  
3 model of instruction by implementing virtual and blended learning  
4 solutions for Michigan schools in accordance with the following  
5 parameters:

6 (a) The Michigan Virtual School must maintain its  
7 accreditation status from recognized national and international  
8 accrediting entities.

9 (b) The Michigan Virtual University shall use no more than  
10 \$1,000,000.00 of the amount allocated under this section to  
11 subsidize the cost paid by districts for virtual courses.

12 (c) In providing educators responsible for the teaching of  
13 virtual courses as provided for in this section, the Michigan  
14 Virtual School shall follow the requirements to request and assess,  
15 and the department of state police shall provide, a criminal  
16 history check and criminal records check under sections 1230 and  
17 1230a of the revised school code, MCL 380.1230 and 380.1230a, in  
18 the same manner as if the Michigan Virtual School were a school  
19 district under those sections.

20 **(4) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE**  
21 **MICHIGAN VIRTUAL UNIVERSITY SHALL ALLOCATE UP TO \$500,000.00 TO**  
22 **SUPPORT THE EXPANSION OF NEW ONLINE AND BLENDED EDUCATOR**  
23 **PROFESSIONAL DEVELOPMENT PROGRAMS.**

24 **(5)** ~~(4)~~—If the course offerings are included in the statewide  
25 catalog of virtual courses under subsection ~~(2) (b) (ix)~~, **(2) (B) (x)** ,  
26 the Michigan Virtual School operated by the Michigan Virtual  
27 University may offer virtual course offerings, including, but not

1 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) High school equivalency 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 **(6)** ~~(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, the student may use the services provided  
15 by the Michigan Virtual School to the district without charge to  
16 the student beyond what is charged to a district pupil using the  
17 same services.

18 **(7)** ~~(6)~~—Not later than December 1 of each fiscal year, the  
19 Michigan Virtual University shall provide a report to the house and  
20 senate appropriations subcommittees on state school aid, the state  
21 budget director, the house and senate fiscal agencies, and the  
22 department that includes at least all of the following information  
23 related to the Michigan Virtual School for the preceding state  
24 fiscal year:

25 (a) A list of the districts served by the Michigan Virtual  
26 School.

27 (b) A list of virtual course titles available to districts.

1 (c) The total number of virtual course enrollments and  
2 information on registrations and completions by course.

3 (d) The overall course completion rate percentage.

4 **(8)** ~~(7)~~—In addition to the information listed in subsection  
5 ~~(6)~~, ~~(7)~~, the report under subsection ~~(6)~~ ~~(7)~~ shall also include a  
6 plan to serve at least 600 schools with courses from the Michigan  
7 Virtual School or with content available through the internet-based  
8 platform identified in subsection (2) (b) *(ix)*.

9 **(9)** ~~(8)~~—The governor may appoint an advisory group for the  
10 Michigan Virtual Learning Research Institute established under  
11 subsection (2). The members of the advisory group shall serve at  
12 the pleasure of the governor and shall serve without compensation.  
13 The purpose of the advisory group is to make recommendations to the  
14 governor, the legislature, and the president and board of the  
15 Michigan Virtual University that will accelerate innovation in this  
16 state's education system in a manner that will prepare elementary  
17 and secondary students to be career and college ready and that will  
18 promote the goal of increasing the percentage of citizens of this  
19 state with high-quality degrees and credentials to at least 60% by  
20 2025.

21 **(10)** ~~(9)~~—Not later than November 1, ~~2016~~, **2017**, the Michigan  
22 Virtual University shall submit to the house and senate  
23 appropriations subcommittees on state school aid, the state budget  
24 director, and the house and senate fiscal agencies a detailed  
25 budget for the ~~2016-2017~~ **2017-2018** fiscal year that includes a  
26 breakdown on its projected costs to deliver virtual educational  
27 services to districts and a summary of the anticipated fees to be



1 paid by districts for those services. Not later than March 1 each  
2 year, the Michigan Virtual University shall submit to the house and  
3 senate appropriations subcommittees on state school aid, the state  
4 budget director, and the house and senate fiscal agencies a  
5 breakdown on its actual costs to deliver virtual educational  
6 services to districts and a summary of the actual fees paid by  
7 districts for those services based on audited financial statements  
8 for the immediately preceding fiscal year.

9 **(11)** ~~(10)~~—As used in this section:

10 (a) "Blended learning" means a hybrid instructional delivery  
11 model where pupils are provided content, instruction, and  
12 assessment, in part at a supervised educational facility away from  
13 home where the pupil and a teacher with a valid Michigan teaching  
14 certificate are in the same physical location and in part through  
15 internet-connected learning environments with some degree of pupil  
16 control over time, location, and pace of instruction.

17 (b) "Cyber school" means a full-time instructional program of  
18 virtual courses for pupils that may or may not require attendance  
19 at a physical school location.

20 (c) "Virtual course" means a course of study that is capable  
21 of generating a credit or a grade and that is provided in an  
22 interactive learning environment in which the majority of the  
23 curriculum is delivered using the internet and in which pupils are  
24 separated from their instructor or teacher of record by time or  
25 location, or both.

26 **SEC. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**  
27 **ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00**

1 EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018 FOR THE PURPOSE OF  
 2 CIVIC EDUCATION AS DESCRIBED IN THIS SECTION. THE DEPARTMENT SHALL  
 3 ESTABLISH A COMPETITIVE GRANT PROCESS THAT AWARDS FUNDING TO NOT  
 4 MORE THAN 1 PROVIDER FOR THE DELIVERY OF PROGRAMS THAT EXEMPLIFY  
 5 BEST PRACTICES IN CIVIC EDUCATION. THE PROGRAMS SHALL TEACH UPPER  
 6 ELEMENTARY, MIDDLE, AND HIGH SCHOOL PUPILS HOW TO PARTICIPATE  
 7 RESPONSIBLY IN LOCAL AND STATE GOVERNMENT, AND SHALL PROVIDE UPPER  
 8 ELEMENTARY, MIDDLE, AND HIGH SCHOOL PUPILS WITH AN INNOVATIVE  
 9 COURSE OF INSTRUCTION ON THE HISTORY AND PRINCIPLES OF UNITED  
 10 STATES CONSTITUTIONAL DEMOCRACY. THE GRANTEE ALSO SHALL PROVIDE  
 11 SUPPORT TO ALL SCHOOLS IN THIS STATE BEYOND THOSE TARGETED FOR  
 12 INTENSIVE PROGRAMMING FUNDED UNDER THIS SECTION THROUGH ITS  
 13 WEBSITE, CONDUCT PRESENTATIONS AT STATEWIDE CONFERENCES, AND  
 14 CONDUCT PRESENTATIONS AT DISTRICTS AND INTERMEDIATE DISTRICTS.

15 Sec. 99h. (1) From the **STATE SCHOOL AID FUND** appropriation in  
 16 section 11, there is allocated an amount not to exceed  
 17 \$2,500,000.00 for ~~2016-2017~~ **2017-2018** for competitive grants to  
 18 districts, **AND FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,**  
 19 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR 2017-**  
 20 **2018 FOR COMPETITIVE GRANTS TO NONPUBLIC SCHOOLS,** that provide  
 21 pupils in grades K to 12 with expanded opportunities to improve  
 22 mathematics, science, and technology skills by participating in  
 23 events hosted by a science and technology development program known  
 24 as FIRST (for inspiration and recognition of science and  
 25 technology) Robotics, including JR FIRST Lego League, FIRST Lego  
 26 League, FIRST tech challenge, and FIRST Robotics competition.  
 27 Programs funded under this section are intended to increase the

1 number of pupils demonstrating proficiency in science and  
2 mathematics on the state assessments and to increase the number of  
3 pupils who are college- and career-ready upon high school  
4 graduation. Notwithstanding section 17b, grant payments to  
5 districts **AND NONPUBLIC SCHOOLS** under this section shall be paid on  
6 a schedule determined by the department. The department shall set  
7 maximum grant awards for each different level of competition in a  
8 manner that both maximizes the number of teams that will be able to  
9 receive funds and expands the geographical distribution of teams.

10 (2) A district **OR NONPUBLIC SCHOOL** applying for a grant under  
11 this section shall submit an application in a form and manner  
12 determined by the department. To be eligible for a grant, a  
13 district **OR NONPUBLIC SCHOOL** shall demonstrate in its application  
14 that the district **OR NONPUBLIC SCHOOL** has established a partnership  
15 for the purposes of the FIRST Robotics program with at least 1  
16 sponsor, business entity, higher education institution, or  
17 technical school, shall submit a spending plan, and shall pay at  
18 least 25% of the cost of the FIRST Robotics program.

19 (3) The department shall distribute the grant funding under  
20 this section for the following purposes:

21 (a) Grants to districts **OR NONPUBLIC SCHOOLS** to pay for  
22 stipends not to exceed \$1,500.00 for 1 coach per team.

23 (b) Grants to districts **OR NONPUBLIC SCHOOLS** for event  
24 registrations, materials, travel costs, and other expenses  
25 associated with the preparation for and attendance at FIRST  
26 Robotics events and competitions. Each grant recipient shall  
27 provide a local match from other private or local funds for the

1 funds received under this subdivision equal to at least 50% of the  
2 costs of participating in an event.

3 (c) Grants to districts **OR NONPUBLIC SCHOOLS** for awards to  
4 teams that advance to the state and world championship  
5 competitions. The department shall determine an equal amount per  
6 team for those teams that advance to the state championship and a  
7 second equal award amount to those teams that advance to the world  
8 championship.

9 ~~—— (4) The funds allocated under this section are a work project~~  
10 ~~appropriation, and any unexpended funds for 2016-2017 are carried~~  
11 ~~forward into 2017-2018. The purpose of the work project is to~~  
12 ~~continue to implement the projects described under subsection (1).~~  
13 ~~The estimated completion date of the work project is September 30,~~  
14 ~~2019.~~

15 (4) **A NONPUBLIC SCHOOL THAT RECEIVES A GRANT UNDER THIS**  
16 **SECTION MAY USE THE FUNDS FOR EITHER FIRST ROBOTICS OR SCIENCE**  
17 **OLYMPIAD PROGRAMS.**

18 **SEC. 99R. (1) FROM THE GENERAL FUND APPROPRIATION UNDER**  
19 **SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO**  
20 **EXCEED \$75,000.00, AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT**  
21 **NOT TO EXCEED \$250,000.00, TO SUPPORT THE CREATION OF THE MISTEM**  
22 **NETWORK.**

23 (2) **FROM THE GENERAL FUND ALLOCATION UNDER THIS SECTION, THERE**  
24 **IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$75,000.00 TO**  
25 **THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET TO SUPPORT THE**  
26 **FUNCTIONS OF A TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE**  
27 **ASSISTANT FOR THE MISTEM NETWORK. THE DEPARTMENT OF TECHNOLOGY,**

1 MANAGEMENT, AND BUDGET SHALL WORK WITH THE MICHIGAN MATHEMATICS AND  
2 SCIENCE CENTERS NETWORK AND THE MISTEM COUNCIL TO HIRE THE  
3 TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT. THE  
4 TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT SHALL WORK  
5 WITH THE PRESIDENT AND EXECUTIVE DIRECTOR OF THE MICHIGAN  
6 MATHEMATICS AND SCIENCE CENTERS NETWORK AND THE CHAIRPERSON AND  
7 VICE-CHAIRPERSON OF THE MISTEM COUNCIL. THE TRANSITIONAL EXECUTIVE  
8 DIRECTOR AND EXECUTIVE ASSISTANT SHALL DO ALL OF THE FOLLOWING:

9 (A) DEVELOP A PLAN FOR THE CREATION OF MISTEM NETWORK REGIONS  
10 THAT DOES ALL OF THE FOLLOWING:

11 (i) CREATES A STRUCTURED RELATIONSHIP BETWEEN THE MISTEM  
12 COUNCIL, MISTEM NETWORK EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT,  
13 AND MISTEM NETWORK REGION STAFF THAT ENSURES SERVICES TO ALL  
14 REGIONS AND LOCAL COMMUNITIES IN EACH REGION.

15 (ii) EMPOWERS THE MISTEM NETWORK REGIONS IN A MANNER THAT  
16 CREATES A ROBUST STATEWIDE STEM CULTURE, EMPOWERS STEM TEACHERS,  
17 INTEGRATES BUSINESS AND EDUCATION INTO THE MISTEM NETWORK, AND  
18 ENSURES HIGH-QUALITY AND EQUITABLE DISTRIBUTION OF STEM EXPERIENCES  
19 FOR PUPILS.

20 (iii) IDENTIFIES REGION BOUNDARIES THROUGHOUT THE STATE AND  
21 IDENTIFIES FISCAL AGENTS WITHIN THOSE REGIONS.

22 (iv) IDENTIFIES MISTEM STATE AND REGIONAL GOALS AND OBJECTIVES  
23 AND PROCESSES BY WHICH GOALS AND OBJECTIVES SHALL BE MEASURED.

24 (v) INCLUDES PROCESSES BY WHICH THE MISTEM NETWORK REGIONS  
25 APPLY FOR MISTEM GRANTS, PROVIDE FEEDBACK ON GRANT-FUNDED  
26 PROGRAMMING, SHARE BEST PRACTICES, AND CREATE REGIONAL MASTER  
27 PLANS.

1           (vi) CREATES A MARKETING CAMPAIGN, INCLUDING, AT LEAST, AN  
2 ONLINE PRESENCE WHICH INCLUDES DASHBOARDS OF OUTCOMES FOR THE  
3 MISTEM NETWORK.

4           (B) FORM A COMMITTEE FOR THE PURPOSE OF IDENTIFYING EACH  
5 MISTEM NETWORK REGION AND SELECTING A FISCAL AGENT AND DETERMINING  
6 STAFFING FOR THAT REGION. FISCAL AGENTS SHALL BE AN INTERMEDIATE  
7 DISTRICT WITHIN THE REGION, A UNIVERSITY WITHIN THE REGION, OR  
8 ANOTHER ORGANIZATION THAT SERVED AS FISCAL AGENT WITHIN THE  
9 MICHIGAN MATHEMATICS AND SCIENCE CENTERS NETWORK. AGENCIES  
10 INTERESTED IN SERVING AS THE REGION'S FISCAL AGENT SHALL BE  
11 INCLUDED ON THIS COMMITTEE. THE COMMITTEE SHALL ALSO INCLUDE  
12 REPRESENTATIVES OF THE GENERAL EDUCATION LEADERSHIP NETWORK AND THE  
13 GOVERNOR'S TALENT INVESTMENT BOARD, IN ADDITION TO THE MATH AND  
14 SCIENCE CENTERS AND MISTEM COUNCIL. THE COMMITTEE SHALL IDENTIFY  
15 NECESSARY STAFFING LEVELS AND LOCATIONS OF STAFF AND DETERMINE  
16 PROCESSES BY WHICH THE ENTIRE REGION WILL RECEIVE AND SHARE  
17 SERVICES. ALL FISCAL AGENTS FOR THE MICHIGAN MATHEMATICS AND  
18 SCIENCE CENTERS NETWORK ARE REQUIRED TO MAINTAIN CURRENT LEVELS OF  
19 EFFORT FOR THE MISTEM NETWORK AS FOR THE MICHIGAN MATHEMATICS AND  
20 SCIENCE CENTERS NETWORK.

21           (C) DISTRIBUTE AND MONITOR MISTEM GRANTS DURING THE CREATION  
22 OF THE MISTEM NETWORK. THE MONITORING OF THE GRANTS SHALL INCLUDE  
23 CONDUCTING REVIEWS OF RECIPIENTS AND THE EXPERIENCES AND FEEDBACK  
24 OF PUPILS.

25           (D) REPORT TO THE GOVERNOR AND THE LEGISLATURE ON THE  
26 DEVELOPMENT OF THE MISTEM NETWORK.

27           (E) SUBMIT THE PLAN DEVELOPED UNDER SUBDIVISION (A) TO THE

1 GOVERNOR AND THE LEGISLATURE ON OR BEFORE DECEMBER 1, 2017.

2 (F) HIRE ALL MISTEM NETWORK STAFF BETWEEN JANUARY 1, 2018 AND  
3 APRIL 1, 2018. HOWEVER, IF A MISTEM NETWORK WILL EMPLOY MICHIGAN  
4 MATHEMATICS AND SCIENCE CENTERS NETWORK STAFF, THOSE STAFF MAY BE  
5 HIRED AFTER APRIL 1, 2018.

6 (3) FROM THE GENERAL FUND ALLOCATION UNDER THIS SECTION, THERE  
7 IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$250,000.00 TO  
8 SUPPORT A PERMANENT EXECUTIVE DIRECTOR AND AN EXECUTIVE ASSISTANT  
9 FOR THE MISTEM NETWORK. AFTER THE CREATION OF THE MISTEM NETWORK  
10 REGION, THE TRANSITIONAL EXECUTIVE DIRECTOR FUNDED UNDER SUBSECTION  
11 (2) MAY BE APPOINTED AS THE PERMANENT EXECUTIVE DIRECTOR, OR A NEW  
12 PERMANENT EXECUTIVE DIRECTOR MAY BE HIRED. THE PERMANENT EXECUTIVE  
13 DIRECTOR AND EXECUTIVE ASSISTANT SHALL DO ALL OF THE FOLLOWING:

14 (A) SERVE AS A LIAISON AMONG AND BETWEEN THE DEPARTMENT, THE  
15 DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET, THE MISTEM  
16 ADVISORY COUNCIL, AND THE REGIONAL MISTEM CENTERS IN A MANNER THAT  
17 CREATES A ROBUST STATEWIDE STEM CULTURE, THAT EMPOWERS STEM  
18 TEACHERS, THAT INTEGRATES BUSINESS AND EDUCATION INTO THE STEM  
19 NETWORK, AND THAT ENSURES HIGH-QUALITY STEM EXPERIENCES FOR PUPILS.

20 (B) COORDINATE THE IMPLEMENTATION OF A MARKETING CAMPAIGN,  
21 INCLUDING, BUT NOT LIMITED TO, A WEBSITE THAT INCLUDES DASHBOARDS  
22 OF OUTCOMES, TO BUILD STEM AWARENESS AND COMMUNICATE STEM NEEDS AND  
23 OPPORTUNITIES TO PUPILS, PARENTS, EDUCATORS, AND THE BUSINESS  
24 COMMUNITY.

25 (C) AWARD AND MONITOR MISTEM STATE AND FEDERAL GRANTS TO THE  
26 MISTEM NETWORK REGIONS AND CONDUCT REVIEWS OF GRANT RECIPIENTS,  
27 INCLUDING, BUT NOT LIMITED TO, PUPIL EXPERIENCE AND FEEDBACK.

(D) REPORT TO THE GOVERNOR, THE LEGISLATURE, AND THE MISTEM ADVISORY COUNCIL ANNUALLY ON THE ACTIVITIES AND PERFORMANCE OF THE MISTEM NETWORK REGIONS.

(E) COORDINATE RECURRING DISCUSSIONS AND WORK WITH REGIONAL STAFF TO ENSURE THAT A NETWORK OR LOOP OF FEEDBACK AND BEST PRACTICES ARE SHARED, INCLUDING FUNDING, PROGRAMMING, PROFESSIONAL LEARNING OPPORTUNITIES, DISCUSSION OF MISTEM STRATEGIC VISION, AND REGIONAL OBJECTIVES.

(F) COORDINATE MAJOR GRANT APPLICATION EFFORTS WITH THE MISTEM ADVISORY COUNCIL TO ASSIST REGIONAL STAFF WITH GRANT APPLICATIONS ON A LOCAL LEVEL. THE MISTEM ADVISORY COUNCIL SHALL LEVERAGE PRIVATE AND NONPROFIT RELATIONSHIPS TO COORDINATE AND ALIGN PRIVATE FUNDS IN ADDITION TO FUNDS APPROPRIATED UNDER THIS SECTION.

(G) TRAIN STATE AND REGIONAL STAFF IN THE STEMWORKS RATING SYSTEM.

Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for ~~2016-2017-2017-2018~~ an amount not to exceed ~~\$3,000,000.00~~ **\$6,234,300.00** from the state school aid fund appropriation and an amount not to exceed ~~\$1,300,000.00~~ **\$1,600,000.00** from the general fund appropriation for Michigan science, technology, engineering, and mathematics (MiSTEM) programs. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2016-2017-2017-2018~~ an amount estimated at ~~\$5,249,300.00~~ **\$4,700,000.00** from DED-OESE, title II, mathematics and science partnership grants. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on the state



1 assessments and to increase the number of pupils who are college-  
2 and career-ready upon high school graduation. **NOTWITHSTANDING**  
3 **SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A**  
4 **SCHEDULE DETERMINED BY THE DEPARTMENT.**

5 (2) From the general fund allocation in subsection (1), there  
6 is allocated an amount not to exceed \$50,000.00 to the department  
7 for administrative, training, and travel costs related to the  
8 MiSTEM advisory council. All of the following apply to the MiSTEM  
9 advisory council funded under this subsection:

10 (a) The MiSTEM advisory council is created. The MiSTEM  
11 advisory council shall provide to the governor, legislature,  
12 department of talent and economic development, and department  
13 recommendations designed to improve and promote innovation in STEM  
14 education and to prepare students for careers in science,  
15 technology, engineering, and mathematics.

16 (b) The MiSTEM advisory council created under subdivision (a)  
17 shall consist of the following members:

18 (i) The governor shall appoint 11 voting members who are  
19 representative of business sectors that are important to Michigan's  
20 economy and rely on a STEM-educated workforce, nonprofit  
21 organizations and associations that promote STEM education, K-12  
22 and postsecondary education entities involved in STEM-related  
23 career education, or other sectors as considered appropriate by the  
24 governor. Each of these members shall serve at the pleasure of the  
25 governor and for a term determined by the governor.

26 (ii) The senate majority leader shall appoint 2 members of the  
27 senate to serve as nonvoting, ex-officio members of the MiSTEM

1 advisory council, including 1 majority party member and 1 minority  
2 party member.

3 (iii) The speaker of the house of representatives shall  
4 appoint 2 members of the house of representatives to serve as  
5 nonvoting, ex-officio members of the MiSTEM advisory council,  
6 including 1 majority party member and 1 minority party member.

7 (c) Each member of the MiSTEM advisory council shall serve  
8 without compensation.

9 (d) The MiSTEM advisory council **ANNUALLY** shall ~~recommend~~  
10 **REVIEW AND MAKE RECOMMENDATIONS** to the governor, the legislature,  
11 and the department ~~a~~ **CONCERNING CHANGES TO THE** statewide strategy  
12 **ADOPTED BY THE COUNCIL** for delivering STEM education-related  
13 opportunities to pupils. ~~and objective criteria for determining~~  
14 ~~preferred STEM programs.~~ The MiSTEM advisory council shall use  
15 funds received under this subsection to ~~purchase training for~~  
16 **ENSURE THAT** its members or their designees ~~from~~ **ARE TRAINED IN** the  
17 Change the Equation STEMworks rating system program for the purpose  
18 of rating STEM programs.

19 (e) ~~Not later than October 15 of each fiscal year, the MiSTEM~~  
20 ~~advisory council shall provide STEM quality ratings for programs~~  
21 ~~recommended for funding under subsection (3).~~ The MiSTEM advisory  
22 council shall make specific funding recommendations for the funds  
23 allocated under subsection (3) by December 15 of each fiscal year.  
24 The amount of each grant recommended shall not exceed ~~\$250,000.00.~~  
25 **\$100,000.00. EACH SPECIFIC FUNDING RECOMMENDATION SHALL BE FOR A**  
26 **PROGRAM APPROVED BY THE MISTEM ADVISORY COUNCIL. TO BE ELIGIBLE FOR**  
27 **MISTEM ADVISORY COUNCIL APPROVAL, A PROGRAM MUST SATISFY ALL OF THE**

1 FOLLOWING:

2 (i) ALIGN WITH THIS STATE'S ACADEMIC STANDARDS.

3 (ii) HAVE STEMWORKS CERTIFICATION.

4 (iii) PROVIDE PROJECT-BASED EXPERIENTIAL LEARNING, STUDENT  
5 PROGRAMMING, OR EDUCATOR PROFESSIONAL LEARNING EXPERIENCES.

6 (iv) FOCUS PREDOMINANTLY ON CLASSROOM-BASED STEM EXPERIENCES  
7 OR PROFESSIONAL LEARNING EXPERIENCES.

8 (F) THE MISTEM ADVISORY COUNCIL SHALL APPROVE PROGRAMS THAT  
9 INCLUDE A DIVERSE ARRAY OF OPTIONS FOR STUDENTS AND EDUCATORS AND  
10 AT LEAST 1 PROGRAM IN EACH OF THE FOLLOWING AREAS:

11 (i) ROBOTICS.

12 (ii) COMPUTER SCIENCE OR CODING.

13 (iii) ENGINEERING OR BIOSCIENCE.

14 (G) THE MISTEM ADVISORY COUNCIL IS ENCOURAGED TO WORK WITH THE  
15 MISTEM NETWORK REGIONS TO DEVELOP LOCALLY AND REGIONALLY DEVELOPED  
16 PROGRAMS AND PROFESSIONAL DEVELOPMENT EXPERIENCES FOR THE PROGRAMS  
17 ON THE LIST OF APPROVED PROGRAMS.

18 (H) ~~(f)~~—If the MiSTEM advisory council is unable to make  
19 specific funding recommendations by December 15 of a fiscal year,  
20 the department **OF TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL AWARD**  
21 **AND THE DEPARTMENT** shall distribute the funds allocated under  
22 subsection (3) on a competitive grant basis that at least follows  
23 the ~~quality guidelines and priority areas~~ **STATEWIDE STEM STRATEGY**  
24 **PLAN AND RATING SYSTEM** recommended by the MiSTEM advisory council.  
25 Each grant shall not exceed ~~\$250,000.00~~ **\$100,000.00** and must  
26 provide STEM education-related opportunities for pupils.

27 (I) ~~(g)~~—The MiSTEM advisory council shall work with ~~directors~~

~~of mathematics and science centers~~ **THE EXECUTIVE DIRECTOR OF THE**  
**MISTEM NETWORK** funded under ~~subsection (4)~~ **SECTION 99R** to ~~connect~~  
~~educators with businesses, workforce developers, economic~~  
~~developers, community colleges, and universities.~~ **IMPLEMENT THE**  
**STATEWIDE STEM STRATEGY ADOPTED BY THE MISTEM ADVISORY COUNCIL.**

(3) From the ~~general~~ **STATE SCHOOL AID** fund money allocated  
under subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an  
amount not to exceed ~~\$1,000,000.00~~ **\$2,850,000.00** for the purpose of  
funding programs under this section for ~~2016-2017,~~ **2017-2018**, as  
recommended by the MiSTEM advisory council.

(4) From the state school aid fund allocation under subsection  
(1), there is allocated for ~~2016-2017~~ **2017-2018** an amount not to  
exceed ~~\$2,750,000.00~~ **\$3,299,300.00** to support the activities and  
programs of mathematics and science centers. In addition, from the  
federal funds allocated under subsection (1), there is allocated  
for ~~2016-2017~~ **2017-2018** an amount estimated at ~~\$5,249,300.00~~  
**\$4,700,000.00** from DED-OESE, title II, mathematics and science  
partnership grants, for the purposes of this subsection. All of the  
following apply to the programs and funding under this subsection:

(a) Within a service area designated locally, approved by the  
department, and consistent with the comprehensive master plan for  
mathematics and science centers developed by the department and  
approved by the state board, an established mathematics and science  
center shall provide 2 or more of the following 6 basic services,  
as described in the master plan, to constituent districts and  
communities: leadership, pupil services, curriculum support,  
community involvement, professional development, and resource

1 clearinghouse services.

2 (b) The department shall not award a state grant under this  
3 subsection to more than 1 mathematics and science center located in  
4 a designated region as prescribed in the 2007 master plan unless  
5 each of the grants serves a distinct target population or provides  
6 a service that does not duplicate another program in the designated  
7 region.

8 (c) As part of the technical assistance process, the  
9 department shall provide minimum standard guidelines that may be  
10 used by the mathematics and science center for providing fair  
11 access for qualified pupils and professional staff as prescribed in  
12 this subsection.

13 (d) Allocations under this subsection to support the  
14 activities and programs of mathematics and science centers shall be  
15 continuing support grants to all 33 established mathematics and  
16 science centers. For ~~2016-2017~~, **2017-2018**, each established  
17 mathematics and science center shall receive state funding in an  
18 amount equal to 100% of the amount it was allocated under former  
19 section 99 for 2014-2015. If a center declines state funding or a  
20 center closes, the remaining money available under this subsection  
21 shall be distributed to the remaining centers, as determined by the  
22 department.

23 (e) From the funds allocated under this subsection, the  
24 department shall distribute for ~~2016-2017~~ **2017-2018** an amount not  
25 to exceed \$750,000.00 in a form and manner determined by the  
26 department to those centers able to provide curriculum and  
27 professional development support to assist districts in

1 implementing the Michigan merit curriculum components for  
2 mathematics and science. Funding under this subdivision is in  
3 addition to funding allocated under subdivision (d).

4 (F) IT IS THE INTENT OF THE LEGISLATURE THAT THE FUNDING  
5 ALLOCATED UNDER THIS SUBSECTION REPRESENTS THE FINAL YEAR OF  
6 FUNDING FOR MATHEMATICS AND SCIENCE CENTERS AND THAT MATHEMATICS  
7 AND SCIENCE CENTERS SHALL NOT BE FUNDED IN 2018-2019.

8 (5) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS  
9 ALLOCATED AN AMOUNT NOT TO EXCEED \$85,000.00 TO THE MICHIGAN  
10 MATHEMATICS AND SCIENCE CENTERS NETWORK TO REIMBURSE INTERMEDIATE  
11 SCHOOL DISTRICTS FOR TRANSITION COSTS INCURRED AS THE CENTERS  
12 TRANSITION TO MISTEM NETWORK REGIONS.

13 (6) FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION (1),  
14 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,400,000.00 TO THE  
15 MISTEM NETWORK REGIONS. FOR 2017-2018, EACH ESTABLISHED MISTEM  
16 NETWORK REGION SHALL RECEIVE FUNDING UNDER THIS SUBSECTION IN AN  
17 AMOUNT EQUAL TO 50% OF THE STATE FUNDING AMOUNT ALLOCATED FOR 2017-  
18 2018 TO THE MATHEMATICS AND SCIENCE CENTERS LOCATED WITHIN THAT  
19 REGION TO ALLOW THE MISTEM NETWORK REGION TO BEGIN OPERATING BY  
20 APRIL 1, 2018. FOR FORMER MATHEMATICS AND SCIENCE CENTERS WITH  
21 TERRITORY IN MORE THAN 1 MISTEM NETWORK REGION, THE AMOUNT  
22 ALLOCATED SHALL BE DIVIDED PROPORTIONALLY.

23 (7) A MISTEM NETWORK REGION SHALL DO ALL OF THE FOLLOWING:

24 (A) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT  
25 IS LOCATED IN THE PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGIC  
26 PLAN FOR STEM EDUCATION THAT CREATES A ROBUST REGIONAL STEM  
27 CULTURE, THAT EMPOWERS STEM TEACHERS, THAT INTEGRATES BUSINESS AND

1 EDUCATION INTO THE STEM NETWORK, AND THAT ENSURES HIGH-QUALITY STEM  
2 EXPERIENCES FOR PUPILS. AT A MINIMUM, A REGIONAL STEM STRATEGIC  
3 PLAN SHOULD DO ALL OF THE FOLLOWING:

4 (i) IDENTIFY REGIONAL EMPLOYER NEED FOR STEM.

5 (ii) IDENTIFY PROCESSES FOR REGIONAL EMPLOYERS AND EDUCATORS  
6 TO CREATE GUIDED PATHWAYS FOR STEM CAREERS THAT INCLUDE INTERNSHIPS  
7 OR EXTERNSHIPS, APPRENTICESHIPS, AND OTHER EXPERIENTIAL ENGAGEMENTS  
8 FOR PUPILS.

9 (iii) IDENTIFY EDUCATOR PROFESSIONAL DEVELOPMENT  
10 OPPORTUNITIES, INCLUDING INTERNSHIPS OR EXTERNSHIPS AND  
11 APPRENTICESHIPS, THAT INTEGRATE THIS STATE'S SCIENCE CONTENT  
12 STANDARDS INTO HIGH-QUALITY STEM EXPERIENCES THAT ENGAGE PUPILS.

13 (B) FACILITATE REGIONAL STEM EVENTS SUCH AS EDUCATOR AND  
14 EMPLOYER NETWORKING AND STEM CAREER FAIRS TO RAISE STEM AWARENESS.

15 (C) CONTRIBUTE TO THE MISTEM WEBSITE AND ENGAGE IN OTHER  
16 MISTEM NETWORK FUNCTIONS TO FURTHER THE MISSION OF STEM IN THIS  
17 STATE IN COORDINATION WITH THE MISTEM ADVISORY COUNCIL AND ITS  
18 EXECUTIVE DIRECTOR.

19 (D) FACILITATE APPLICATION AND IMPLEMENTATION OF STATE AND  
20 FEDERAL FUNDS UNDER THIS SUBSECTION AND ANY OTHER GRANTS OR FUNDS  
21 FOR THE MISTEM NETWORK REGION.

22 (E) WORK WITH DISTRICTS TO PROVIDE STEM PROGRAMMING AND  
23 PROFESSIONAL DEVELOPMENT.

24 (F) COORDINATE RECURRING DISCUSSIONS AND WORK WITH THE TALENT  
25 DISTRICT CAREER COUNCIL TO ENSURE THAT FEEDBACK AND BEST PRACTICES  
26 ARE BEING SHARED, INCLUDING FUNDING, PROGRAM, PROFESSIONAL LEARNING  
27 OPPORTUNITIES, AND REGIONAL STRATEGIC PLANS.

1       (8) ~~(f)~~—In order to receive state or federal funds under ~~this~~  
 2 subsection (4) OR (6), a grant recipient shall allow access for the  
 3 department or the department's designee to audit all records  
 4 related to the program for which it receives those funds. The grant  
 5 recipient shall reimburse the state for all disallowances found in  
 6 the audit.

7 ~~—— (g) Not later than September 30, 2017, the department shall~~  
 8 ~~work with the MiSTEM advisory council to revise the comprehensive~~  
 9 ~~master plan described in subdivision (a) to ensure that the~~  
 10 ~~comprehensive master plan is in compliance with the statewide~~  
 11 ~~strategy developed by the council under subsection (2) (d). The~~  
 12 ~~comprehensive master plan shall include a review of the feasibility~~  
 13 ~~of consolidating and reducing the number of mathematics and science~~  
 14 ~~centers.~~

15 ~~—— (h) The department shall give preference in awarding the~~  
 16 ~~federal grants allocated under this subsection to eligible existing~~  
 17 ~~mathematics and science centers.~~

18       (9) ~~(i)~~—In order to receive state funds under ~~this~~ subsection  
 19 (4) OR (6), a grant recipient shall provide at least a 10% local  
 20 match from local public or private resources for the funds received  
 21 under this subsection.

22       (10) ~~(j)~~—Not later than **JULY 1, 2019 AND** July 1 of each year  
 23 **THEREAFTER**, a ~~mathematics and science center~~ **MISTEM NETWORK REGION**  
 24 that receives funds under ~~this~~ subsection (6) shall report to the  
 25 ~~department~~ **EXECUTIVE DIRECTOR OF THE MISTEM NETWORK** in a form and  
 26 manner prescribed by the ~~department on the following performance~~  
 27 ~~measures:~~



~~———— (i) Statistical change in pre- and post-assessment scores for students who enrolled in mathematics and science activities provided to districts by the mathematics and science center.~~

~~———— (ii) Statistical change in pre- and post-assessment scores for teachers who enrolled in professional development activities provided by the mathematics and science center.~~ **EXECUTIVE DIRECTOR**

**ON PERFORMANCE MEASURES DEVELOPED BY THE MISTEM NETWORK REGIONS AND APPROVED BY THE EXECUTIVE DIRECTOR. THE PERFORMANCE MEASURES SHALL BE DESIGNED TO ENSURE THAT THE ACTIVITIES OF THE MISTEM NETWORK ARE IMPROVING STUDENT ACADEMIC OUTCOMES.**

**(11) NOT MORE THAN 5% OF A MISTEM NETWORK REGION GRANT UNDER SUBSECTION (6) MAY BE RETAINED BY A FISCAL AGENT FOR SERVING AS THE FISCAL AGENT OF A MISTEM NETWORK REGION.**

**(12) ~~(k)~~As used in this subsection:** **SECTION:**

**(A) ~~(i)~~"DED"** means the United States Department of Education.

**(B) ~~(ii)~~"DED-OESE"** means the DED Office of Elementary and Secondary Education.

**(C) "STEM" MEANS SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS DELIVERED IN AN INTEGRATED FASHION USING CROSS-DISCIPLINARY LEARNING EXPERIENCES THAT CAN INCLUDE LANGUAGE ARTS, PERFORMING AND FINE ARTS, AND CAREER AND TECHNICAL EDUCATION.**

**(D) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT REPRESENTATIVES.**

~~———— (5) From the allocations under subsection (1), there is allocated an amount not to exceed \$250,000.00 for 2016-2017 for~~

~~competitive grants to districts that provide pupils in grades K to 12 with expanded opportunities in science education and skills by participating in events and competitions hosted by Science Olympiad. All of the following apply to the grant funding under this subsection:~~

~~—— (a) A district applying for a grant under this subsection shall submit an application in the form and manner determined by the department not later than November 15, 2016. The department shall select districts for grants and make notification not later than December 15, 2016. To be eligible for a grant, a district shall pay at least 25% of the cost of participating in the Science Olympiad program.~~

~~—— (b) The department shall distribute the grant funding allocated under this subsection for the following purposes:~~

~~—— (i) Grants to districts of up to \$800.00 per new elementary team.~~

~~—— (ii) Grants to districts of up to \$400.00 per established elementary team.~~

~~—— (iii) Grants to districts of up to \$1,600.00 per new secondary team.~~

~~—— (iv) Grants to districts of up to \$800.00 per established secondary team.~~

**(13)** ~~(6)~~ From the general fund allocation under subsection (1), there is allocated an amount not to exceed ~~\$250,000.00~~ **\$150,000.00** for 2016-2017 for a grant to the Van Andel Education Institute for the purposes of advancing and promoting science education and increasing the number of students who choose to

1 pursue careers in science or science-related fields. Funds  
2 allocated under this subsection shall be used to provide  
3 professional development for science teachers in using student-  
4 driven, inquiry-based instruction.

5 **(14) NOT LATER THAN JANUARY 1, 2019, THE EXECUTIVE DIRECTOR OF**  
6 **THE MISTEM CENTERS NETWORK SHALL REPORT TO THE HOUSE AND SENATE**  
7 **APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE**  
8 **FISCAL AGENCIES ON THE NUMBER OF MALE AND FEMALE MISTEM CENTER**  
9 **PROGRAM PARTICIPANTS AND THE STEPS, IF ANY, THAT THE MISTEM CENTERS**  
10 **ARE TAKING TO REDUCE ANY DISPARITY BETWEEN THE NUMBER OF MALE AND**  
11 **FEMALE PARTICIPANTS.**

12 Sec. 99t. (1) From the general fund appropriation under  
13 section 11, there is allocated an amount not to exceed  
14 ~~\$1,500,000.00 for 2016-2017~~ **\$1,100,000.00 FOR 2017-2018** to purchase  
15 statewide access to an online algebra tool that meets all of the  
16 following:

17 (a) Provides students statewide with complete access to videos  
18 aligned with state standards including study guides and workbooks  
19 that are aligned with the videos.

20 (b) Provides students statewide with access to a personalized  
21 online algebra learning tool including adaptive diagnostics.

22 (c) Provides students statewide with dynamic algebra practice  
23 assessments that emulate the state assessment with immediate  
24 feedback and help solving problems.

25 (d) Provides students statewide with online access to algebra  
26 help 24 hours a day and 7 days a week from study experts, teachers,  
27 and peers on a moderated social networking platform.

(e) Provides an online algebra professional development network for teachers.

(f) Is already provided under a statewide contract in at least 1 other state that has a population of at least 18,000,000 but not more than 19,000,000 according to the most recent decennial census and is offered in that state in partnership with a public university.

(2) The department shall choose the online algebra tool by October 1, 2016.

**SEC. 99U. FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$1,000,000.00 TO PURCHASE STATEWIDE ACCESS TO AN ONLINE MATHEMATICS TOOL THAT MEETS ALL OF THE FOLLOWING:**

**(A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO MATHEMATICS SUPPORT ALIGNED WITH STATE STANDARDS THROUGH A PROGRAM THAT HAS ALL OF THE FOLLOWING ELEMENTS:**

**(i) STUDENT MOTIVATION.**

**(ii) VALID AND RELIABLE ASSESSMENTS.**

**(iii) PERSONALIZED LEARNING PATHWAYS.**

**(iv) HIGHLY QUALIFIED, LIVE TEACHERS AVAILABLE ALL DAY AND ALL YEAR.**

**(v) TWENTY-FOUR-HOUR REPORTING.**

**(vi) CONTENT BUILT FOR RIGOROUS MATHEMATICS.**

**(B) HAS A RECORD OF IMPROVING STUDENT MATHEMATICS SCORES IN AT LEAST 5 OTHER STATES.**

Sec. 102d. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed \$1,500,000.00 for 2016-

~~2017-2017-2018~~ for reimbursements to districts and intermediate districts for the licensing of school data analytical tools as described under this section. The reimbursement is for districts and intermediate districts that choose to use a school data analytical tool to assist the district or intermediate district and that enter into a licensing agreement for a school data analytical tool with 1 of the vendors approved by the department of technology, management, and budget under subsection (2). Funds allocated under this section are intended to provide districts and intermediate districts with financial forecasting and transparency reporting tools to help improve the financial health of districts and to improve communication with the public, resulting in increased fund balances for districts and intermediate districts.

(2) Not later than October 15, ~~2016,~~**2017**, the department of technology, management, and budget shall review vendors for school data analytical tools and provide districts and intermediate districts with a list of up to 2 approved vendors that districts and intermediate districts may use to be eligible for a reimbursement paid under this section. In addition, a vendor approved under this section for ~~2015-2016-2016-2017~~ is considered to be approved for use by a district or intermediate district and for reimbursement for ~~2016-2017.~~**2017-2018**. An approved school data analytical tool supplied by the vendor must meet at least all of the following:

(a) Analyzes financial data.

(b) Analyzes academic data.

(c) Provides early warning indicators of financial stress.

1 (d) Has the capability to provide peer district comparisons of  
2 both financial and academic data.

3 (e) Has the capability to provide financial projections for at  
4 least 3 subsequent fiscal years.

5 (3) Funds allocated under this section shall be paid to  
6 districts and intermediate districts as a reimbursement for already  
7 having a licensing agreement or for entering into a licensing  
8 agreement not later than December 1, ~~2016~~**2017** with a vendor  
9 approved under subsection (2) to implement a school data analytical  
10 tool. Reimbursement will be prorated for the portion of the state  
11 fiscal year not covered by the licensing agreement. However, a  
12 licensing agreement that takes effect after October 1, ~~2016~~**2017**  
13 and before December 1, ~~2016~~**2017** will not be prorated if the term  
14 of the agreement is at least 1 year. Reimbursement under this  
15 section shall be made as follows:

16 (a) All districts and intermediate districts seeking  
17 reimbursement shall submit requests not later than December 1, ~~2016~~  
18 **2017** indicating the cost paid for the financial data analytical  
19 tool.

20 (b) The department shall determine the sum of the funding  
21 requests under subdivision (a) and, if there are sufficient funds,  
22 shall pay 1/2 of the costs submitted under subdivision (a). If  
23 there are insufficient funds to pay 1/2 of the costs submitted  
24 under (a), then reimbursement shall be made on an equal percentage  
25 basis.

26 (c) Funds remaining after the calculation and payment under  
27 subdivision (b) shall be distributed on an equal per-pupil basis,

1 with an intermediate district's pupils considered to be the sum of  
2 the pupil memberships of the constituent districts for which the  
3 intermediate district is purchasing the financial data analytical  
4 tool.

5 (d) The reimbursement to a district or intermediate district  
6 shall not be greater than the amount paid for a data analytics  
7 application.

8 (e) A district or intermediate district shall not be  
9 reimbursed for the purchase of more than 1 software application.

10 **(4) IF AN INTERMEDIATE DISTRICT PURCHASES BOTH A SCHOOL DATA**  
11 **ANALYTICAL TOOL SPECIFICALLY FOR INTERMEDIATE DISTRICT FINANCES AND**  
12 **A SCHOOL DATA ANALYTICAL TOOL FOR THOSE CONSTITUENT DISTRICTS THAT**  
13 **OPT IN, THE INTERMEDIATE DISTRICT SHALL BE REIMBURSED FOR BOTH**  
14 **PURCHASES UNDER THIS SECTION.**

15 **(5) IF AN INTERMEDIATE DISTRICT MAKES AVAILABLE TO 1 OR MORE**  
16 **OF ITS CONSTITUENT DISTRICTS A SCHOOL DATA ANALYTICAL TOOL FUNDED**  
17 **UNDER THIS SECTION, THAT CONSTITUENT DISTRICT SHALL NOT BE**  
18 **REIMBURSED UNDER THIS SECTION FOR THE PURCHASE OF THAT SCHOOL DATA**  
19 **ANALYTICAL TOOL IF THE CONSTITUENT DISTRICT HAS OPTED IN FOR THAT**  
20 **TOOL.**

21 **(6) ~~(4)~~**—Notwithstanding section 17b, payments under this  
22 section shall be made on a schedule determined by the department.

23 Sec. 104. (1) In order to receive state aid under this  
24 article, a district shall comply with sections 1249, 1278a, 1278b,  
25 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,  
26 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970  
27 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from

1 the state school aid fund money appropriated in section 11, there  
2 is allocated for ~~2016-2017~~**2017-2018** an amount not to exceed  
3 ~~\$33,894,400.00~~**\$34,709,400.00** for payments on behalf of districts  
4 for costs associated with complying with those provisions of law.  
5 In addition, from the federal funds appropriated in section 11,  
6 there is allocated for ~~2016-2017~~**2017-2018** an amount estimated at  
7 \$6,250,000.00, funded from DED-OESE, title VI, state assessment  
8 funds, and from DED-OSERS, section 504 of part B of the individuals  
9 with disabilities education act, Public Law 94-142, plus any  
10 carryover federal funds from previous year appropriations, for the  
11 purposes of complying with the federal no child left behind act of  
12 2001, Public Law 107-110, or the every student succeeds act, Public  
13 Law 114-95.

14 (2) The results of each test administered as part of the  
15 Michigan student test of educational progress (M-STEP), including  
16 tests administered to high school students, shall include an item  
17 analysis that lists all items that are counted for individual pupil  
18 scores and the percentage of pupils choosing each possible  
19 response. The department shall work with the center to identify the  
20 number of students enrolled at the time assessments are given by  
21 each district. In calculating the percentage of pupils assessed for  
22 a district's scorecard, the department shall use only the number of  
23 pupils enrolled in the district at the time the district  
24 administers the assessments and shall exclude pupils who enroll in  
25 the district after the district administers the assessments.

26 (3) All federal funds allocated under this section shall be  
27 distributed in accordance with federal law and with flexibility



provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

~~———— (4) From the allocation in subsection (1), there is allocated an amount not to exceed \$185,000.00 for the implementation of a kindergarten readiness assessment pilot project in 2016-2017. The funding would be allocated to an intermediate district located in a prosperity region with 2 or more subregions to participate in the Maryland-Ohio pilot and cover the cost of a contract with a university for implementation of version 1.75 of the kindergarten readiness assessment tool. The kindergarten readiness assessment pilot shall assess an estimated 4,000 children, and the designated intermediate district shall work with other intermediate districts to implement the pilot project, engage with the office of great start and the department, and provide a report to the legislature on the efficacy and usefulness of a kindergarten readiness assessment. Allowable costs under this pilot program include those incurred in August and September 2016.~~

**(4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2017-2018 TO AN INTERMEDIATE DISTRICT DESCRIBED IN THIS SUBSECTION TO IMPLEMENT A MICHIGAN KINDERGARTEN ENTRY OBSERVATION TOOL IN 2017-2018. THE FUNDING UNDER THIS SUBSECTION IS ALLOCATED TO AN INTERMEDIATE DISTRICT IN PROSPERITY REGION 9 WITH AT LEAST 3,000 KINDERGARTEN PUPILS ENROLLED IN ITS CONSTITUENT DISTRICTS TO CONTINUE PARTICIPATION IN THE MARYLAND-OHIO PILOT AND COVER THE COSTS OF IMPLEMENTING THE PILOT OBSERVATION TOOL, INCLUDING A CONTRACT WITH A UNIVERSITY FOR IMPLEMENTATION OF THE PILOT OBSERVATION TOOL. THE**

1 INTERMEDIATE DISTRICT SHALL CONTINUE IMPLEMENTATION OF THE 2016-  
2 2017 PILOT STUDY WITH EXISTING PARTICIPATING INTERMEDIATE DISTRICTS  
3 DURING THE 2017-2018 SCHOOL YEAR. THE MICHIGAN KINDERGARTEN ENTRY  
4 OBSERVATION SHALL BE CONDUCTED IN ALL KINDERGARTEN CLASSROOMS IN  
5 DISTRICTS LOCATED IN PROSPERITY REGIONS 4, 5, AND 9 BEGINNING IN  
6 AUGUST 2018. A CONSTITUENT DISTRICT OF AN INTERMEDIATE DISTRICT  
7 LOCATED WITHIN PROSPERITY REGION 4, 5, OR 9 SHALL ADMINISTER THE  
8 MARYLAND-OHIO TOOL WITHIN EACH KINDERGARTEN CLASSROOM TO EITHER THE  
9 FULL CENSUS OF KINDERGARTEN PUPILS OR A REPRESENTATIVE SAMPLE OF  
10 NOT LESS THAN 35% OF THE ENROLLED KINDERGARTEN PUPILS IN EACH  
11 CLASSROOM. THE INTERMEDIATE DISTRICT RECEIVING THE FUNDING  
12 ALLOCATED UNDER THIS SUBSECTION SHALL WORK WITH OTHER INTERMEDIATE  
13 DISTRICTS TO IMPLEMENT THE MICHIGAN KINDERGARTEN ENTRY OBSERVATION,  
14 ENGAGE WITH THE OFFICE OF GREAT START AND THE DEPARTMENT, AND  
15 PROVIDE A REPORT TO THE LEGISLATURE ON THE DEMONSTRATED READINESS  
16 OF KINDERGARTEN PUPILS WITHIN THE PARTICIPATING INTERMEDIATE  
17 DISTRICTS. THAT INTERMEDIATE DISTRICT MAY SHARE THIS FUNDING WITH  
18 THE OTHER AFFECTED INTERMEDIATE DISTRICTS AND DISTRICTS. ALLOWABLE  
19 COSTS UNDER THIS SUBSECTION INCLUDE THOSE INCURRED IN JULY, AUGUST,  
20 AND SEPTEMBER 2017 AS WELL AS THOSE INCURRED IN 2017-2018. AS USED  
21 IN THIS SUBSECTION, "KINDERGARTEN" MAY INCLUDE A CLASSROOM FOR  
22 YOUNG 5-YEAR-OLDS, COMMONLY REFERRED TO AS "YOUNG 5S" OR  
23 "DEVELOPMENTAL KINDERGARTEN". THE DEPARTMENT SHALL APPROVE THE  
24 LANGUAGE AND LITERACY DOMAIN WITHIN THE MARYLAND-OHIO TOOL, ALSO  
25 REFERRED TO AS THE "KINDERGARTEN READINESS ASSESSMENT", FOR USE BY  
26 DISTRICTS AS AN INITIAL ASSESSMENT THAT MAY BE DELIVERED TO ALL  
27 KINDERGARTEN STUDENTS TO ASSIST WITH IDENTIFYING ANY POSSIBLE AREA

1 **OF CONCERN FOR A STUDENT IN ENGLISH LANGUAGE ARTS.**

2 (5) The department shall continue to make the kindergarten  
3 entry assessment developed by the department and field tested in  
4 2015-2016 available to districts in ~~2016-2017.~~**2017-2018.**

5 (6) The department may recommend, but may not require,  
6 districts to allow pupils to use an external keyboard with tablet  
7 devices for online M-STEP testing, including, but not limited to,  
8 open-ended test items such as constructed response or equation  
9 builder items.

10 (7) Notwithstanding section 17b, payments on behalf of  
11 districts, intermediate districts, and other eligible entities  
12 under this section shall be paid on a schedule determined by the  
13 department.

14 (8) From the allocation in subsection (1), there is allocated  
15 an amount not to exceed \$3,200,000.00 for the development or  
16 selection of an online reporting tool to provide student-level  
17 assessment data in a secure environment to educators, parents, and  
18 pupils immediately after assessments are scored. The department and  
19 the center shall ensure that any data collected by the online  
20 reporting tool do not provide individually identifiable student  
21 data to the federal government.

22 ~~— (9) From the allocation in subsection (1), there is allocated~~  
23 ~~an amount not to exceed \$5,600,000.00 for the purpose of~~  
24 ~~implementing a summative assessment system pursuant to section~~  
25 ~~104e.~~

26 **(9)** ~~(10)~~ As used in this section:

27 (a) "DED" means the United States Department of Education.

1 (b) "DED-OESE" means the DED Office of Elementary and  
2 Secondary Education.

3 (c) "DED-OSERS" means the DED Office of Special Education and  
4 Rehabilitative Services.

5 Sec. 104c. (1) In order to receive state aid under this  
6 article, a district shall administer the state assessments  
7 described in this section.

8 (2) For the purposes of this section, the department shall  
9 develop for use in the spring of 2015-2016 the Michigan student  
10 test of educational progress (M-STEP) assessments in English  
11 language arts and mathematics. These assessments shall be aligned  
12 to state standards.

13 (3) For the purposes of this section, the department shall  
14 implement a summative assessment system that is proven to be valid  
15 and reliable for administration to pupils as provided under this  
16 subsection. The summative assessment system shall meet all of the  
17 following requirements:

18 (a) The summative assessment system shall measure student  
19 proficiency on the current state standards, shall measure student  
20 growth for consecutive grade levels in which students are assessed  
21 in the same subject area in both grade levels, and shall be capable  
22 of measuring individual student performance.

23 (b) The summative assessments for English language arts and  
24 mathematics shall be administered to all public school pupils in  
25 grades 3 to 11, including those pupils as required by the federal  
26 individuals with disabilities education act, Public Law 108-446,  
27 and by title I of the federal ~~elementary and secondary education~~

1 ~~act.~~**EVERY STUDENT SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

2 (c) The summative assessments for science shall be  
3 administered to all public school pupils in at least grades 4 and  
4 7, including those pupils as required by the federal individuals  
5 with disabilities education act, Public Law 108-446, and by title I  
6 of the federal ~~elementary and secondary education act.~~**EVERY STUDENT**  
7 **SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

8 (d) The summative assessments for social studies shall be  
9 administered to all public school pupils in at least grades 5 and  
10 8, including those pupils as required by the federal individuals  
11 with disabilities education act, Public Law 108-446, and by title I  
12 of the federal ~~elementary and secondary education act.~~**EVERY STUDENT**  
13 **SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

14 (e) The content of the summative assessments shall be aligned  
15 to state standards.

16 (f) The pool of questions for the summative assessments shall  
17 be subject to a transparent review process for quality, bias, and  
18 sensitive issues involving educator review and comment. The  
19 department shall post samples from tests or retired tests featuring  
20 questions from this pool for review by the public.

21 (g) The summative assessment system shall ensure that  
22 students, parents, and teachers are provided with reports that  
23 convey individual student proficiency and growth on the assessment  
24 and that convey individual student domain-level performance in each  
25 subject area, including representative questions, and individual  
26 student performance in meeting state standards.

27 (h) The summative assessment system shall be capable of

1 providing, and the department shall ensure that students, parents,  
2 teachers, administrators, and community members are provided with,  
3 reports that convey aggregate student proficiency and growth data  
4 by teacher, grade, school, and district.

5 (i) The summative assessment system shall ensure the  
6 capability of reporting the available data to support educator  
7 evaluations.

8 (j) The summative assessment system shall ensure that the  
9 reports provided to districts containing individual student data  
10 are available within 60 days after completion of the assessments.

11 (k) The summative assessment system shall ensure that access  
12 to individually identifiable student data meets all of the  
13 following:

14 (i) Is in compliance with 20 USC 1232g, commonly referred to  
15 as the family educational rights and privacy act of 1974.

16 (ii) Except as may be provided for in an agreement with a  
17 vendor to provide assessment services, as necessary to support  
18 educator evaluations pursuant to subdivision (i), or for research  
19 or program evaluation purposes, is available only to the student;  
20 to the student's parent or legal guardian; and to a school  
21 administrator or teacher, to the extent that he or she has a  
22 legitimate educational interest.

23 (l) The summative assessment system shall ensure that the  
24 assessments are pilot tested before statewide implementation.

25 (m) The summative assessment system shall ensure that  
26 assessments are designed so that the maximum total combined length  
27 of time that schools are required to set aside for a pupil to

1 answer all test questions on all assessments that are part of the  
2 system for the pupil's grade level does not exceed that maximum  
3 total combined length of time for the previous statewide assessment  
4 system or 9 hours, whichever is less. This subdivision does not  
5 limit the amount of time a district may allow a pupil to complete a  
6 test.

7 (n) The total cost of executing the summative assessment  
8 system statewide each year, including, but not limited to, the cost  
9 of contracts for administration, scoring, and reporting, shall not  
10 exceed an amount equal to 2 times the cost of executing the  
11 previous statewide assessment after adjustment for inflation.

12 **(4) IN AN EFFORT TO DEVELOP A COHESIVE STATE ASSESSMENT**  
13 **SYSTEM, THE DEPARTMENT SHALL IMPLEMENT A REQUEST FOR INFORMATION**  
14 **PROCESS FOR A COMMON FORMATIVE ASSESSMENT SYSTEM THAT IS FULLY**  
15 **ALIGNED TO THIS STATE'S CONTENT STANDARDS FOR ENGLISH LANGUAGE ARTS**  
16 **AND MATHEMATICS. THE DEPARTMENT MAY USE INFORMATION COMPILED FROM A**  
17 **REQUEST FOR PROPOSAL IN 2016-2017 TO SATISFY THIS REQUEST.**

18 **(5)** ~~(4)~~—Beginning in the 2015-2016 school year, the department  
19 shall field test assessments in the fall and spring of each school  
20 year to measure English language arts and mathematics in each of  
21 grades K to 2 for full implementation when the assessments have  
22 been successfully field tested. This full implementation shall  
23 occur not later than the 2018-2019 school year. These assessments  
24 are necessary to determine a pupil's proficiency level before grade  
25 3.

26 **(6) NOT LATER THAN OCTOBER 1, 2017, THE DEPARTMENT SHALL ISSUE**  
27 **A REQUEST FOR PROPOSALS FOR A STATEWIDE SUMMATIVE ASSESSMENT. THE**

1 STATEWIDE SUMMATIVE ASSESSMENT SHALL MEET ALL OF THE FOLLOWING:

2 (A) ASSESSES ALL OF GRADES 3 THROUGH 7 IN MATH AND ENGLISH  
3 LANGUAGE ARTS.

4 (B) IS ALIGNED WITH THIS STATE'S CONTENT STANDARDS.

5 (C) GENERATES A SCALED SCORE USING THE FEWEST NUMBER OF  
6 TESTING ITEMS NECESSARY TO SUFFICIENTLY MEASURE BUILDING LEVEL  
7 ACHIEVEMENT BASED ON THIS STATE'S CONTENT STANDARDS.

8 (D) IS PROVEN TO BE A VALID AND RELIABLE MEASUREMENT OF  
9 BUILDING LEVEL ACHIEVEMENT.

10 (E) DOES NOT EXCEED 3 HOURS IN DURATION ON AVERAGE FOR AN  
11 INDIVIDUAL PUPIL TO COMPLETE THE COMBINED ADMINISTRATION OF THE  
12 MATH AND ENGLISH LANGUAGE ARTS PORTIONS OF THE TEST FOR ANY 1 GRADE  
13 LEVEL.

14 (7) NOT LATER THAN JANUARY 1, 2018, THE DEPARTMENT SHALL  
15 APPROVE 1 STATEWIDE SUMMATIVE ASSESSMENT THAT WAS INCLUDED IN A  
16 RESPONSE TO THE REQUEST FOR PROPOSALS UNDER SUBSECTION (6) OR  
17 DEVELOP THE DEPARTMENT'S OWN ASSESSMENT THAT MEETS THE REQUIREMENTS  
18 UNDER SUBSECTION (6).

19 (8) NOT LATER THAN OCTOBER 1, 2017, THE DEPARTMENT SHALL ISSUE  
20 A REQUEST FOR PROPOSALS FOR NOT LESS THAN 3 BENCHMARK ASSESSMENTS  
21 THAT EACH MEET ALL OF THE FOLLOWING:

22 (A) ASSESSES ALL OF GRADES 3 THROUGH 7 IN MATH AND ENGLISH  
23 LANGUAGE ARTS.

24 (B) IS ALIGNED WITH THIS STATE'S CONTENT STANDARDS SUCH THAT  
25 ITEMS WERE WRITTEN FOR THIS STATE'S CONTENT STANDARDS.

26 (C) IS COMPUTER ADAPTIVE ABOVE AND BELOW GRADE LEVEL.

27 (D) PRODUCES A PUPIL'S RESULTS IN NOT MORE THAN 48 HOURS FROM



1 THE TIME THE BENCHMARK ASSESSMENT IS ADMINISTERED.

2 (E) IS SELF-SCORING.

3 (F) ALIGNS TO THIS STATE'S CONTENT STANDARDS.

4 (G) MEASURES THE ACADEMIC GROWTH OF PUPILS AND PROVIDES AN  
5 ESTIMATE FOR ADEQUATE YEARLY GROWTH.

6 (H) DEMONSTRATES VALIDITY AND RELIABILITY AS APPROPRIATE FOR A  
7 COMPUTER ADAPTIVE ASSESSMENT.

8 (9) NOT LATER THAN JANUARY 1, 2018 AND IN CONSULTATION WITH  
9 EXPERTS IN THE FIELD OF EDUCATION AND EDUCATIONAL ASSESSMENT  
10 MEASUREMENT, THE DEPARTMENT SHALL APPROVE AT LEAST 2 BENCHMARK  
11 ASSESSMENTS THAT WERE INCLUDED IN A RESPONSE TO THE REQUEST FOR  
12 PROPOSALS UNDER SUBSECTION (8) AND MEET THE REQUIREMENTS DESCRIBED  
13 IN SUBSECTION (8).

14 (10) THE DEPARTMENT IS NOT PRECLUDED FROM APPROVING A  
15 STATEWIDE SUMMATIVE ASSESSMENT UNDER SUBSECTION (7) AND A BENCHMARK  
16 ASSESSMENT UNDER SUBSECTION (9) THAT ARE PROVIDED BY THE SAME  
17 VENDOR. THE SUMMATIVE ASSESSMENT SHALL NOT BE A BENCHMARK  
18 ASSESSMENT.

19 (11) ~~(5)~~ This section does not prohibit districts from  
20 adopting interim assessments.

21 (12) ~~(6)~~ As used in this section, "English language arts"  
22 means that term as defined in section 104b.

23 Sec. 104d. (1) From the state school aid fund money  
24 appropriated in section 11, there is allocated for ~~2016-2017-2017-~~  
25 **2018** an amount not to exceed \$4,000,000.00 for providing  
26 reimbursement to districts that purchase a computer-adaptive test,  
27 or that purchase 1 or more diagnostic tools, screening tools, or

1 benchmark assessments for pupils in grades K to 3 that are intended  
2 to increase reading proficiency by grade 4.

3 (2) In order to receive reimbursement under this section for  
4 the purchase of a computer-adaptive test, the computer-adaptive  
5 test must provide for at least all of the following:

6 (a) Internet-delivered, standards-based assessment using a  
7 computer-adaptive model to target the instructional level of each  
8 pupil.

9 (b) Unlimited testing opportunities throughout the ~~2016-2017~~  
10 **2017-2018** school year.

11 (c) Valid and reliable diagnostic assessment data.

12 (d) Adjustment of testing difficulty based on previous answers  
13 to test questions.

14 (e) Immediate feedback to pupils and teachers.

15 (3) In order to receive reimbursement under this section for  
16 the purchase of 1 or more diagnostic tools or screening tools for  
17 pupils in grades K to 3, each of the tools must meet all of the  
18 following:

19 (a) Be reliable.

20 (b) Be valid.

21 (c) Be useful. As used in this subdivision, "useful" means  
22 that a tool is easy to administer and requires a short time to  
23 complete and that results are linked to intervention.

24 (4) In order to receive funding under this section for the  
25 purchase of 1 or more benchmark assessments for pupils in grades K  
26 to 3, each of the benchmark assessments must meet all of the  
27 following:

1 (a) Be aligned to the state standards of this state.

2 (b) Complement this state's summative assessment system.

3 (c) Be administered at least once a year before the  
4 administration of any summative assessment to monitor pupil  
5 progress.

6 (d) Provide information on pupil achievement with regard to  
7 learning the content required in a given year or grade span.

8 (5) Reimbursement under this section shall be made to eligible  
9 districts that purchase a computer-adaptive test or 1 or more  
10 diagnostic tools, screening tools, or benchmark assessments  
11 described in this section by October 15, ~~2016~~2017 and shall be  
12 made on an equal per-pupil basis according to the available  
13 funding, based on the number of pupils for whom assessments were  
14 purchased.

15 (6) In order to receive reimbursement under this section, a  
16 district shall demonstrate to the satisfaction of the department  
17 that each qualifying computer-adaptive test, diagnostic tool,  
18 screening tool, or benchmark assessment was purchased by the  
19 district by December 1, ~~2016~~2017.

20 **SEC. 104E. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**  
21 **11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR THE**  
22 **IMPLEMENTATION OF AN ASSESSMENT DIGITAL LITERACY PREPARATION PILOT**  
23 **PROJECT FOR PUPILS ENROLLED IN GRADES K TO 8. THE DEPARTMENT SHALL**  
24 **ENSURE THAT A PILOT PROJECT FUNDED UNDER THIS SUBSECTION SATISFIES**  
25 **ALL OF THE FOLLOWING:**

26 **(A) IS AVAILABLE TO DISTRICTS IN THE 2017-2018 SCHOOL YEAR.**

27 **(B) FOCUSES ON ENSURING PUPILS HAVE THE NECESSARY SKILLS**

1 REQUIRED FOR STATE ONLINE ASSESSMENTS BY ASSESSING PUPIL DIGITAL  
 2 LITERACY SKILL LEVELS AND PROVIDING TEACHERS WITH A DIGITAL  
 3 CURRICULUM TARGETED AT AREAS OF DETERMINED WEAKNESS.

4 (C) ALLOWS PUPILS TO ENGAGE WITH THE DIGITAL CURRICULUM IN AN  
 5 INDEPENDENT OR TEACHER-FACILITATED MODALITY.

6 (D) INCLUDES TRAINING AND PROFESSIONAL DEVELOPMENT FOR  
 7 TEACHERS.

8 (E) IS IMPLEMENTED IN AT LEAST 220 DISTRICTS THAT OPERATE  
 9 GRADES K TO 8 AND THAT REPRESENT A DIVERSE GEOGRAPHY AND SOCIO-  
 10 ECONOMIC DEMOGRAPHIC.

11 (2) FUNDING UNDER SUBSECTION (1) SHALL BE ALLOCATED TO A  
 12 DISTRICT THAT OPERATES AT LEAST GRADES K TO 8 AND HAS A PARTNERSHIP  
 13 WITH A THIRD PARTY THAT IS EXPERIENCED IN THE ASSESSMENT OF DIGITAL  
 14 LITERACY AND THE PREPARATION OF DIGITAL LITERACY SKILLS AND HAS  
 15 DEMONSTRABLE EXPERIENCE SERVING DISTRICTS IN THIS STATE AND LOCAL  
 16 EDUCATION AGENCIES IN OTHER STATES. THE DISTRICT, ALONG WITH ITS  
 17 THIRD-PARTY PARTNER, SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE  
 18 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE  
 19 FISCAL AGENCIES ON THE EFFICACY AND USEFULNESS OF THE ASSESSMENT  
 20 DIGITAL LITERACY PREPARATION PILOT PROJECT NO LATER THAN SEPTEMBER  
 21 30, 2018.

22 (3) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER SUBSECTION (1)  
 23 SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT.

24 Sec. 107. (1) From the appropriation in section 11, there is  
 25 allocated an amount not to exceed ~~\$25,000,000.00~~ \$27,000,000.00 for  
 26 ~~2016-2017~~ 2017-2018 for adult education programs authorized under  
 27 this section. Except as otherwise provided under subsections ~~(14)~~

1 ~~and (15), (14), (15), AND (19)~~, funds allocated under this section  
2 are restricted for adult education programs as authorized under  
3 this section only. A recipient of funds under this section shall  
4 not use those funds for any other purpose.

5 (2) To be eligible for funding under this section, an eligible  
6 adult education provider shall employ certificated teachers and  
7 qualified administrative staff and shall offer continuing education  
8 opportunities for teachers to allow them to maintain certification.

9 (3) To be eligible to be a participant funded under this  
10 section, an individual shall be enrolled in an adult basic  
11 education program, an adult secondary education program, an adult  
12 English as a second language program, a high school equivalency  
13 test preparation program, or a high school completion program, that  
14 meets the requirements of this section, and for which instruction  
15 is provided, and shall meet either of the following:

16 (a) Has attained 20 years of age.

17 (b) Has attained 18 years of age and the individual's  
18 graduating class has graduated.

19 (4) By April 1 of each fiscal year, the intermediate districts  
20 within a prosperity region or subregion shall determine which  
21 intermediate district will serve as the prosperity region's or  
22 subregion's fiscal agent for the next fiscal year and shall notify  
23 the department in a form and manner determined by the department.  
24 The department shall approve or disapprove of the prosperity  
25 region's or subregion's selected fiscal agent. From the funds  
26 allocated under subsection (1), an amount as determined under this  
27 subsection shall be allocated to each intermediate district serving

1 as a fiscal agent for adult education programs in each of the  
2 prosperity regions or subregions identified by the department. An  
3 intermediate district shall not use more than 5% of the funds  
4 allocated under this subsection for administration costs for  
5 serving as the fiscal agent. Beginning in 2014-2015, 67% of the  
6 allocation provided to each intermediate district serving as a  
7 fiscal agent shall be based on the proportion of total funding  
8 formerly received by the adult education providers in that  
9 prosperity region or subregion in 2013-2014, and 33% shall be  
10 allocated based on the factors in subdivisions (a), (b), and (c).  
11 For ~~2017-2018, 2018-2019~~, 33% of the allocation provided to each  
12 intermediate district serving as a fiscal agent shall be based upon  
13 the proportion of total funding formerly received by the adult  
14 education providers in that prosperity region in 2013-2014 and 67%  
15 of the allocation shall be based upon the factors in subdivisions  
16 (a), (b), and (c). Beginning in ~~2018-2019, 2019-2020~~, 100% of the  
17 allocation provided to each intermediate district serving as a  
18 fiscal agent shall be based on the factors in subdivisions (a),  
19 (b), and (c). The funding factors for this section are as follows:

20 (a) Sixty percent of this portion of the funding shall be  
21 distributed based upon the proportion of the state population of  
22 individuals between the ages of 18 and 24 that are not high school  
23 graduates that resides in each of the prosperity regions or  
24 subregions, as reported by the most recent 5-year estimates from  
25 the American community survey (ACS) from the United States Census  
26 Bureau.

27 (b) Thirty-five percent of this portion of the funding shall

1 be distributed based upon the proportion of the state population of  
2 individuals age 25 or older who are not high school graduates that  
3 resides in each of the prosperity regions or subregions, as  
4 reported by the most recent 5-year estimates from the American  
5 community survey (ACS) from the United States Census Bureau.

6 (c) Five percent of this portion of the funding shall be  
7 distributed based upon the proportion of the state population of  
8 individuals age 18 or older who lack basic English language  
9 proficiency that resides in each of the prosperity regions or  
10 subregions, as reported by the most recent 5-year estimates from  
11 the American community survey (ACS) from the United States Census  
12 Bureau.

13 (5) To be an eligible fiscal agent, an intermediate district  
14 must agree to do the following in a form and manner determined by  
15 the department:

16 (a) Distribute funds to adult education programs in a  
17 prosperity region or subregion as described in this section.

18 (b) Collaborate with the talent district career council, which  
19 is an advisory council of the workforce development boards located  
20 in the prosperity region or subregion, or its successor, to develop  
21 a regional strategy that aligns adult education programs and  
22 services into an efficient and effective delivery system for adult  
23 education learners, with special consideration for providing  
24 contextualized learning and career pathways and addressing barriers  
25 to education and employment.

26 (c) Collaborate with the talent district career council, which  
27 is an advisory council of the workforce development boards located

1 in the prosperity region or subregion, or its successor, to create  
2 a local process and criteria that will identify eligible adult  
3 education providers to receive funds allocated under this section  
4 based on location, demand for services, past performance, quality  
5 indicators as identified by the department, and cost to provide  
6 instructional services. The fiscal agent shall determine all local  
7 processes, criteria, and provider determinations. However, the  
8 local processes, criteria, and provider services must be approved  
9 by the department before funds may be distributed to the fiscal  
10 agent.

11 (d) Provide oversight to its adult education providers  
12 throughout the program year to ensure compliance with the  
13 requirements of this section.

14 (e) Report adult education program and participant data and  
15 information as prescribed by the department.

16 (6) An adult basic education program, an adult secondary  
17 education program, or an adult English as a second language program  
18 operated on a year-round or school year basis may be funded under  
19 this section, subject to all of the following:

20 (a) The program enrolls adults who are determined by a  
21 department-approved assessment, in a form and manner prescribed by  
22 the department, to be below twelfth grade level in reading or  
23 mathematics, or both, or to lack basic English proficiency.

24 (b) The program tests individuals for eligibility under  
25 subdivision (a) before enrollment and upon completion of the  
26 program in compliance with the state-approved assessment policy.

27 (c) A participant in an adult basic education program is



1 eligible for reimbursement until 1 of the following occurs:

2 (i) The participant's reading and mathematics proficiency are  
3 assessed at or above the ninth grade level.

4 (ii) The participant fails to show progress on 2 successive  
5 assessments after having completed at least 450 hours of  
6 instruction.

7 (d) A participant in an adult secondary education program is  
8 eligible for reimbursement until 1 of the following occurs:

9 (i) The participant's reading and mathematics proficiency are  
10 assessed above the twelfth grade level.

11 (ii) The participant fails to show progress on 2 successive  
12 assessments after having at least 450 hours of instruction.

13 (e) A funding recipient enrolling a participant in an English  
14 as a second language program is eligible for funding according to  
15 subsection (9) until the participant meets 1 of the following:

16 (i) The participant is assessed as having attained basic  
17 English proficiency as determined by a department-approved  
18 assessment.

19 (ii) The participant fails to show progress on 2 successive  
20 department-approved assessments after having completed at least 450  
21 hours of instruction. The department shall provide information to a  
22 funding recipient regarding appropriate assessment instruments for  
23 this program.

24 (7) A high school equivalency test preparation program  
25 operated on a year-round or school year basis may be funded under  
26 this section, subject to all of the following:

27 (a) The program enrolls adults who do not have a high school

1 diploma or a high school equivalency certificate.

2 (b) The program shall administer a pre-test approved by the  
3 department before enrolling an individual to determine the  
4 individual's literacy levels, shall administer a high school  
5 equivalency practice test to determine the individual's potential  
6 for success on the high school equivalency test, and shall  
7 administer a post-test upon completion of the program in compliance  
8 with the state-approved assessment policy.

9 (c) A funding recipient shall receive funding according to  
10 subsection (9) for a participant, and a participant may be enrolled  
11 in the program until 1 of the following occurs:

12 (i) The participant achieves a high school equivalency  
13 certificate.

14 (ii) The participant fails to show progress on 2 successive  
15 department-approved assessments used to determine readiness to take  
16 a high school equivalency test after having completed at least 450  
17 hours of instruction.

18 (8) A high school completion program operated on a year-round  
19 or school year basis may be funded under this section, subject to  
20 all of the following:

21 (a) The program enrolls adults who do not have a high school  
22 diploma.

23 (b) The program tests participants described in subdivision  
24 (a) before enrollment and upon completion of the program in  
25 compliance with the state-approved assessment policy.

26 (c) A funding recipient shall receive funding according to  
27 subsection (9) for a participant in a course offered under this

1 subsection until 1 of the following occurs:

2 (i) The participant passes the course and earns a high school  
3 diploma.

4 (ii) The participant fails to earn credit in 2 successive  
5 semesters or terms in which the participant is enrolled after  
6 having completed at least 900 hours of instruction.

7 (9) A funding recipient shall receive payments under this  
8 section in accordance with all of the following:

9 (a) Statewide allocation criteria, including 3-year average  
10 enrollments, census data, and local needs.

11 (b) Participant completion of the adult basic education  
12 objectives by achieving an educational gain as determined by the  
13 national reporting system levels; for achieving basic English  
14 proficiency, as determined by the department; for achieving a high  
15 school equivalency certificate or passage of 1 or more individual  
16 high school equivalency tests; for attainment of a high school  
17 diploma or passage of a course required for a participant to attain  
18 a high school diploma; for enrollment in a postsecondary  
19 institution, or for entry into or retention of employment, as  
20 applicable.

21 (c) Participant completion of core indicators as identified in  
22 the innovation and opportunity act.

23 (d) Allowable expenditures.

24 (10) A person who is not eligible to be a participant funded  
25 under this section may receive adult education services upon the  
26 payment of tuition. In addition, a person who is not eligible to be  
27 served in a program under this section due to the program

1 limitations specified in subsection (6), (7), or (8) may continue  
2 to receive adult education services in that program upon the  
3 payment of tuition. The tuition level shall be determined by the  
4 local or intermediate district conducting the program.

5 (11) An individual who is an inmate in a state correctional  
6 facility shall not be counted as a participant under this section.

7 (12) A funding recipient shall not commingle money received  
8 under this section or from another source for adult education  
9 purposes with any other funds and shall establish a separate ledger  
10 account for funds received under this section. This subsection does  
11 not prohibit a district from using general funds of the district to  
12 support an adult education or community education program.

13 (13) A funding recipient receiving funds under this section  
14 may establish a sliding scale of tuition rates based upon a  
15 participant's family income. A funding recipient may charge a  
16 participant tuition to receive adult education services under this  
17 section from that sliding scale of tuition rates on a uniform  
18 basis. The amount of tuition charged per participant shall not  
19 exceed the actual operating cost per participant minus any funds  
20 received under this section per participant. A funding recipient  
21 may not charge a participant tuition under this section if the  
22 participant's income is at or below 200% of the federal poverty  
23 guidelines published by the United States Department of Health and  
24 Human Services.

25 (14) In order to receive funds under this section, a funding  
26 recipient shall furnish to the department, in a form and manner  
27 determined by the department, all information needed to administer

1 this program and meet federal reporting requirements; shall allow  
 2 the department or the department's designee to review all records  
 3 related to the program for which it receives funds; and shall  
 4 reimburse the state for all disallowances found in the review, as  
 5 determined by the department. In addition, a funding recipient  
 6 shall agree to pay to a career and technical education program  
 7 under section 61a the amount of funding received under this section  
 8 in the proportion of career and technical education coursework used  
 9 to satisfy adult basic education programming, as billed to the  
 10 funding recipient by programs operating under section 61a.

11 (15) From the amount appropriated in subsection (1), an amount  
 12 not to exceed \$500,000.00 shall be allocated for ~~2016-2017~~**2017-**  
 13 **2018** to not more than 1 pilot program that is located in a  
 14 prosperity region with 2 or more subregions and that connects adult  
 15 education participants directly with employers by linking adult  
 16 education, career and technical skills, and workforce development.  
 17 To be eligible for funding under this subsection, a pilot program  
 18 shall provide a collaboration linking adult education programs  
 19 within the county, the area career/technical center, and local  
 20 employers, and shall meet the additional criteria in subsections  
 21 (16) and (17). Funding under this subsection for ~~2016-2017~~**2017-**  
 22 **2018** is for the ~~second~~**THIRD** of 3 years of funding.

23 (16) A pilot program funded under subsection (15) shall  
 24 require adult education staff to work with Michigan works! agency  
 25 to identify a cohort of participants who are most prepared to  
 26 successfully enter the workforce. Participants identified under  
 27 this subsection shall be dually enrolled in adult education

1 programming and at least 1 technical course at the area  
2 career/technical center.

3 (17) A pilot program funded under subsection (15) shall have  
4 on staff an adult education navigator who will serve as a  
5 caseworker for each participant identified under subsection (16).  
6 The navigator shall work with adult education staff and potential  
7 employers to design an educational program best suited to the  
8 personal and employment needs of the participant, and shall work  
9 with human service agencies or other entities to address any  
10 barrier in the way of participant access.

11 (18) Not later than December 1, ~~2017~~, **2018**, the pilot program  
12 funded under subsection (15) shall provide to the senate and house  
13 appropriations subcommittees on school aid, ~~and to the senate and~~  
14 ~~house fiscal agencies,~~ **AND TO THE STATE BUDGET DIRECTOR** a report  
15 detailing number of participants, graduation rates, and a measure  
16 of transitioning to employment.

17 ~~— (19) The department shall develop an application process for a~~  
18 ~~pilot program to be funded under subsection (15) and shall award~~  
19 ~~funding not later than October 1, 2016. Funding allocated under~~  
20 ~~subsection (15) may be paid on a schedule other than that specified~~  
21 ~~under section 17b.~~

22 (19) **FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT**  
23 **NOT TO EXCEED \$2,000,000.00 SHALL BE ALLOCATED FOR 2017-2018 FOR**  
24 **GRANTS TO NOT MORE THAN 5 PILOT PROGRAMS THAT ARE ADDITIONAL TO THE**  
25 **PILOT PROGRAM FUNDED UNDER SUBSECTION (15) TO CONNECT ADULT**  
26 **EDUCATION PARTICIPANTS WITH EMPLOYERS AS PROVIDED UNDER THIS**  
27 **SUBSECTION. THE GRANT TO EACH ELIGIBLE PILOT PROGRAM SHALL BE**

1 \$400,000.00. TO RECEIVE FUNDING UNDER THIS SUBSECTION, AN ELIGIBLE  
2 PILOT PROGRAM SHALL SATISFY ALL OF THE FOLLOWING:

3 (A) MEETS 1 OF THE FOLLOWING:

4 (i) IS LOCATED IN PROSPERITY REGION 1C.

5 (ii) IS LOCATED IN PROSPERITY REGION 2 AND BORDERS PROSPERITY  
6 REGION 4.

7 (iii) IS LOCATED IN PROSPERITY REGION 4A AND BORDERS  
8 PROSPERITY REGION 5.

9 (iv) IS LOCATED IN PROSPERITY REGION 5 AND BORDERS LAKE HURON.

10 (v) IS LOCATED IN PROSPERITY REGION 9 AND BORDERS A  
11 NEIGHBORING STATE.

12 (B) BEGINS OPERATIONS AT THE START OF THE 2017-2018 SCHOOL  
13 YEAR.

14 (C) REPLICATES THE PILOT PROGRAM FUNDED UNDER SUBSECTION (15).

15 (D) MEETS THE REQUIREMENTS UNDER SUBSECTIONS (15), (16), AND  
16 (17) FOR A PILOT PROGRAM FUNDED UNDER SUBSECTION (15).

17 (20) NOT LATER THAN DECEMBER 1, 2018, A PILOT PROGRAM FUNDED  
18 UNDER SUBSECTION (19) SHALL PROVIDE A REPORT TO THE SENATE AND  
19 HOUSE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID, TO THE SENATE AND  
20 HOUSE FISCAL AGENCIES, AND TO THE STATE BUDGET DIRECTOR IDENTIFYING  
21 THE NUMBER OF PARTICIPANTS, GRADUATION RATES, AND A MEASURE OF  
22 TRANSITION TO EMPLOYMENT.

23 (21) ~~(20)~~—The department shall approve at least 3 high school  
24 equivalency tests and determine whether a high school equivalency  
25 certificate meets the requisite standards for high school  
26 equivalency in this state.

27 (22) ~~(21)~~—As used in this section:

1 (a) "Career pathway" means a combination of rigorous and high-  
2 quality education, training, and other services that comply with  
3 all of the following:

4 (i) Aligns with the skill needs of industries in the economy  
5 of this state or in the regional economy involved.

6 (ii) Prepares an individual to be successful in any of a full  
7 range of secondary or postsecondary education options, including  
8 apprenticeships registered under the act of August 16, 1937  
9 (commonly known as the "national apprenticeship act"), 29 USC 50 et  
10 seq.

11 (iii) Includes counseling to support an individual in  
12 achieving the individual's education and career goals.

13 (iv) Includes, as appropriate, education offered concurrently  
14 with and in the same context as workforce preparation activities  
15 and training for a specific occupation or occupational cluster.

16 (v) Organizes education, training, and other services to meet  
17 the particular needs of an individual in a manner that accelerates  
18 the educational and career advancement of the individual to the  
19 extent practicable.

20 (vi) Enables an individual to attain a secondary school  
21 diploma or its recognized equivalent, and at least 1 recognized  
22 postsecondary credential.

23 (vii) Helps an individual enter or advance within a specific  
24 occupation or occupational cluster.

25 (b) "Department" means the department of talent and economic  
26 development.

27 (c) "Eligible adult education provider" means a district,



1 intermediate district, a consortium of districts, a consortium of  
 2 intermediate districts, or a consortium of districts and  
 3 intermediate districts that is identified as part of the local  
 4 process described in subsection (5)(c) and approved by the  
 5 department.

6 Sec. 147. (1) The allocation for ~~2016-2017~~**2017-2018** for the  
 7 public school employees' retirement system pursuant to the public  
 8 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301  
 9 to 38.1408, shall be made using the individual projected benefit  
 10 entry age normal cost method of valuation and risk assumptions  
 11 adopted by the public school employees retirement board and the  
 12 department of technology, management, and budget.

13 (2) The annual level percentage of payroll contribution rates  
 14 for the ~~2016-2017~~**2017-2018** fiscal year, as determined by the  
 15 retirement system, are estimated as follows:

16 (a) For public school employees who first worked for a public  
 17 school reporting unit before July 1, 2010 and who are enrolled in  
 18 the health premium subsidy, the annual level percentage of payroll  
 19 contribution rate is estimated at ~~36.64%~~**36.88%**, with ~~24.94%~~  
 20 **25.56%** paid directly by the employer.

21 (b) For public school employees who first worked for a public  
 22 school reporting unit on or after July 1, 2010 and who are enrolled  
 23 in the health premium subsidy, the annual level percentage of  
 24 payroll contribution rate is estimated at ~~36.01%~~**35.60%**, with  
 25 ~~24.31%~~**24.28%** paid directly by the employer.

26 (c) For public school employees who first worked for a public  
 27 school reporting unit on or after July 1, 2010 and who participate

1 in the personal healthcare fund, the annual level percentage of  
2 payroll contribution rate is estimated at ~~35.79%~~, **35.35%**, with  
3 ~~24.09%~~ **24.03%** paid directly by the employer.

4 (d) For public school employees who first worked for a public  
5 school reporting unit on or after September 4, 2012, who elect  
6 defined contribution, and who participate in the personal  
7 healthcare fund, the annual level percentage of payroll  
8 contribution rate is estimated at ~~32.66%~~, **32.28%**, with 20.96% paid  
9 directly by the employer.

10 (e) For public school employees who first worked for a public  
11 school reporting unit before July 1, 2010, who elect defined  
12 contribution, and who are enrolled in the health premium subsidy,  
13 the annual level percentage of payroll contribution rate is  
14 estimated at ~~32.88%~~, **32.53%**, with ~~21.18%~~ **21.21%** paid directly by  
15 the employer.

16 (f) For public school employees who first worked for a public  
17 school reporting unit before July 1, 2010, who elect defined  
18 contribution, and who participate in the personal healthcare fund,  
19 the annual level percentage of payroll contribution rate is  
20 estimated at ~~32.66%~~, **32.28%**, with 20.96% paid directly by the  
21 employer.

22 (g) For public school employees who first worked for a public  
23 school reporting unit before July 1, 2010 and who participate in  
24 the personal healthcare fund, the annual level percentage of  
25 payroll contribution rate is estimated at ~~36.42%~~, **36.63%**, with  
26 ~~24.72%~~ **25.31%** paid directly by the employer.

27 (3) In addition to the employer payments described in

subsection (2), the employer shall pay the applicable contributions to the Tier 2 plan, as determined by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

(4) The contribution rates in subsection (2) reflect an amortization period of ~~22-21~~ years for ~~2016-2017-2017-2018~~. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 147a. (1) From the appropriation in section 11, there is allocated for ~~2016-2017-2017-2018~~ an amount not to exceed \$100,000,000.00 for payments to participating districts. A **PARTICIPATING** district that receives money under this ~~section~~ **SUBSECTION** shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this ~~section~~ **SUBSECTION** shall be based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this ~~section~~, **SUBSECTION**, "participating district" means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(2) **IN ADDITION TO THE ALLOCATION UNDER SUBSECTION (1), FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED UNDER SECTION 11,**

1 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$48,940,000.00 FOR 2017-  
 2 2018 FOR PAYMENTS TO PARTICIPATING ENTITIES AND FROM THE GENERAL  
 3 FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN  
 4 AMOUNT NOT TO EXCEED \$29,000.00 FOR 2017-2018 FOR PAYMENTS TO  
 5 PARTICIPATING DISTRICT LIBRARIES. THE AMOUNT ALLOCATED TO EACH  
 6 PARTICIPATING ENTITY UNDER THIS SUBSECTION SHALL BE BASED ON EACH  
 7 PARTICIPATING ENTITY'S PERCENTAGE OF THE TOTAL STATEWIDE PAYROLL  
 8 FOR THAT TYPE OF PARTICIPATING ENTITY FOR THE IMMEDIATELY PRECEDING  
 9 FISCAL YEAR. A PARTICIPATING ENTITY THAT RECEIVES MONEY UNDER THIS  
 10 SUBSECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF  
 11 OFFSETTING A PORTION OF THE NORMAL COST CONTRIBUTION RATE. AS USED  
 12 IN THIS SUBSECTION:

13 (A) "DISTRICT LIBRARY" MEANS A DISTRICT LIBRARY ESTABLISHED  
 14 UNDER THE DISTRICT LIBRARY ESTABLISHMENT ACT, 1989 PA 24, MCL  
 15 397.171 TO 397.196.

16 (B) "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE  
 17 DISTRICT, OR DISTRICT LIBRARY THAT IS A REPORTING UNIT OF THE  
 18 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE  
 19 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL  
 20 38.1301 TO 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN  
 21 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE  
 22 FISCAL YEAR.

23 Sec. 147c. (1) From the appropriation in section 11, there is  
 24 allocated for ~~2016-2017~~ 2017-2018 an amount not to exceed  
 25 ~~\$982,200,000.00~~ \$960,130,000.00 from the state school aid fund for  
 26 payments to districts and intermediate districts that are  
 27 participating entities of the Michigan public school employees'

1 retirement system. In addition, from the general fund money  
2 appropriated in section 11, there is allocated for ~~2016-2017-2017-~~  
3 **2018** an amount not to exceed ~~\$600,000.00-\$654,000.00~~ for payments  
4 to district libraries that are participating entities of the  
5 Michigan public school employees' retirement system.

6 (2) For ~~2016-2017,~~ **2017-2018**, the amounts allocated under  
7 subsection (1) are estimated to provide an average MPERS rate cap  
8 per pupil amount of ~~\$660.00-\$640.00~~ and are estimated to provide a  
9 rate cap per pupil for districts ranging between ~~\$5.00 and~~  
10 ~~\$3,100.00-\$4.00~~ **AND \$3,020.00.**

11 (3) Payments made under this section shall be equal to the  
12 difference between the unfunded actuarial accrued liability  
13 contribution rate as calculated pursuant to section 41 of the  
14 public school employees retirement act of 1979, 1980 PA 300, MCL  
15 38.1341, as calculated without taking into account the maximum  
16 employer rate of 20.96% included in section 41 of the public school  
17 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the  
18 maximum employer rate of 20.96% included in section 41 of the  
19 public school employees retirement act of 1979, 1980 PA 300, MCL  
20 38.1341.

21 (4) The amount allocated to each participating entity under  
22 this section shall be based on each participating entity's  
23 proportion of the total covered payroll for the immediately  
24 preceding fiscal year for the same type of participating entities.  
25 A participating entity that receives funds under this section shall  
26 use the funds solely for the purpose of retirement contributions as  
27 specified in subsection (5).

(5) Each participating entity receiving funds under this section shall forward an amount equal to the amount allocated under subsection (4) to the retirement system in a form, manner, and time frame determined by the retirement system.

(6) Funds allocated under this section should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(7) Not later than December 20, ~~2016~~, **2017**, the department shall publish and post on its website an estimated MPERS rate cap per pupil for each district.

(8) As used in this section:

**(A) "DISTRICT LIBRARY" MEANS A DISTRICT LIBRARY ESTABLISHED UNDER THE DISTRICT LIBRARY ESTABLISHMENT ACT, 1989 PA 24, MCL 397.171 TO 397.196.**

**(B)** ~~(a)~~—"MPERS rate cap per pupil" means an amount equal to the quotient of the district's payment under this section divided by the district's pupils in membership.

**(C)** ~~(b)~~—"Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

**(D)** ~~(c)~~—"Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

1           (E) ~~(d)~~—"Retirement system" means the Michigan public school  
2 employees' retirement system under the public school employees  
3 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

4           SEC. 147E. (1) THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT  
5 SYSTEM (MPSERS) REFORMS RESERVE FUND IS CREATED WITHIN THE STATE  
6 TREASURY.

7           (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM  
8 ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL  
9 DIRECT THE INVESTMENT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES  
10 RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND. THE STATE  
11 TREASURER SHALL CREDIT TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES  
12 RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND INTEREST AND  
13 EARNINGS FROM MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM  
14 (MPSERS) REFORMS RESERVE FUND INVESTMENTS.

15           (3) MONEY IN THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT  
16 SYSTEM (MPSERS) REFORMS RESERVE FUND AT THE CLOSE OF THE FISCAL  
17 YEAR SHALL REMAIN IN THE MICHIGAN PUBLIC SCHOOL EMPLOYEES  
18 RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND AND SHALL NOT LAPSE  
19 TO THE GENERAL FUND.

20           (4) THE DEPARTMENT OF TREASURY SHALL BE THE ADMINISTRATOR OF  
21 THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS)  
22 REFORMS RESERVE FUND FOR AUDITING PURPOSES.

23           (5) THE DEPARTMENT OF TREASURY SHALL EXPEND MONEY FROM THE  
24 MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS  
25 RESERVE FUND, UPON APPROPRIATION, ONLY TO PAY FOR THE INCREASED  
26 COSTS TO MPSERS AND OTHER STATE RETIREMENT SYSTEMS ASSOCIATED WITH  
27 REFORMS UNDER SENATE BILL NO. 401 OR HOUSE BILL NO. 4647 OF THE

1 99TH LEGISLATURE.

2 (6) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018,  
3 \$200,000,000.00 FROM THE GENERAL FUND AND \$295,000,000.00 FROM THE  
4 STATE SCHOOL AID FUND SHALL BE DEPOSITED INTO THE MICHIGAN PUBLIC  
5 SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND TO  
6 BE USED ONLY AS PROVIDED IN SUBSECTION (5).

7 Sec. 152a. (1) As required by the court in the consolidated  
8 cases known as Adair v State of Michigan, ~~Michigan supreme court~~  
9 ~~docket nos. 137424 and 137453,~~ **486 MICH 468 (2010)**, from the state  
10 school aid fund money appropriated in section 11 there is allocated  
11 for ~~2016-2017~~ **2017-2018** an amount not to exceed \$38,000,500.00 to  
12 be used solely for the purpose of paying necessary costs related to  
13 the state-mandated collection, maintenance, and reporting of data  
14 to this state.

15 (2) From the allocation in subsection (1), the department  
16 shall make payments to districts and intermediate districts in an  
17 equal amount per-pupil based on the total number of pupils in  
18 membership in each district and intermediate district. The  
19 department shall not make any adjustment to these payments after  
20 the final installment payment under section 17b is made.

21 Sec. 152b. (1) From the general fund money appropriated under  
22 section 11, there is allocated an amount not to exceed  
23 \$2,500,000.00 for **EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018**  
24 to reimburse **ACTUAL** costs incurred by nonpublic schools as  
25 ~~identified in the nonpublic school mandate report published by the~~  
26 ~~department on November 25, 2014 and under subsection (2).~~ **IN**  
27 **COMPLYING WITH A HEALTH, SAFETY, OR WELFARE REQUIREMENT MANDATED BY**



1 **A LAW OR ADMINISTRATIVE RULE OF THIS STATE.**

2 (2) By January 1 ~~, 2017,~~ **OF EACH APPLICABLE FISCAL YEAR,** the  
 3 department shall publish a form **FOR REPORTING ACTUAL COSTS INCURRED**  
 4 **BY A NONPUBLIC SCHOOL IN COMPLYING WITH A HEALTH, SAFETY, OR**  
 5 **WELFARE REQUIREMENT MANDATED UNDER STATE LAW** containing the  
 6 ~~requirements identified in the report under subsection (1). The~~  
 7 ~~department shall include other requirements on the form that were~~  
 8 ~~enacted into law after publication of the report.~~ **EACH HEALTH,**  
 9 **SAFETY, OR WELFARE REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE**  
 10 **RULE OF THIS STATE APPLICABLE TO A NONPUBLIC SCHOOL AND WITH A**  
 11 **REFERENCE TO EACH RELEVANT PROVISION OF LAW OR ADMINISTRATIVE RULE**  
 12 **FOR THE REQUIREMENT.** The form shall be posted on the department's  
 13 website in electronic form.

14 (3) By June 15 ~~, 2017,~~ **30 OF EACH APPLICABLE FISCAL YEAR,** a  
 15 nonpublic school seeking reimbursement ~~under subsection (1) of~~ **FOR**  
 16 **ACTUAL** costs incurred **IN COMPLYING WITH A HEALTH, SAFETY, OR**  
 17 **WELFARE REQUIREMENT UNDER A LAW OR ADMINISTRATIVE RULE OF THIS**  
 18 **STATE** during the ~~2016-2017~~ **EACH APPLICABLE** school year shall submit  
 19 ~~the~~ **A COMPLETED** form described in subsection (2) to the department.  
 20 This section does not require a nonpublic school to submit a form  
 21 described in subsection (2). A nonpublic school is not eligible for  
 22 reimbursement under this section ~~unless~~ **IF** the nonpublic school  
 23 ~~submits~~ **DOES NOT SUBMIT** the form described in subsection (2) in a  
 24 timely manner.

25 (4) By August 15 ~~, 2017,~~ **OF EACH APPLICABLE FISCAL YEAR,** the  
 26 department shall distribute funds to **EACH** nonpublic ~~schools~~ **SCHOOL**  
 27 that ~~submit~~ **SUBMITS** a completed form described under subsection (2)

1 in a timely manner. The superintendent shall determine the amount  
2 of funds to be paid to each nonpublic school in an amount that does  
3 not exceed the nonpublic school's actual ~~cost to comply with~~  
4 ~~requirements under subsections (1) and (2).~~ **COSTS IN COMPLYING WITH**  
5 **A HEALTH, SAFETY, OR WELFARE REQUIREMENT UNDER A LAW OR**  
6 **ADMINISTRATIVE RULE OF THIS STATE.** The superintendent shall  
7 calculate a nonpublic school's actual cost in accordance with this  
8 section.

9 (5) If the funds allocated under this section are insufficient  
10 to fully fund payments as otherwise calculated under this section,  
11 the department shall distribute funds under this section on a  
12 prorated or other equitable basis as determined by the  
13 superintendent.

14 (6) The department ~~has the authority to~~ **MAY** review the records  
15 of a nonpublic school submitting a form described in subsection (2)  
16 only for the limited purpose of verifying the nonpublic school's  
17 compliance with this section. If a nonpublic school does not allow  
18 the department to review records under this subsection, ~~for this~~  
19 ~~limited purpose,~~ the nonpublic school is not eligible for  
20 reimbursement under this section.

21 (7) The funds appropriated under this section are for purposes  
22 related to education, are considered to be incidental to the  
23 operation of a nonpublic school, are noninstructional in character,  
24 and are intended for the public purpose of ensuring the health,  
25 safety, and welfare of the children in nonpublic schools and to  
26 reimburse nonpublic schools for costs described in this section.

27 (8) Funds allocated under this section are not intended to aid

1 or maintain any nonpublic school, support the attendance of any  
 2 student at a nonpublic school, employ any person at a nonpublic  
 3 school, support the attendance of any student at any location where  
 4 instruction is offered to a nonpublic school student, or support  
 5 the employment of any person at any location where instruction is  
 6 offered to a nonpublic school student.

7 (9) For purposes of this section, "actual cost" means the  
 8 hourly wage for the employee or employees performing ~~the reported~~ **A**  
 9 task or tasks **REQUIRED TO COMPLY WITH A HEALTH, SAFETY, OR WELFARE**  
 10 **REQUIREMENT UNDER A LAW OR ADMINISTRATIVE RULE OF THIS STATE**  
 11 **IDENTIFIED BY THE DEPARTMENT UNDER SUBSECTION (2)** and is to be  
 12 calculated in accordance with the form published by the department  
 13 under subsection (2), which shall include a detailed itemization of  
 14 ~~cost.~~ **COSTS**. The nonpublic school shall not charge more than the  
 15 hourly wage of its lowest-paid employee capable of performing ~~the~~  
 16 ~~reported~~ **A SPECIFIC** task regardless of whether that individual is  
 17 available and regardless of who actually performs ~~the reported~~ **A**  
 18 **SPECIFIC** task. Labor costs under this subsection shall be estimated  
 19 and charged in increments of 15 minutes or more, with all partial  
 20 time increments rounded down. When calculating costs under  
 21 subsection (4), fee components shall be itemized in a manner that  
 22 expresses both the hourly wage and the number of hours charged. The  
 23 nonpublic school may not charge any applicable labor charge amount  
 24 to cover or partially cover the cost of health or fringe benefits.  
 25 A nonpublic school shall not charge any overtime wages in the  
 26 calculation of labor costs.

27 (10) FOR THE PURPOSES OF THIS SECTION, THE ACTUAL COST

1 INCURRED BY A NONPUBLIC SCHOOL FOR TAKING DAILY STUDENT ATTENDANCE  
2 SHALL BE CONSIDERED AN ACTUAL COST IN COMPLYING WITH A HEALTH,  
3 SAFETY, OR WELFARE REQUIREMENT UNDER A LAW OR ADMINISTRATIVE RULE  
4 OF THIS STATE. TRAINING FEES, INSPECTION FEES, AND CRIMINAL  
5 BACKGROUND CHECK FEES ARE CONSIDERED ACTUAL COSTS IN COMPLYING WITH  
6 A HEALTH, SAFETY, OR WELFARE REQUIREMENT UNDER A LAW OR  
7 ADMINISTRATIVE RULE OF THIS STATE.

8 (11) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2016-2017 ARE  
9 A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2016-  
10 2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE WORK  
11 PROJECT IS TO CONTINUE TO REIMBURSE NONPUBLIC SCHOOLS FOR ACTUAL  
12 COSTS INCURRED IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE  
13 REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE RULE OF THIS STATE.  
14 THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,  
15 2019.

16 SEC. 160. IF A DISTRICT OR INTERMEDIATE DISTRICT REQUESTS THE  
17 SUPERINTENDENT TO GRANT A WAIVER FOR THE DISTRICT OR INTERMEDIATE  
18 DISTRICT FROM THE REQUIREMENTS OF SECTION 1284B OF THE REVISED  
19 SCHOOL CODE, MCL 380.1284B, THAT DISTRICT OR INTERMEDIATE DISTRICT  
20 SHALL USE A PORTION OF ITS FUNDING UNDER THIS ARTICLE TO CONDUCT A  
21 JOINT PUBLIC HEARING WITH THE DEPARTMENT TO BE HELD BEFORE THE  
22 WAIVER IS GRANTED AT A LOCATION WITHIN THE DISTRICT OR INTERMEDIATE  
23 DISTRICT.

24 SEC. 164G. A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT USE  
25 FUNDS APPROPRIATED UNDER THIS ACT TO PAY AN EXPENSE INCURRED  
26 RELATING TO ANY LEGAL ACTION INITIATED BY THE DISTRICT OR  
27 INTERMEDIATE DISTRICT AGAINST THIS STATE. IF A DISTRICT OR

1 INTERMEDIATE DISTRICT VIOLATES THIS SECTION IN A FISCAL YEAR, THE  
2 DISTRICT OR INTERMEDIATE DISTRICT FORFEITS FROM ITS FUNDS DUE UNDER  
3 THIS ACT FOR THAT FISCAL YEAR AN AMOUNT EQUAL TO THE EXPENSES PAID  
4 IN VIOLATION OF THIS SECTION.

5 SEC. 164H. (1) BEGINNING OCTOBER 1, 2017, A DISTRICT OR  
6 INTERMEDIATE DISTRICT SHALL NOT ENTER INTO A COLLECTIVE BARGAINING  
7 AGREEMENT THAT DOES ANY OF THE FOLLOWING:

8 (A) ESTABLISHES RACIAL OR RELIGIOUS PREFERENCES FOR EMPLOYEES.

9 (B) AUTOMATICALLY DEDUCTS UNION DUES FROM EMPLOYEE  
10 COMPENSATION.

11 (C) IS IN CONFLICT WITH ANY STATE OR FEDERAL LAW REGARDING  
12 DISTRICT OR INTERMEDIATE DISTRICT TRANSPARENCY.

13 (D) INCLUDES A METHOD OF COMPENSATION THAT DOES NOT COMPLY  
14 WITH SECTION 1250 OF THE REVISED SCHOOL CODE, MCL 380.1250.

15 (2) A DISTRICT OR INTERMEDIATE DISTRICT THAT ENTERS INTO A  
16 COLLECTIVE BARGAINING AGREEMENT IN VIOLATION OF SUBSECTION (1)  
17 SHALL FORFEIT AN AMOUNT EQUAL TO 5% OF THE FUNDS DUE TO THE  
18 DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE.

19 Sec. 166b. (1) This act does not prohibit a parent or legal  
20 guardian of a minor who is enrolled in any of grades kindergarten  
21 to 12 in a nonpublic school or who is being home-schooled from also  
22 enrolling the minor in a district, public school academy, or  
23 intermediate district in any curricular offering that is provided  
24 by the district, public school academy, or intermediate district at  
25 a public school site and is available to pupils in the minor's  
26 grade level or age group, subject to compliance with the same  
27 requirements that apply to a full-time pupil's participation in the

1 offering. However, state school aid shall be provided under this  
2 act for a minor enrolled as described in this subsection only for  
3 curricular offerings that are ~~offered~~ **AVAILABLE** to full-time pupils  
4 in the minor's grade level or age group. ~~during regularly scheduled~~  
5 ~~school hours.~~

6 (2) This act does not prohibit a parent or legal guardian of a  
7 minor who is enrolled in any of grades kindergarten to 12 in a  
8 nonpublic school or who resides within the district and is being  
9 home-schooled from also enrolling the minor in the district in a  
10 curricular offering being provided by the district at the nonpublic  
11 school site. However, state school aid shall be provided under this  
12 act for a minor enrolled as described in this subsection only if  
13 all of the following apply:

14 (a) Either of the following:

15 (i) The nonpublic school site is located, or the nonpublic  
16 students are educated, within the geographic boundaries of the  
17 district.

18 (ii) If the nonpublic school has submitted a written request  
19 to the district in which the nonpublic school is located for the  
20 district to provide certain instruction under this subsection for a  
21 school year and the district does not agree to provide some or all  
22 of that instruction by May 1 immediately preceding that school year  
23 or, if the request is submitted after March 1 immediately preceding  
24 that school year, within 60 days after the nonpublic school submits  
25 the request, the instruction is instead provided by an eligible  
26 other district. This subparagraph does not require a nonpublic  
27 school to submit more than 1 request to the district in which the

1 nonpublic school is located for that district to provide  
2 instruction under this subsection, and does not require a nonpublic  
3 school to submit an additional request to the district in which the  
4 nonpublic school is located for that district to provide additional  
5 instruction under this subsection beyond the instruction requested  
6 in the original request, before having the instruction provided by  
7 an eligible other district. A public school academy that is located  
8 in the district in which the nonpublic school is located or in an  
9 eligible other district also may provide instruction under this  
10 subparagraph under the same conditions as an eligible other  
11 district. As used in this subparagraph, "eligible other district"  
12 means a district that is located in the same intermediate district  
13 as the district in which the nonpublic school is located or is  
14 located in an intermediate district that is contiguous to that  
15 intermediate district.

16 (b) The nonpublic school is registered with the department as  
17 a nonpublic school and meets all state reporting requirements for  
18 nonpublic schools.

19 ~~— (c) The instruction is scheduled to occur during the regular~~  
20 ~~school day.~~

21 (C) ~~(d)~~ The instruction is provided directly by a certified  
22 teacher at the district or public school academy or at an  
23 intermediate district.

24 (D) ~~(e)~~ The curricular offering is also available to full-time  
25 pupils in the minor's grade level or age group in the district or  
26 public school academy ~~during the regular school day~~ at a public  
27 school site.

1           **(E)** ~~(f)~~—The curricular offering is restricted to nonessential  
2 elective courses for pupils in grades kindergarten to 12.

3           **(3) A NONESSENTIAL COURSE IN GRADES KINDERGARTEN TO 8 IS A**  
4 **COURSE OTHER THAN MATHEMATICS, SCIENCE, SOCIAL STUDIES, AND ENGLISH**  
5 **LANGUAGE ARTS. NONESSENTIAL COURSES IN GRADES 9 TO 12 ARE THOSE**  
6 **OTHER THAN ALGEBRA 1, ALGEBRA 2, ENGLISH 9-12, GEOMETRY, BIOLOGY,**  
7 **CHEMISTRY, PHYSICS, ECONOMICS, GEOGRAPHY, AMERICAN HISTORY, WESTERN**  
8 **HISTORY, THE CONSTITUTION, AND GOVERNMENT, OR COURSES THAT FULFILL**  
9 **THE SAME CREDIT REQUIREMENT AS THESE COURSES. NONESSENTIAL ELECTIVE**  
10 **COURSES INCLUDE COURSES OFFERED BY THE LOCAL DISTRICT FOR HIGH**  
11 **SCHOOL CREDIT THAT ARE ALSO CAPABLE OF GENERATING POSTSECONDARY**  
12 **CREDIT, INCLUDING, AT LEAST, ADVANCED PLACEMENT AND INTERNATIONAL**  
13 **BACCALAUREATE COURSES. COLLEGE LEVEL COURSES TAKEN BY HIGH SCHOOL**  
14 **STUDENTS FOR COLLEGE CREDIT ARE NONESSENTIAL COURSES. REMEDIAL**  
15 **COURSES FOR ANY GRADE IN THE ABOVE-LISTED ESSENTIAL COURSES ARE**  
16 **CONSIDERED ESSENTIAL.**

17           **(4)** ~~(3)~~—~~A~~ **SUBJECT TO SECTION 6(4)(II),** A minor enrolled as  
18 described in this section is a part-time pupil for purposes of  
19 state school aid under this act.

20           **(5)** ~~(4)~~—A district that receives a written request to provide  
21 instruction under subsection (2) shall reply to the request in  
22 writing by May 1 immediately preceding the applicable school year  
23 or, if the request is made after March 1 immediately preceding that  
24 school year, within 60 days after the nonpublic school submits the  
25 request. The written reply shall specify whether the district  
26 agrees to provide or does not agree to provide the instruction for  
27 each portion of instruction included in the request.



~~(5) The department shall establish a workgroup consisting of staff from the department, staff from the center, pupil accounting staff from districts and intermediate districts, other applicable staff from districts and intermediate districts, representatives from nonpublic schools, and representatives from home schools to examine the issue of providing a uniform definition of nonessential elective courses, and also to provide a uniform definition of a part-time pupil for the purposes of this section.~~

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2016 PA 249 and this amendatory act, for fiscal year 2016-2017 is estimated at \$12,327,744,400.00, and state appropriations for school aid to be paid to local units of government for fiscal year 2016-2017 are estimated at \$12,163,829,600.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory act, for fiscal year 2017-2018 is estimated at \$12,602,983,000.00, and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at \$12,432,712,900.00.

Enacting section 2. Sections 11o, 11r, 20g, 21, 21g, 31c, 31h, 35, and 63 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611o, 388.1611r, 388.1620g, 388.1621, 388.1621g, 388.1631c,

1 388.1631h, 388.1635, and 388.1663, are repealed effective October  
2 1, 2017.

3 Enacting section 3. (1) Except as otherwise provided in  
4 subsection (2), this amendatory act takes effect October 1, 2017.

5 (2) Sections 11, 11m, 11r, 11s, 15, 20g, 22a, 22b, 22g, 26a,  
6 31f, 39a, 51a, 51c, 51d, 56, 61b, 62, and 152b of the state school  
7 aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611m, 388.1611r,  
8 388.1611s, 388.1615, 388.1620g, 388.1622a, 388.1622b, 388.1622g,  
9 388.1626a, 388.1631f, 388.1639a, 388.1651a, 388.1651c, 388.1651d,  
10 388.1656, 388.1661b, 388.1662, and 388.1752b, as amended by this  
11 amendatory act, and sections 99c and 99r of the state school aid  
12 act of 1979, MCL 388.1699c and 388.1699r, as added by this  
13 amendatory act, take effect upon enactment of this amendatory act.